

**VERMILION PARISH POLICE JURY**

Abbeville, Louisiana

Financial Report

Year Ended December 31, 2018



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## INDEPENDENT AUDITOR'S REPORT

To the Members of the Police Jury  
Vermilion Parish  
Abbeville, Louisiana

### Report on the Financial Statements

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

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

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

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

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

In our opinion, because of the significance of the matter described in the "Basis for Adverse Opinion on Discretely Presented Component Units" paragraph, the financial statements referred to above do not present fairly the financial position of the discretely presented component units of the Vermilion Parish Police Jury, as of December 31, 2018, or the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Unmodified Opinions**

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

## **Change in Accounting Principle**

As described in Note 23 to the financial statements, in 2018, the Police Jury adopted new accounting guidance, *GASBS No. 75, Accounting and Financial Reporting for Postemployment Benefits other Than Pensions*. Our opinion is not modified with respect to this matter.

## **Other Matters**

### *Required Supplementary Information*

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

The Vermilion Parish Police Jury has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Vermilion Parish Police Jury's basic financial statements. The other supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

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

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

In accordance with *Government Auditing Standards*, we have also issued a report dated June 14, 2019 on our consideration of the Vermilion Parish Police Jury's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Vermilion Parish Police Jury's internal control over financial reporting and compliance.

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

Abbeville, Louisiana  
June 14, 2019

## **BASIC FINANCIAL STATEMENTS**

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

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VERMILION PARISH POLICE JURY  
Abbeville, Louisiana

Statement of Net Position  
December 31, 2018

	Primary Government	Component Units	
	Governmental Activities	Criminal Court Fund	Tourist Commission
ASSETS			
Cash and interest-bearing deposits	\$ 53,420,316	\$ 72,378	\$ 180,336
Receivables, net	6,743,694	-	10,016
Due from component unit	630	-	-
Due from other governmental units	884,020	13,360	-
Prepaid expenses	46,457	-	-
Capital assets:			
Non-depreciable	4,074,520	-	-
Depreciable, net	77,981,617	-	-
Other assets:			
Net pension asset	555,357	-	4,401
Total assets	143,706,611	85,738	194,753
DEFERRED OUTFLOWS OF RESOURCES			
Pension related	1,253,589	-	11,524
LIABILITIES			
Accounts and other payables	1,861,947	3,273	7,890
Contracts payable	126,900	-	-
Retainage payable	102,801	-	-
Due to primary government	-	630	-
Accrued interest payable	5,816	-	-
Long-term liabilities:			
OPEB	3,894,350	-	-
Net pension liability	190,624	-	-
Due within one year	435,000	-	-
Due in more than one year	2,378,858	-	-
Total liabilities	8,996,296	3,903	7,890
DEFERRED INFLOWS OF RESOURCES			
Pension related	1,725,646	-	13,412
OPEB related	242,155	-	-
Deferred revenues	629,212	-	-
Total deferred inflows of resources	2,597,013	-	13,412
NET POSITION			
Net investment in capital assets	81,621,137	-	-
Restricted for:			
Debt service	391,145	-	-
Public safety	649,702	-	-
Public works	9,335,977	-	-
Tax dedications	39,318,821	-	-
Unrestricted	2,050,109	81,835	184,975
Total net position	\$ 133,366,891	\$ 81,835	\$ 184,975

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

VERMILION PARISH POLICE JURY  
Abbeville, Louisiana

Statement of Activities  
For the Year Ended December 31, 2018

Activities	Expenses	Program Revenues			Net (Expense) Revenues and Changes in Net Position		
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Governmental Activities	Component Units Criminal Court Fund      Tourist Commission	
Primary government:							
Governmental activities:							
General government	\$ 4,495,530	\$ 365	\$ -	\$ -	\$ (4,495,165)	\$ -	\$ -
Public works	12,491,676	-	528,145	5,320,187	(6,643,344)	-	-
Public safety	3,872,157	892,175	-	-	(2,979,982)	-	-
Sanitation and waste disposal	6,487,131	791,270	-	-	(5,695,861)	-	-
Health and welfare	1,847,897	37,999	-	-	(1,809,898)	-	-
Economic development	13,163	-	-	-	(13,163)	-	-
Culture and recreation	137,387	-	-	-	(137,387)	-	-
Interest on long-term debt	21,351	-	-	-	(21,351)	-	-
Total governmental activities	<u>\$ 29,366,292</u>	<u>\$ 1,721,809</u>	<u>\$ 528,145</u>	<u>\$ 5,320,187</u>	<u>\$ (21,796,151)</u>	<u>\$ -</u>	<u>\$ -</u>
Component units:							
Criminal Court Fund	\$ 175,124	\$ 200,060	\$ -	\$ -	\$ -	\$ 24,936	\$ -
Tourist Commission	247,621	-	9,703	-	-	-	(237,918)
Total component units	<u>\$ 422,745</u>	<u>\$ 200,060</u>	<u>\$ 9,703</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,936</u>	<u>\$ (237,918)</u>

(continued)

VERMILION PARISH POLICE JURY  
Abbeville, Louisiana

Statement of Activities (Continued)  
For the Year Ended December 31, 2018

General revenues:			
Taxes -			
Property taxes, levied for general purposes	4,885,628	-	-
Property taxes, levied for debt service	156,613	-	-
Sales and use taxes, levied for general purposes	11,489,070	-	55,227
Severance tax	1,037,230	-	-
Franchise tax	139,106	-	-
Beer taxes	8,527	-	-
Grants and contributions not restricted to specific programs -			
State revenue sharing	363,422	-	-
Fire insurance rebate	238,545	-	-
Occupational licenses and other permits	560,469	-	-
Nonemployer pension contributions	81,287	-	441
Interest income	939,284	805	267
Miscellaneous	429,713	-	13,849
Gain on sale of capital assets	3,218	-	-
Total general revenues and transfers	<u>20,332,112</u>	<u>805</u>	<u>69,784</u>
Change in net position	(1,464,039)	25,741	(168,134)
Net position - beginning, restated	<u>134,830,930</u>	<u>56,094</u>	<u>353,109</u>
Net position - ending	<u>\$ 133,366,891</u>	<u>\$ 81,835</u>	<u>\$ 184,975</u>

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

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**FUND FINANCIAL STATEMENTS (FFS)**

VERMILION PARISH POLICE JURY  
Abbeville, Louisiana

Balance Sheet  
Governmental Funds  
December 31, 2018

	General	1976 Sales Tax Fund	1978 Sales Tax Fund	1994 Sales Tax Fund
<b>ASSETS</b>				
Cash and interest-bearing deposits	\$ 1,865,362	\$ 9,412,614	\$ 13,025,927	\$ 12,851,329
Accounts receivable	-	-	-	21,733
Taxes receivable, net	981,729	629,026	629,026	629,026
Accrued interest receivable	-	20,155	23,426	52,001
Due from other funds	221,604	974	113,470	-
Due from component unit	111	-	-	-
Due from other governmental units	111,166	-	-	-
Other receivables	47,549	-	-	-
Prepaid expenses	-	1,345	-	5,516
Total assets	\$3,227,521	\$ 10,064,114	\$ 13,791,849	\$ 13,559,605
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 133,791	\$ 10,568	\$ 34,879	\$ 833,422
Contracts payable	-	-	55,935	-
Retainage payable	-	-	76,050	-
Accrued liabilities	16,694	5,624	3,415	29,142
Due to other funds	971,512	4,473	1,200	67,787
Other liabilities	309,628	-	-	-
Total liabilities	1,431,625	20,665	171,479	930,351
Deferred inflows of resources:				
Deferred revenues	151,688	-	-	13,271
Fund balances -				
Nonspendable - prepaid	-	1,345	-	5,516
Restricted	-	10,042,104	13,620,370	12,610,467
Assigned	37,141	-	-	-
Unassigned	1,607,067	-	-	-
Total fund balances	1,644,208	10,043,449	13,620,370	12,615,983
Total liabilities, deferred inflows of resources, and fund balances	\$3,227,521	\$ 10,064,114	\$ 13,791,849	\$ 13,559,605

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

Royalty Road Fund	Parishwide Public Improvement Maintenance Fund	Project Account Fund	Other Governmental Funds	Total
\$ 6,730,755	\$ 701,686	\$ 332,168	\$ 8,500,475	\$ 53,420,316
-	-	-	131,983	153,716
-	879,357	-	2,621,047	6,369,211
7,112	-	-	1,149	103,843
84,830	48,611	-	851,187	1,320,676
519	-	-	-	630
170,165	106,635	201,211	294,843	884,020
-	42,394	26,981	-	116,924
24,029	15,065	-	502	46,457
<u>\$ 7,017,410</u>	<u>\$ 1,793,748</u>	<u>\$ 560,360</u>	<u>\$ 12,401,186</u>	<u>\$ 62,415,793</u>
\$ 11,250	\$ 99,662	\$ 163,071	\$ 125,492	\$ 1,412,135
-	-	-	70,965	126,900
-	-	-	26,751	102,801
-	37,786	-	47,523	140,184
-	44,609	229,575	1,520	1,320,676
-	-	-	-	309,628
<u>11,250</u>	<u>182,057</u>	<u>392,646</u>	<u>272,251</u>	<u>3,412,324</u>
-	65,821	153,389	245,043	629,212
24,029	15,065	-	502	46,457
-	1,530,805	14,325	11,883,390	49,701,461
6,982,131	-	-	-	7,019,272
-	-	-	-	1,607,067
<u>7,006,160</u>	<u>1,545,870</u>	<u>14,325</u>	<u>11,883,892</u>	<u>58,374,257</u>
<u>\$ 7,017,410</u>	<u>\$ 1,793,748</u>	<u>\$ 560,360</u>	<u>\$ 12,401,186</u>	<u>\$ 62,415,793</u>

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VERMILION PARISH POLICE JURY  
Abbeville, Louisiana

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

Total fund balances for governmental funds		\$ 58,374,257
Capital assets, net		82,056,137
Long-term liabilities:		
Bonds payable	\$ (435,000)	
Landfill postclosure cost	(2,378,858)	
Accrued interest payable	<u>(5,816)</u>	(2,819,674)
Pension:		
Net pension liability/asset	364,733	
Deferred inflows of resources	(1,725,646)	
Deferred outflows	<u>1,253,589</u>	(107,324)
OPEB:		
Net OPEB liability/asset	(3,894,350)	
Deferred inflows of resources	<u>(242,155)</u>	<u>(4,136,505)</u>
Net position		<u>\$ 133,366,891</u>

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

VERMILION PARISH POLICE JURY  
Abbeville, Louisiana

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

	General	1976 Sales Tax Fund	1978 Sales Tax Fund	1994 Sales Tax Fund
Revenues:				
Taxes -				
Ad valorem	\$ 1,123,121	\$ -	\$ -	\$ -
Sales and use	-	3,829,690	3,829,690	3,829,690
Licenses and permits	511,577	-	-	48,892
Intergovernmental revenues -				
Federal grants	152,556	66,783	-	304
State funds -				
State revenue sharing	117,293	-	-	-
Other	1,309,607	-	-	-
Fees, charges and commissions	416,247	-	-	791,270
Interest income	26,590	188,643	211,196	249,042
Miscellaneous	236,372	-	627	14,439
Total revenues	3,893,363	4,085,116	4,041,513	4,933,637
Expenditures:				
Current -				
General government:				
Legislative	335,880	-	-	-
Judicial	1,725,707	-	-	-
Elections	94,783	-	-	-
Finance and administration	736,880	52,130	52,130	52,130
Other	723,479	-	-	-
Public works	66,081	251,046	-	-
Public safety	1,105,289	497,113	619,649	-
Sanitation, sewerage, and waste disposal	-	-	-	6,439,039
Health and welfare	166,873	967,736	-	-
Economic development and assistance	13,163	-	-	-
Culture and recreation	1,498	-	135,275	-
Capital outlay	95,000	94,555	1,172,601	1,167,988
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	5,064,633	1,862,580	1,979,655	7,659,157
(Deficiency) excess of revenues over expenditures	(1,171,270)	2,222,536	2,061,858	(2,725,520)
Other financing sources (uses):				
Proceeds from sale of assets	-	3,220	-	-
Transfers in	786,043	-	51,000	2,500,000
Transfers out	(65,000)	(2,500,000)	(2,500,000)	(800,000)
Total other financing sources (uses)	721,043	(2,496,780)	(2,449,000)	1,700,000
Net change in fund balances	(450,227)	(274,244)	(387,142)	(1,025,520)
Fund balance, beginning	2,094,435	10,317,693	14,007,512	13,641,503
Fund balances, ending	\$ 1,644,208	\$ 10,043,449	\$ 13,620,370	\$ 12,615,983

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

Royalty Road Fund	Parishwide Public Improvement Maintenance Fund	Project Account Fund	Other Governmental Funds	Total
\$ -	\$ 992,047	\$ -	\$ 2,927,073	\$ 5,042,241
-	-	-	-	11,489,070
-	-	-	-	560,469
-	16,512	2,518,221	1,963,522	4,717,898
-	87,230	-	158,899	363,422
530,458	574,671	-	-	2,414,736
-	-	-	930,174	2,137,691
108,118	7,502	-	148,193	939,284
-	13,600	125,242	39,433	429,713
<u>638,576</u>	<u>1,691,562</u>	<u>2,643,463</u>	<u>6,167,294</u>	<u>28,094,524</u>
-	-	-	-	335,880
-	-	-	-	1,725,707
-	-	-	-	94,783
209,897	105,726	-	271,467	1,480,360
-	-	-	-	723,479
52,345	4,139,270	2,067,870	1,801,490	8,378,102
-	-	-	885,273	3,107,324
-	-	-	-	6,439,039
-	-	-	664,016	1,798,625
-	-	-	-	13,163
-	-	-	-	136,773
326,936	613,442	249,368	95,751	3,815,641
-	-	-	415,000	415,000
-	-	-	31,980	31,980
<u>589,178</u>	<u>4,858,438</u>	<u>2,317,238</u>	<u>4,164,977</u>	<u>28,495,856</u>
<u>49,398</u>	<u>(3,166,876)</u>	<u>326,225</u>	<u>2,002,317</u>	<u>(401,332)</u>
-	-	-	-	3,220
200,484	4,200,967	15,237	65,000	7,818,731
<u>(1,300,000)</u>	<u>(51,000)</u>	<u>(1,280)</u>	<u>(601,451)</u>	<u>(7,818,731)</u>
<u>(1,099,516)</u>	<u>4,149,967</u>	<u>13,957</u>	<u>(536,451)</u>	<u>3,220</u>
(1,050,118)	983,091	340,182	1,465,866	(398,112)
<u>8,056,278</u>	<u>562,779</u>	<u>(325,857)</u>	<u>10,418,026</u>	<u>58,772,369</u>
<u>\$ 7,006,160</u>	<u>\$ 1,545,870</u>	<u>\$ 14,325</u>	<u>\$ 11,883,892</u>	<u>\$ 58,374,257</u>

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

VERMILION PARISH POLICE JURY  
Abbeville, 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 changes in fund balances per Statement of Revenues, Expenditures and Changes in Fund Balances		\$ (398,112)
Capital assets:		
Capital outlay	\$3,815,641	
Depreciation expense	<u>(5,116,648)</u>	(1,301,007)
Transactions involving capital assets:		
Proceeds on disposal of assets	(3,220)	
Gain on disposal	3,218	
Capital contributions to other government entities	<u>(420,896)</u>	(420,898)
Long-term debt:		
Principal payments		415,000
Increase in landfill postclosure costs		324,911
Decrease in accrued interest payable		5,549
The effect of recording net pension and OPEB liability/asset, and the related deferred outflows of resources, and deferred inflows of resources:		
Change in pension expense	(232,970)	
Change in OPEB expense	62,201	
Nonemployer pension contribution revenue recognized	<u>81,287</u>	<u>(89,482)</u>
Changes in net position per Statement of Activities		<u>\$ (1,464,039)</u>

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

VERMILION PARISH POLICE JURY  
Abbeville, Louisiana

Notes to Basic Financial Statements

(1) Summary of Significant Accounting Policies

The accompanying financial statements of the Vermilion Parish Police Jury (Police Jury) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

The land area of Vermilion Parish is 1173.9 square miles and has a population of 57,999 people. The Police Jury currently employs approximately 244 people.

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 its own government; to regulate the construction and maintenance of roads, bridges, and drainage systems; to regulate the sale of alcoholic beverages; and to provide for the health and welfare of the poor, disadvantaged and unemployed in the parish. Funding to accomplish these tasks is provided by ad valorem taxes, sales and use tax, beer and alcoholic beverage permits, occupational license, state revenue sharing and various other state and federal grants.

A. Financial Reporting Entity

The financial reporting entity should consist of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statement to be misleading or incomplete. These financial statements include the primary government and two component units as follows:

Primary government:

Vermilion Parish Police Jury is the governing authority for Vermilion Parish and is a political subdivision of the State of Louisiana. The Police Jury is governed by 14 jurors representing the various districts within the parish. The jurors serve four-year terms that expire when the first meeting is held in January of 2020.

VERMILION PARISH POLICE JURY  
Abbeville, Louisiana

Notes to Basic Financial Statements

Individual component units:

Blended component unit -

Communication District – The voters of Vermilion Parish approved the establishment of a 911 Communication District in 1993. The District is funded primarily by fees added to customers' telephone bills. The Police Jury is currently the commissioner of the District. Although it is legally separate from the Police Jury, the District is reported as if it were part of the primary government because its governing body is the same as the governing body of the Police Jury.

Discretely presented component units -

The component unit column in the combined financial statements includes the financial data of some of the Police Jury's component units. They are reported in a separate column to emphasize that they are legally separate from the Police Jury. Other political subdivisions, as detailed below, which would be required to be included, based on current standards, issue separate financial statements, which have not been included in these financial statements, and can be obtained from the individual entities. Those entities are as follows:

Consolidated Gravity Drainage District No. 1  
Consolidated Gravity Drainage District No. 2-A  
Coulee Baton Gravity Drainage District No. 1  
Coulee Des Jonc Gravity Drainage District  
Coulee Kinney Gravity Drainage District  
Gravity Drainage District No. 2  
Gueydan Sub-Drainage District No. 5  
Isle Maronne Gravity Drainage District No. 1  
Prairie Gregg Gravity Drainage District No. 2  
Seventh Ward Gravity Drainage District No. 2  
Waterworks District No. 1  
Pecan Island Waterworks District No. 3  
Parish Library  
Fire Protection District No. 7  
Hospital Service District No. 1  
Hospital Service District No. 2  
Hospital Service District No. 3  
Southeast Waterworks District No. 2  
Pecan Island Fire District No. 16  
Vermilion Economic Development District

The component unit column in the Statement of Net Position and Statement of Activities includes the financial data of two of the Police Jury's component units. The component units are reported in a separate column to emphasize that it is legally separate from the Police Jury and is described below:

- Fifteenth Judicial District Criminal Court - The Criminal Court Fund accounts for the operations of the district court. Funding is provided by fines, forfeits and transfers

VERMILION PARISH POLICE JURY  
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Notes to Basic Financial Statements

from the Police Jury. Due to the nature and significance of the relationship between the district court and the Police Jury, the court is considered a component unit.

-Vermilion Parish Tourist Commission - The Vermilion Parish Tourist Commission was established in 1992 to encourage the development of tourism in Vermilion Parish. There are presently nine commission members who are all appointed by the Police Jury. The primary source of revenue is a 5% hotel/motel tax levied upon the occupancy of hotel and motel rooms and overnight camping facilities.

Other political subdivisions, which would be required to be included, based on current standards, issue separate financial statements, which have not been included in these financial statements. The exclusion of these component units is a departure from generally accepted accounting principles.

In addition, numerous other authorities and governmental entities established within Vermilion Parish have been excluded because control and/or financial responsibility by the Police Jury is considered remote or due to the fact that such entities are governed by separately elected governmental officials. In particular, the three hospital districts in the Parish are considered fiscally independent special purpose governments as they meet the requirements specified in Governmental Accounting Standard Board Standards. Those requirements are that they have the authority to (1) determine their budget without the Police Jury being able to approve or modify it; (2) levy taxes or set rates or charges without approval by the Police Jury; and (3) issue bonded debt without the approval of the Police Jury, other than ministerial or compliance approval.

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

The statement of net position and statement of activities display information about the reporting government as a whole. These statements include all the financial activities of the reporting entity. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The Police Jury has no business-type activities. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Police Jury's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

VERMILION PARISH POLICE JURY  
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Notes to Basic Financial Statements

Fund Financial Statements

The accounts of the Police Jury are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The Police Jury's various funds are classified as governmental funds. The emphasis on fund financial statements is on major governmental funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the Police Jury or meets the following criteria:

- a. Total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The major funds of the Police Jury are described below:

Governmental Funds -

General Fund -

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

1976 Sales Tax Fund -

The 1976 Sales Tax Fund is used to account for funds derived from a 1976 special one-half cent sales and use tax dedicated for the maintenance of solid waste disposal, fire protection, mosquito control and public works facilities.

1978 Sales Tax Fund -

The 1978 Sales Tax Fund is used to account for funds derived from a 1978 special one-half cent sales and use tax dedicated for the maintenance of law enforcement facilities, health unit facilities, cooperative extension service facilities, other public buildings and public roads.

VERMILION PARISH POLICE JURY  
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Notes to Basic Financial Statements

1994 Sales Tax Fund -

The 1994 Sales Tax Fund is used to account for funds derived from a 1994 special one-half cent sales and use tax dedicated for the construction, acquisition, improvements, maintenance and operation of solid waste collection and disposal facilities.

Royalty Road Fund -

Royalty Road Fund is used to account for funds received from the State of Louisiana Royalty Road Fund. These funds are derived from one-tenth of the royalties from mineral leases on state owned lands where production occurred. Expenditures may be made for any lawful purpose.

Parish-wide Public Improvement Maintenance Fund -

The Parish-wide Public Improvement Maintenance Fund is used to account for expenditures in connection with maintenance and upkeep of parish roads, bridges, and ferries. Major means of financing is provided by ad valorem taxes, state revenue sharing, the State of Louisiana Parish Transportation fund and transfers from other revenue sources of the Police Jury.

Project Account Fund -

The Project Account Fund is used to account for costs associated with protecting Vermilion Parish citizens from the impact of coastal hazards associated with natural disasters. These costs are being paid through a Hazard Mitigation grant.

C. Measurement Focus/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” transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide statement of net position and the statement of activities, governmental activities are presented using the economic resources measurement focus as defined in item b. below. In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate:

- a. All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as

VERMILION PARISH POLICE JURY  
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Notes to Basic Financial Statements

their measure of available spendable financial resources at the end of the period.

- b. The government-wide financial statement utilizes an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets, deferred outflows, liabilities, and deferred inflows (whether current or noncurrent) associated with their activities are reported. Government-wide fund equity is classified as net position.

#### Basis of Accounting

In the government-wide statement of net position and statement of activities, governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

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

#### Program revenues

Program revenues included in the Statement of Activities are derived directly from the program itself or from parties outside the Police Jury’s taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the Police Jury’s general revenues.

VERMILION PARISH POLICE JURY  
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Notes to Basic Financial Statements

Allocation of indirect expenses

The Police Jury reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses of other functions are not allocated to those functions, but are reported separately in the Statement of Activities. Depreciation expense is specifically identified by function and is included in the direct expense of each function. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

Revenues

Federal and state entitlements (unrestricted grants-in-aid, which include state revenue sharing) are recorded when available and measurable. Expenditure-driven federal and state grants, which are restricted as to the purpose of the expenditure, are recorded when the reimbursable expenditures have been incurred.

Ad valorem taxes are recorded in the year taxes are due and payable. Ad valorem taxes are assessed in November, by the Parish Assessor, based on the assessed value and become due on November 15 of each year. The taxes are collected by the Sheriff and are remitted to the Police Jury net of deductions for Pension Fund contributions. The taxes become delinquent on January 1, when an enforceable lien attaches to the property. The taxes are generally collected in December, January, and February of the fiscal year. Property tax revenues are accrued at fiscal year-end to the extent that they have been collected but not received by the Vermilion Parish Tax Collector's Office. Such amounts are measurable and available to finance current operations. Any taxes collected after February are recorded as deferred revenue.

Interest income on interest-bearing deposits is recorded or accrued as revenues when earned. Substantially all other revenues are recorded when received.

Expenditures

The Police Jury's primary expenditures include salaries and insurance, which are recorded when the liability is incurred. Capital expenditures and purchases of various operating supplies are regarded as expenditures at the time purchased.

Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid are accounted for as other financing sources (uses) when the transfer is authorized by the members of the Police Jury.

VERMILION PARISH POLICE JURY  
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Notes to Basic Financial Statements

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Equity

Cash and interest-bearing deposits

For purposes of the statement of net position, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposits of the Police Jury.

Under state law, the Police Jury may invest in United States bonds, treasury notes, or certificates.

Interfund receivables and payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as “due to and from other funds.” Short-term interfund loans are reported as “interfund receivables and payables.”

Long-term interfund loans (noncurrent portion) are reported as “advances from and to other funds.” Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position.

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include ad valorem and sales and use taxes.

Ad valorem taxes receivables are reported net of uncollectible amounts. Total uncollectible amounts are as follows:

General	\$ 11,369
Parishwide Public Improvement Maintenance Fund	10,184
Nonmajor Funds	<u>29,942</u>
Total uncollectibles	<u>\$ 51,495</u>

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the governmental activities column in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Police Jury maintains a threshold level of \$5,000 or more for capitalizing capital assets.

VERMILION PARISH POLICE JURY  
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Notes to Basic Financial Statements

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Prior to January 1, 2003, governmental funds' infrastructure assets were not capitalized. These assets have been valued at estimated historical cost.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings and building improvements	40 years
Furniture and equipment	5 years
Infrastructure	40-50 years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

Long-term debt

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

All long-term debt to be repaid from governmental resources is reported as liabilities in the government-wide statements. The long-term debt consists primarily of the bonds payable and certificates of indebtedness.

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

Compensated Absences

Employees of the Police Jury earn from one to four weeks of vacation leave each year, depending on length of service. Vacation leave cannot accumulate and carryover, unless the employee has been denied all or part of his earned vacation leave due to an emergency. In this case, the employee can request in writing to the Parish Administrator to carry over his remaining vacation leave and if approved, the employee must take his carried over vacation leave within 45 days. Upon termination, employees are paid for any unused vacation leave accrued during the year.

Employees of the Police Jury accrue one day of sick leave each month. A total of 148 days can be accumulated. Upon termination, employees are paid for any unused sick leave. However, if an employee leaves under their own free will, all accumulated sick leave lapses.

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Notes to Basic Financial Statements

Due to uncertainty of actual amounts which will be paid for vacation and sick leave, no accruals have been made at December 31, 2018 for such absences.

Deferred Outflows of Resources and Deferred Inflows of Resources

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

In addition to liabilities, the statement of net position and or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Vermilion Parish Police Jury has two types of items that qualify for reporting in this category. The amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The governmental funds report deferred revenues from the following sources:

	Ad valorem Taxes	Rent	Grants	Accounts Receivable	Total
General Fund	\$ 76,688	\$ 75,000	\$ -	\$ -	\$ 151,688
1994 Sales Tax	-	-	-	13,271	13,271
Parishwide Public Improvement Maintenance	65,821	-	-	-	65,821
Project Account	-	-	153,389	-	153,389
Other governmental funds	245,043	-	-	-	245,043
Totals	<u>\$ 387,552</u>	<u>\$ 75,000</u>	<u>\$ 153,389</u>	<u>\$ 13,271</u>	<u>\$ 629,212</u>

Equity Classifications

In the government-wide statements, equity is classified as net position and displayed 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 restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Constraints may be placed on the use, either by (1) external groups

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such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

- c. Unrestricted net position – Net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in either of the other two categories of net position.

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

*Nonspendable* – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

*Restricted* – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

*Committed* – amounts that can be used only for specific purposes determined by a formal action of the Police Jurors. The Jurors are the highest level of decision-making authority for the Vermilion Parish Police Jury. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by board members.

*Assigned* – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the Police Jury's adopted policy, only jurors or the Police Jury's finance committee may assign amounts for specific purposes.

*Unassigned* – all other spendable amounts.

VERMILION PARISH POLICE JURY  
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Notes to Basic Financial Statements

As of December 31, 2018, except for unassigned and nonspendable, fund balances are composed of the following:

	<u>Restricted</u>	<u>Assigned</u>	<u>Total</u>
General			
15th Judicial District	\$ -	\$ 37,141	\$ 37,141
1976 Sales Tax Fund			
Public Works	10,042,104	-	10,042,104
1978 Sales Tax Fund			
Public Works	13,620,370	-	13,620,370
1994 Sales Tax Fund			
Solid Waste - Collection and Disposal	12,610,467	-	12,610,467
Royalty Road			
Public Works	-	6,982,131	6,982,131
Parishwide			
Public Improvement Maintenance	1,530,805	-	1,530,805
Project Account			
Hazard Mitigation	14,325	-	14,325
Other governmental funds			
Debt Service	396,961	-	396,961
Health and Welfare	2,901,143	-	2,901,143
Public Safety	649,702	-	649,702
Capital Projects	850,143	-	850,143
Public Works	6,940,704	-	6,940,704
Other	144,737	-	144,737
Totals	<u>\$ 49,701,461</u>	<u>\$ 7,019,272</u>	<u>\$ 56,720,733</u>

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

E. Revenue Restrictions

The Police Jury has various restrictions placed over certain revenue sources from state or local requirements. The primary restricted revenue sources include:

<u>Revenue Source</u>	<u>Legal Restrictions of Use</u>
Sales taxes	See Note 2

VERMILION PARISH POLICE JURY  
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Notes to Basic Financial Statements

The Police Jury uses unrestricted resources only when restricted resources are fully depleted.

F. Interfund Transfers

Permanent reallocation of resources between funds of the primary government are classified as interfund transfers. For the purposes of the statement of activities, all interfund transfers between individual governmental funds have been eliminated.

G. Capitalization of Interest Expense

It is the policy of the Police Jury to capitalize material amounts of interest resulting from borrowings in the course of the construction of capital assets. At December 31, 2018, there were no borrowings for assets under construction and no capitalized interest expense was recorded on the books.

H. Use of Estimates

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

I. Pensions

The net pension liability/asset, deferred outflows of resources, and deferred inflows of resources related to pensions, and pension expense, (described in more detail in Note 9), has been determined using the flow of economic resources management focus and full accrual basis of accounting. Non-employer contributions are recognized as revenues in the government-wide financial statements. In the governmental fund financial statements contributions are recognized as expenditures when due.

J. Postemployment Benefits Other than pensions (OPEB)

The net OPEB liability, deferred outflows of resources, and deferred inflows of resources related to OPEB, and OPEB expense, (described in more detail in Note 10), has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. In the governmental fund financial statements contributions are recognized as expenditures when due.

(2) Sales and Use Tax

The Police Jury has levied three one-half cent sales and use taxes in the years 1976, 1978, and 1994. The taxes are collected by the Vermilion Parish School Board and are remitted to the Police Jury

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Notes to Basic Financial Statements

monthly, net of any collection expenses. The proceeds of these taxes, as well as other designated funds are dedicated as follows:

1976 one-half cent sales and use tax

Proceeds of this tax are dedicated for the purpose of constructing, acquiring, improving and/or maintaining garbage and waste disposal facilities; constructing, acquiring, improving and/or maintaining mosquito control and abatement facilities; and purchasing and acquiring the necessary land, equipment and furnishing for any of the aforesaid public works improvements and facilities; or for any one or more of said purposes.

1978 one-half cent sales and use tax

Proceeds of this tax are dedicated for the purpose of providing additional revenues for constructing, operating, improving and maintaining public buildings and structures, including, but not limited to, public buildings for the housing of the Parish jail and law enforcement facilities, health unit facilities, Cooperative Extension Service facilities; and constructing, improving and maintaining the road system of the Parish.

1994 one-half cent sales and use tax

Proceeds of this tax are dedicated for the purpose of supplementing other sales tax revenues being collected in the Parish; and constructing, acquiring, improving, maintaining and operating solid waste collection and disposal facilities in the Parish, including the cost of a recycling program.

(3) Cash and Interest-Bearing Deposits

Under state law, the Police Jury may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Police Jury may invest in certificates and time deposits of the state banks organized under Louisiana law and national banks having principal offices in Louisiana.

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These deposits are stated at cost, which approximates market. Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the Police Jury's deposits may not be recovered or will not be able to recover the collateral securities that are in the possession of an outside party. The Police Jury does not have a policy for custodial credit risk; however, 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 pledging financial institution. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the financial institution. These securities are held in the name of the pledging financial institution in a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) are secured as follows:

Bank balances	<u>\$ 53,966,326</u>
Deposits are secured as follows:	
Federal deposit insurance	\$ 25,679,265
Uninsured and collateral held by the pledging bank, not in the Police Jury's name	<u>28,287,061</u>
 Total	 <u>\$ 53,966,326</u>

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Notes to Basic Financial Statements

(4) Capital Assets

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated:				
Police Jury:				
Land	\$ 2,327,396	\$ -	\$ -	\$ 2,327,396
Construction in progress	<u>5,413,207</u>	<u>1,183,513</u>	<u>4,849,596</u>	<u>1,747,124</u>
Total capital assets, not being depreciated	<u>7,740,603</u>	<u>1,183,513</u>	<u>4,849,596</u>	<u>4,074,520</u>
Capital assets being depreciated				
Police Jury:				
Building and improvements	24,800,267	2,401,297	-	27,201,564
Furniture and equipment	25,057,449	1,256,110	100,948	26,212,611
Infrastructure:				
Road surfaces	137,650,650	2,980,734	-	140,631,384
Bridges and drainage improvements	<u>19,510,490</u>	<u>422,687</u>	<u>-</u>	<u>19,933,177</u>
Total capital assets, being depreciated	<u>207,018,856</u>	<u>7,060,828</u>	<u>100,948</u>	<u>213,978,736</u>
Less accumulated depreciation				
Police Jury:				
Building and improvements	12,487,112	650,679	-	13,137,791
Furniture and equipment	19,888,414	1,381,447	100,946	21,168,915
Infrastructure:				
Road surfaces	92,680,042	2,567,615	-	95,247,657
Bridges and drainage improvements	<u>5,925,849</u>	<u>516,907</u>	<u>-</u>	<u>6,442,756</u>
Total accumulated depreciation	<u>130,981,417</u>	<u>5,116,648</u>	<u>100,946</u>	<u>135,997,119</u>
Total capital assets being depreciated, net	<u>76,037,439</u>	<u>1,944,180</u>	<u>2</u>	<u>77,981,617</u>
Governmental activities, capital assets, net	<u>\$83,778,042</u>	<u>\$ 3,127,693</u>	<u>\$4,849,598</u>	<u>\$82,056,137</u>

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Depreciation expense was charged to governmental activities as follows:

General government	\$ 86,694
Public safety	742,549
Public works	3,856,740
Health and welfare	95,462
Sanitation, sewerage, and waste disposal	333,251
Culture and recreation	<u>1,952</u>
Total depreciation expense	<u>\$ 5,116,648</u>

(5) Accounts and Other Payables

The accounts, salaries, and other payables consisted of the following at December 31, 2018:

Fund	Accounts Payable	Salaries and Payroll Taxes Payable	Other Payables	Total
General	\$ 133,791	\$ 16,694	\$ 309,628	\$ 460,113
1976 Sales Tax Fund	10,568	5,624	-	16,192
1978 Sales Tax Fund	34,879	3,415	-	38,294
1994 Sales Tax Fund	833,422	29,142	-	862,564
Royalty Road Fund	11,250	-	-	11,250
Parishwide Public Improvement				
Maintenance Fund	99,662	37,786	-	137,448
Project Account Fund	163,071	-	-	163,071
Nonmajor Funds	125,492	26,923	20,600	173,015
Component units	<u>6,932</u>	<u>1,385</u>	<u>2,846</u>	<u>11,163</u>
Total	<u>\$ 1,419,067</u>	<u>\$ 120,969</u>	<u>\$ 333,074</u>	<u>\$ 1,873,110</u>

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(6) Long-Term Liabilities

The following is a summary of debt transactions of the Police Jury for the year ended December 31, 2018:

	Beginning Balance	Additions	Deletions	Ending Blance	Due Within One Year
General Obligation Bonds	\$ 850,000	\$ -	\$ 415,000	\$ 435,000	\$ 435,000

Long-term debt payable at December 31, 2018 is composed of the following:

General Obligation

\$3,810,000 General Obligation Refunding Bonds, Series 2005, dated April 1, 2005, for the purpose of purchasing U.S. Government Securities to defease the Parish's outstanding General Obligation Bonds, Series 1999 dated December 1, 1999. The principal is due in annual installments of \$20,000 to \$435,000 through March 1, 2019 at interest rates of 3.00% to 4.00%.

\$ 435,000

The bonds and certificates are due as follows:

Year Ending December 31,	Governmental Activities		Total
	Principal payments	Interest payments	
2019	\$ 435,000	\$ 8,700	\$ 443,700

(7) Outstanding Letter of Credit

At December 31, 2018, the Police Jury had a \$3,100,000 outstanding letter of credit secured by a \$3,100,000 certificate of deposit to cover closure and post closure care costs and a \$1,000,000 outstanding letter of credit secured by a \$1,000,000 certificate of deposit to cover liability insurance related to the landfill as required by the Department of Environmental Quality.

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(8) Leases

Operating leases -

As a lessee, the Police Jury entered into numerous operating leases for the use of equipment with lease terms of one year. The minimum annual commitments under these operating leases are considered to be immaterial. In January 2012, the Vermilion Parish Communication District entered into a lease for the use of public safety answering position equipment and software with AT&T Louisiana for an initial term of sixty (60) months and a monthly payment of \$3,990. The lease has not been renewed and is continuing on a month to month basis. In March 2014 and July 2014, the Police Jury entered into three leases for the use of two excavators and a motor grader for initial terms of three and four years. In February 2015, the Police Jury entered into a lease for the use of a Crawler Dozer for a term of thirty-six months. In January 2016, the Police Jury entered into a lease for the use of an Excavator for a term of thirty-six months. In December of 2016 and March of 2017, the Police Jury entered into a lease for a TAG 48" bucket and a dump truck for a term of three and four years, respectively. In May, July, August, September, and November of 2018, the Police Jury entered into 48 months term leases for two motor graders, two dozers, and an excavator. Rent expense as of December 31, 2018 was \$288,307. The future minimum rental for these agreements are as follows:

2019	\$ 383,110
2020	354,774
2021	283,920
2022	<u>174,432</u>
Total	<u>\$ 1,196,236</u>

(9) Employee Retirement

The Police Jury participates in four cost-sharing multiple-employer, public employee retirement systems (PERS): Parochial Employees' Retirement System of Louisiana (Plan A), Louisiana State Employees' Retirement System, District Attorneys' Retirement System and Registrar of Voters Employees' Retirement System. Each system is administered and controlled by a separate board of trustees.

The employer pension schedules for the retirement systems are prepared using the accrual basis of accounting. Members' earnable compensation, for which the employer allocations are based, is recognized in the period in which the employee is compensated for services performed. For purposes of measuring the net pension liability/asset, deferred outflows or resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Plan, and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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Substantially all Police Jury employees are covered under the Parochial Employees' Retirement System of Louisiana except judges, district attorneys, and registrar of voters, who are covered under the Louisiana State Employees' Retirement System, District Attorneys' Retirement System and Registrar of Voters Employees' Retirement System, respectively. Details concerning these plans follow:

A. Parochial Employees' Retirement System of Louisiana

Plan Description: The Parochial Employees' Retirement System of Louisiana (the System) 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.

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

The Parochial Employees' Retirement System of Louisiana has issued a stand-alone report on their financial statements. Access to the report can be found on the Louisiana Legislative Auditor's website, [www.la.gov](http://www.la.gov).

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

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

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

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

For employees hired prior to January 1, 2007:

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

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For employees hired after January 1, 2007:

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

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

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

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

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

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

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

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

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

For individuals who become eligible to participate in the Deferred Retirement Option Plan on or after January 1, 2004, all amounts which remain credited to the individual's subaccount after termination in DROP will be placed in liquid asset money market investments at the discretion of the board of trustees. These subaccounts may be credited with interest based on money market rates of return or, at the option of the System, the funds may be credited to self-directed subaccounts. The participant in the self-directed portion of this Plan must agree that the

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benefits payable to the participant are not the obligations of the state or the System, and that any returns and other rights of the Plan are the sole liability and responsibility of the participant and the designated provider to which contributions have been made.

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

**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. (RS 11:1937). Lastly, Act 270 of 2009 provided for further reduced actuarial payments to provide an annual 2.5% cost of living adjustment commencing at age 55.

**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% for Plan A.

According to state statute, the System also receives  $\frac{1}{4}$  of 1% of ad valorem taxes collected within the respective parishes, except for Orleans and East Baton Rouge parishes. The System 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 and Tourist Commission recognized \$55,625 and \$441 of non-employer contributions, respectively.

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

At December 31, 2018, the Police Jury and Tourist Commission reported an asset of \$555,357 and \$4,401 for their proportionate share of the net pension asset, which was reported in the governmental activities and component units, respectively. The net pension asset 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

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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 .748211% which was a decrease of .071454% from its proportion measured as of December 31, 2016. At December 31, 2017, the Tourist Commission's proportion was .005929% which was an decrease of .001153% from its proportion measured as of December 31, 2016.

For the year ended December 31, 2018, the Police Jury and Tourist Commission recognized pension expense of \$683,793 and \$5,481, respectively.

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

	Governmental Activities		Component Units	
	Deferred Outflows	Deferred Inflows	Deferred Outflows	Deferred Inflows
Difference between expected and actual experience	\$ -	\$ 359,496	\$ -	\$ 2,849
Change of assumptions	700,943	-	5,554	-
Change in proportion and differences between the employer's contributions and the employer's proportionate share of contributions	-	34,286	76	396
Net differences between projected and actual earnings on plan investments	-	1,283,036	-	10,167
Contributions subsequent to the measurement date	<u>477,033</u>	<u>-</u>	<u>5,894</u>	<u>-</u>
Total	<u>\$ 1,177,976</u>	<u>\$ 1,676,818</u>	<u>\$ 11,524</u>	<u>\$ 13,412</u>

Deferred outflows of resources of \$477,033 and \$5,894 related to pensions resulting from the Police Jury's and Tourist Commission's contributions subsequent to the measurement date, respectively, will be recognized as a reduction of the net pension liability in the year ended December 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

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Year Ended December 30:	Governmental Activities	Tourist Commission
2019	\$ 68,685	\$ 587
2020	(95,751)	(791)
2021	(440,285)	(3,548)
2022	(508,524)	(4,030)
	<u>\$ (975,875)</u>	<u>\$ (7,782)</u>

Actuarial Methods and Assumptions: The net pension liability was measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service, less the amount of the pension plan's fiduciary net position.

A summary of the actuarial methods and assumptions used in determining the total pension liability as of December 31, 2017, are as follows:

Valuation Date	December 31, 2017
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	6.75% (Net of investment expense)
Expected Remaining Service Lives	4 years
Projected Salary Increases	Plan A – 5.25% (2.75% Merit/2.50% inflation)
Cost of Living Adjustment	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 increase not yet authorized by the Board of Trustees.
Mortality	RP-2000 Employee Sex Distinct table was selected for employees. RP-2000 Healthy Annuitant Sex Distinct Tables were selected for annuitants and beneficiaries. RP-2000 Disabled Lives Mortality Table was selected for disabled annuitants.

The discount rate used to measure the total pension asset was 6.75% for Plan A, which was a .25% decrease from the discount rate used as of December 31, 2016. 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

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payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The investment rate of return was 6.75% for Plan A, which was a .25% decrease from the rate used as of December 31, 2016. 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.

Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of December 31, 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%
Totals	100%	5.62%
Inflation		2.00%
Expected Arithmetic Nominal Return		7.62%

The mortality rate assumption used was set based upon an experience study performed on plan data for the period January 1, 2010 through December 31, 2014. The data was 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. 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.

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Sensitivity to Changes in Discount Rate: The following presents the net pension liability of the participating employers calculated using the discount rate of 6.75%, as well as what the employers' 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%
Net Pension Liability (Asset):			
Police Jury	\$ 2,738,112	\$ (555,357)	\$ (3,487,973)
Tourist Commission	\$ 21,697	\$ (4,401)	\$ (27,640)

B. Louisiana State Employees' Retirement System

Plan description: Employees of the Police Jury are provided with pensions through a cost-sharing multiple-employer defined benefit pension plan administered by the Louisiana State Employees' Retirement System (LASERS). The plan was established by Section 401 of Title 11 of the Louisiana Revised Statutes (La. R.S. 11:401) to provide retirement allowances and other benefits to eligible state officers, employees, and their beneficiaries. LASERS issues a publicly available financial report that can be obtained at [www.lasersonline.org](http://www.lasersonline.org).

Retirement Benefits: The age and years of creditable service required in order for a member to retire with full benefits are established by statute, and vary depending on the member's hire date, employer, and job classification. LASERS rank and file members hired prior to July 1, 2006, may either retire with full benefits at any age upon completing 30 years of creditable service or at age 60 upon completing ten years of creditable service depending on their plan. Those members hired between July 1, 2006 and June 30, 2015, may retire at age 60 upon completing five years of creditable service and those hired on or after July 1, 2015 may retire at age 62 upon completing five years of creditable service. The basic annual retirement benefit for members is equal to 2.5% to 3.5% of average compensation multiplied by the number of years of creditable service. Additionally, members may choose to retire with 20 years of service at any age with an actuarially reduced benefit.

Average compensation is defined as the member's average annual earned compensation for the highest 36 consecutive months of employment for members employed prior to July 1, 2006. For members hired July 1, 2006 or later, average compensation is based on the member's average annual earned compensation for the highest 60 consecutive months of employment. The maximum annual retirement benefit cannot exceed the lesser of 100% of average compensation or a certain specified dollar amount of actuarially determined monetary limits, which vary depending upon the member's age at retirement. Judges, court officers, and certain elected officials receive an additional annual retirement benefit equal to 1.0% of average compensation multiplied by the number of years of creditable service in their respective capacity. As an alternative to the basic retirement benefits, a member may elect to receive their retirement

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throughout their life, with certain benefits being paid to their designated beneficiary after their death.

Act 992 of the 2010 Louisiana Regular Legislative Session, changed the benefit structure for LASERS members hired on or after January 1, 2011. This resulted in three new plans: regular, hazardous duty, and judges. The new regular plan includes regular members and those members who were formerly eligible to participate in specialty plans, excluding hazardous duty and judges. Regular members and judges are eligible to retire at age 60 after five years of creditable service and, may also retire at any age, with a reduced benefit, after 20 years of creditable service. Hazardous duty members are eligible to retire with twelve years of creditable service at age 55, 25 years of creditable service at any age or with a reduced benefit after 20 years of creditable service. Average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment for all three new plans. Members in the regular plan will receive a 2.5% accrual rate, hazardous duty plan a 3.33% accrual rate, and judges a 3.5% accrual rate. The extra 1.0% accrual rate for each year of service for court officers, the governor, lieutenant governor, legislators, House clerk, sergeants at arms, or Senate secretary, employed after January 1, 2011, was eliminated by Act 992. Specialty plan and regular members, hired prior to January 1, 2011, who are hazardous duty employees have the option to transition to the new hazardous duty plan.

Act 226 of the 2014 Louisiana Regular Legislative Session established new retirement eligibility for members of LASERS hired on or after July 1, 2015, excluding hazardous duty plan members. Regular members and judges under the new plan are eligible to retire at age 62 after five years of creditable service and, may also retire at any age, with a reduced benefit, after 20 years of creditable service. Average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment. Members in the regular plan will receive a 2.5% accrual rate, and judges a 3.5% accrual rate, with the extra 1.0% accrual rate based on all years of service as a judge.

A member leaving employment before attaining minimum retirement age, but after completing certain minimum service requirements, becomes eligible for a benefit provided the member lives to the minimum service retirement age, and does not withdraw their accumulated contributions. The minimum service requirement for benefits varies depending upon the member's employer and service classification.

Deferred Retirement Benefits: The State Legislature authorized LASERS to establish a Deferred Retirement Option Plan (DROP). When a member enters DROP, their status changes from active member to retiree even though they continue to work and draw their salary for a period of up to three years. The election is irrevocable once participation begins. During DROP participation, accumulated retirement benefits that would have been paid to each retiree are separately tracked. For members who entered DROP prior to January 1, 2004, interest at a rate of one-half percent less than the System's realized return on its portfolio (not to be less than zero) will be credited to the retiree after participation ends. At that time, the member must choose among available alternatives for the distribution of benefits that have accumulated in the DROP account. Members who enter DROP on or after January 1, 2004, are required to participate in LASERS Self-Directed Plan (SDP) which is administered by a third-party provider. The SDP allows DROP participants to choose from a menu of investment options for the allocation of their

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DROP balances. Participants may diversify their investments by choosing from an approved list of mutual funds with different holdings, management styles, and risk factors.

Members eligible to retire and who do not choose to participate in DROP may elect to receive at the time of retirement an initial benefit option (IBO) in an amount up to 36 months of benefits, with an actuarial reduction of their future benefits. For members who selected the IBO option prior to January 1, 2004, such amount may be withdrawn or remain in the IBO account earning interest at a rate of one-half percent less than the System's realized return on its portfolio (not to be less than zero). Those members who select the IBO on or after January 1, 2004, are required to enter the SDP as described above.

Disability Benefits: Generally, active members with ten or more years of credited service who become disabled may receive a maximum disability retirement benefit equivalent to the regular retirement formula without reduction by reason of age.

Upon reaching retirement age, the disability retiree may receive a regular retirement benefit by making application to the Board of Trustees.

For injuries sustained in the line of duty, hazardous duty personnel in the Hazardous Duty Services Plan will receive a disability benefit equal to 75% of final average compensation or 100% of final average compensation if the injury was the result of an intentional act of violence.

Survivor's Benefits: Certain eligible surviving dependents receive benefits based on the deceased member's compensation and their relationship to the deceased. The deceased regular member hired before January 1, 2011 who was in state service at the time of death must have a minimum of five years of service credit, at least two of which were earned immediately prior to death, or who had a minimum of twenty years of service credit regardless of when earned in order for a benefit to be paid to a minor or handicapped child. Benefits are payable to an unmarried child until age 18, or age 23 if the child remains a full-time student. The aforementioned minimum service credit requirement is ten years for a surviving spouse with no minor children, and benefits are to be paid for life to the spouse or qualified handicapped child.

The deceased regular member hired on or after January 1, 2011, must have a minimum of five years of service credit regardless of when earned in order for a benefit to be paid to a minor child. The aforementioned minimum service credit requirements for a surviving spouse are 10 years, 2 years being earned immediately prior to death, and active state service at the time of death, or a minimum of 20 years of service credit regardless of when earned. A deceased member's spouse must have been married for at least one year before death.

A Hazardous Duty Services Plan member's surviving spouse and minor or handicapped or mentally incapacitated child or children are entitled to survivor benefits of 80% of the member's final average compensation if the member was killed in the line of duty. If the member dies in the line of duty as a result of an intentional act of violence, survivor benefits may be creased to 100% of the members average compensation.

Permanent Benefit Increases/Cost of Living Adjustments: As fully described in Title 11 of the Louisiana Revised Statutes, the System allows for the payment of permanent benefit

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increases, also known as cost-of-living adjustments (COLAs), that are funded through investment earnings when recommended by the Board of Trustees and approved by the State Legislature.

**Employer Contributions:** The employer contribution rate is established annually under La. R.S. 11:101-11:104 by the PRSAC, taking into consideration the recommendation of the Systems' Actuary. Each plan pays a separate actuarially-determined employer contribution rate. However, all assets of LASERS are used for the payment of benefits for all classes of members, regardless of their plan membership. Rates for the year ended June 30, 2018 are as follows:

Plan	Plan Status	Employer Contribution Rate
Appellate Law Clerks		
Pre Act 75 (hired before 7/1/2006)	Closed	37.9%
Post Act 75 (hired after 6/30/2006)	Open	37.9%
Alcohol Tobacco Control	Closed	32.7%
Bridge Police	Closed	36.5%
Bridge Police hired on or after 7/1/06	Closed	36.5%
Corrections Primary	Closed	33.2%
Corrections Secondary	Closed	37.6%
Hazardous Duty	Open	38.3%
Judges hired before 1/1/2011	Closed	40.1%
Judges hired after 12/31/2010	Closed	39.6%
Judges hired on or after 7/1/15	Open	39.6%
Legislators	Closed	41.7%
Optional Retirement Plan (ORP)		
Pre Act 75 (hired before 7/1/2006)	Closed	37.9%
Post Act 75 (hired after 6/30/2006)	Closed	37.9%
Peace Officers	Closed	36.7%
Regular Employees hired before 7/1/06	Closed	37.9%
Regular Employees hired on or after 7/1/06	Closed	37.9%
Regular Employees hired on or after 1/1/11	Closed	37.9%

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

At December 31, 2018, the employer reported a liability of \$55,582 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,

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the Police Jury's proportion was .00082%, which was an decrease of .00003% from its proportion measured as of June 30, 2017.

For the year ended December 31, 2018, the Police Jury recognized pension expense of \$4,538.

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

	Governmental Activities	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 623
Change of assumptions	566	-
Change in proportion and differences between the employer's contributions and the employer's proportionate share of contributions	962	1,602
Net differences between projected and actual earnings on plan investments	721	-
Contributions subsequent to the measurement date	<u>2,725</u>	<u>-</u>
Total	<u>\$ 4,974</u>	<u>\$ 2,225</u>

Deferred outflows of resources of \$2,725 related to pensions resulting from Police Jury's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 30:	
2019	\$ 1,640
2020	(55)
2021	(1,358)
2022	<u>(203)</u>
	<u>\$ 24</u>

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:

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Valuation Date	June 30, 2018
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions: Expected Remaining Service Lives	3 years
Investment Rate of Return	7.65% per annum
Inflation Rate	2.75% per annum

Mortality

**Non-disabled members** - Mortality rates based on the RP-2000 Combined Healthy Mortality Table with mortality improvement projected to 2015.

**Disabled members** - Mortality rates based on the RP-2000 Disabled Retiree Mortality Table, with no projection for mortality improvement.

Termination, Disability, and Retirement

Termination, disability, and retirement assumptions were projected based on a five-year (2009-2013) experience study of the System's members.

Salary Increases

Salary increases were projected based on a 2009-2013 experience study of the System's members. The salary increase ranges for specific types of members are:

<u>Member Type</u>	<u>Lower Range</u>	<u>Upper Range</u>
Regular	3.80%	12.80%
Judges	2.80%	5.30%
Corrections	3.40%	14.30%
Hazardous Duty	3.40%	14.30%
Wildlife	3.40%	14.30%

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 projected benefit payments do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.

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Notes to Basic Financial Statements

Discount Rate: The discount rate used to measure the total pension liability was 7.65%, which is a .5% decrease from the previous measurement period.. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate 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.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates 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 of 3.25% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 8.83% for 2018. Best estimates of geometric real rates of return for each major asset class included in the System’s target asset allocation as of June 30, 2018 are summarized in the following table:

Asset Class	Long-term Expected Real Rates of Return
Cash	-0.48%
Domestic Equity	4.31%
International Equity	5.26%
Domestic Fixed Income	1.49%
International Fixed Income	2.23%
Alternative Investments	7.67%
Risk Parity	4.96%
Total fund	5.40%

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Sensitivity to Changes in the Discount Rate: The following presents the employer’s net pension liability using the discount rate of 7.65%, as well as what the employer’s net pension liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate:

	1% Decrease 6.65%	Current Discount Rate 7.65%	1% Increase 8.65%
Net Pension Liability	\$ 70,149	\$ 55,582	\$ 43,037

C. Registrar of Voters Employees’ Retirement System

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

Plan Description: The System was established on January 1, 1955 for the purpose of providing retirement allowances and other benefits as stated under the provisions of R.S. Title 11:2032, as amended, for registrars of voters, their deputies and their permanent employees in each parish. The projection of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through the System in accordance with the benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date.

The Registrar of Voters Employees’ Retirement System of Louisiana issues a stand-alone report on their financial statements. Access to the report can be found on the Louisiana Legislative Auditor’s website, [www.lla.la.gov](http://www.lla.la.gov).

Retirement Benefits: 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.

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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.

**Survivor 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.

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**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.

Cost of living provisions for the System allows the Board of Trustees to provide an annual cost of living increase of 2% 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 60 and have been retired at least one year. Funding criteria for granting cost of living adjustments is dependent on the funded ratio.

**Employer 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%.

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. The Police Jury recognized \$9,281 of non-employer contributions.

Pension Liabilities/Assets, 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 \$74,726 for its proportionate share of the net pension liability, which was reported in the governmental activities. 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 .316580% which was a decrease of .059265% from its proportion measured as of June 30, 2017.

For the year ended December 31, 2018, the Police Jury recognized pension expense of \$14,439.

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

	Governmental Activities	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 11,402
Change of assumptions	12,240	1,123
Change in proportion and differences between the employer's contributions and the employer's proportionate share of contributions	484	11,115
Net differences between projected and actual earnings on plan investments	4,489	-
Contributions subsequent to the measurement date	3,598	-
Total	\$ 20,811	\$ 23,640

Deferred outflows of resources of \$3,598 related to pensions resulting from Police Jury's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31:	
2019	\$ 746
2020	(1,114)
2021	(4,650)
2022	(1,409)
	\$ (6,427)

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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
Actuarial Assumptions:	
Investment Rate of Return	6.50%, net of investment expense
Projected Salary Increases	6.00% (2.4% Inflation)
Mortality Rates	RP-2000 Combined Healthy Mortality Table for active members, healthy annuitants and beneficiaries
	RP-2000 Disabled Lives Mortality Table for disabled annuitants
Expected Remaining Service Lives	5 years
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.

During the year ended June 30, 2018, mortality assumptions were set after reviewing 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. 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.

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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 Return Arithmetic Basis	Long-term Expected Portfolio Real Rate of Return
Domestic Equities	40%	7.50%	3.00%
International Equities	20%	8.50%	1.70%
Domestic Fixed Income	12.50%	2.50%	0.31%
International Fixed Income	10%	3.50%	0.35%
Alternative Investments	10%	6.33%	0.63%
Real Estate	7.50%	4.50%	0.34%
Totals	<u>100%</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 is a .25% decrease from the previous measurement period. 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 to Changes in Discount Rate: The following table presents the net pension liability of the participating employers calculated using the discount rate of 6.50%, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage point lower, or one percentage point higher than the current rate.

	1% Decrease 5.50%	Current Discount Rate 6.50%	1% Increase 7.50%
Net Pension Liability	\$ 114,607	\$ 74,726	\$ 40,517

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D. District Attorneys' Retirement System

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

The District Attorneys' Retirement System issues a stand-alone report on their financial statements. Access to the report can be found on the Louisiana Legislative Auditor's website, [www.la.la.gov](http://www.la.la.gov).

Eligibility Requirements: 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 Louisiana District Attorneys' Board of Trustees. The projection of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through the System in accordance with the benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date.

Retirement Benefits: 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.

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**Survivor 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.

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.

The Board of Trustees is authorized to grant retired members and surviving beneficiaries of members who have retired an annual cost of living increase of 3% of their original benefit, (not to exceed sixty dollars per month) and all retired members and surviving beneficiaries 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 thirty-six months or the service accrued between the time a member first becomes eligible for retirement and his actual date of retirement. At retirement, the member's maximum monthly retirement benefit is based upon his service, final average compensation, and plan provisions in effect on the last day of creditable service immediately prior to the commencement of the Back-DROP period. In addition to 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.

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Prior to January 1, 2009, eligible members could elect to participate in the Deferred Retirement Option Program (DROP) for up to thirty-six months in lieu of terminating employment and accepting a service benefit. During participation in the DROP, employer contributions were payable and employee contributions were reduced to half 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.

**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.

**Employer 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%. This rate increased to 1.25% for December 31, 2018.

**Non-Employer Contributions:** In accordance with state statute, the System receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities. Non-employer contributions are recognized as revenue and excluded from pension expense for the year ended December 31, 2018. The Police Jury recognized \$16,381 of non-employer pension contributions.

Pension Liabilities/Assets, 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 \$60,316 for its proportionate share of the net pension liability, which was reported in the governmental activities. 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 .187437% which was an increase of .0021194% from its proportion measured as of June 30, 2017.

For the year ended December 31, 2018, the Police Jury recognized pension expense of \$19,785.

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

	Governmental Activities	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 324	\$ 8,762
Change of assumptions	36,585	3,978
Change in proportion and differences between the employer's contributions and the employer's proportionate share of contributions	7,410	10,223
Net differences between projected and actual earnings on plan investments	5,050	-
Contributions subsequent to the measurement date	459	-
Total	\$ 49,828	\$ 22,963

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

Year Ended December 30:	
2019	\$ 11,521
2020	4,855
2021	1,835
2022	2,771
2023	5,424
	\$ 26,406

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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:	
Investment Rate of Return	6.50%, net of investment expense
Projected Salary Increases	5.50% (2.40% Inflation, 3.10% Merit)
Mortality Rates	RP-2000 Combined Healthy with White Collar Adjustment Sex Distinct Tables (set back 1 year for females) for employees, annuitants, and beneficiaries.  RP 2000 Disabled Lives Mortality Table (set back 5 years for males and 3 years for females) for disabled annuitants.
Expected Remaining Service Lives	6 years
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.

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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, 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%	
Cash	0.48%	0.50%	
System Total	<u>100.00%</u>		6.95%
Inflation			<u>2.50%</u>
Expected Arithmetic Nominal Return			<u>9.45%</u>

The discount rate used to measure the total pension liability was 6.50%, which is a .5% decrease from the previous measurement period. 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 to Changes in Discount Rate: The following table presents the net pension liability of the participating employers calculated using the discount rate of 6.50%, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage point lower, or one percentage point higher than the current rate.

	1% Decrease 5.50%	Current Discount Rate 6.50%	1% Increase 7.50%
Net Pension Liability	\$ 162,396	\$ 60,316	\$ (26,528)

VERMILION PARISH POLICE JURY  
Abbeville, Louisiana

Notes to Basic Financial Statements

(10) Post-Retirement Health Care Insurance Benefits

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

Benefits Provided – Medical and life insurance benefits are provided through comprehensive plans and are made available to employees upon actual retirement. Employees retirement eligibility (D.R.O.P. entry) provisions are as follows: Employees are covered by the Parochial Employees' Retirement System of Louisiana, whose retirement eligibility (D.R.O.P. entry) provisions are as follows: 30 years of service at any age; age 55 and 25 years of service; age 60 and 10 years of service; or, age 65 and 7 years of service. For employees hired on and after January 1, 2007 retirement eligibility (D.R.O.P. entry) provisions are as follows: age 55 and 30 years of service; age 62 and 10 years of service; or, age 67 and 7 years of service.

Life insurance coverage is provided to retirees and 100% of the blended rate (active and retired) is paid by the employer. A level \$5,000 amount of insurance coverage while active is continued after retirement until age 65.

Employees covered by benefit terms – At December 31, 2018, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	38
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	96
	134

Total OPEB Liability

The Police Jury’s total OPEB liability of \$3,894,350 was measured as of December 31, 2018 and was determined by an actuarial valuation as of that date.

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

Inflation	2.5%
Salary increases	3.0%, including inflation
Discount Rate	3.44% annually (Beginning of Year to Determine ADC)
	4.10%, annually (As of End of Year Measurement Date)
Healthcare cost trend rates	Flat 5.5% annually

VERMILION PARISH POLICE JURY  
Abbeville, Louisiana

Notes to Basic Financial Statements

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

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

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

Changes in the Total OPEB Liability

Total OPEB obligation - beginning of year, as restated	<u>\$ 4,198,706</u>
Changes for the year:	
Service cost	61,478
Interest	145,493
Difference between expected and actual experience	(70,480)
Changes in assumptions	(206,269)
Benefit payments and net transfers	<u>(234,578)</u>
Net changes	<u>(304,356)</u>
Total OPEB obligation - end of year	<u>\$ 3,894,350</u>

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

	1.0% Decrease (3.1%)	Current Discount Rate (4.1%)	1.0% Increase (5.1%)
Total OPEB liability	\$ 4,202,630	\$ 3,894,350	\$ 3,624,340

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates – The following presents the total OPEB liability of the Police Jury, as well as what the Police Jury's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (4.5%) or 1-percentage-point higher (6.5%) than the current healthcare trend rates:

	1.0% Decrease (4.5%)	Current Discount Rate (5.5%)	1.0% Increase (6.5%)
Total OPEB liability	\$ 3,636,623	\$ 3,894,350	\$ 4,185,688

VERMILION PARISH POLICE JURY  
Abbeville, Louisiana

Notes to Basic Financial Statements

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

For the year ended December 31, 2018, the Police Jury recognized OPEB expense of \$172,377. At December 31, 2018, the Police Jury reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between expected and actual experience	\$ -	\$ 61,670
Changes of assumptions	-	180,485
Total	\$ -	\$ 242,155

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

Year Ended			
2019			\$ (34,594)
2020			(34,594)
2021			(34,594)
2022			(34,594)
2023			(34,594)
Thereafter			(69,185)
Total			\$(242,155)

(11) Litigation and Claims

The Police Jury is subject to various lawsuits and claims, many of which arise in the normal course of business. Although their outcome is not presently determinable, it is the opinion of legal counsel that resolution of these matters will not have a material adverse effect on the financial condition of the Police Jury.

The Police Jury also owns and operates a parish landfill. As of December 31, 2018, the Jury was not aware of any environmental liabilities with respect to the landfill, not already recognized in the financial statements. Nor was the Police Jury aware of any environmental issues regarding any other properties or holdings of the parish.

VERMILION PARISH POLICE JURY  
Abbeville, Louisiana

Notes to Basic Financial Statements

(12) Closure and Post Closure Care Costs

The Vermilion Parish Police Jury landfill began operations in 1978. State and federal laws and regulations require the Police Jury to place a final cover on its landfill when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. The estimated closure and post closure cost to be recognized is \$2,378,858. The Police Jury also owns adjacent property which has been approved for the relocation of their landfill operations after the present site is closed; that property is not yet permitted and therefore, an estimate of closure and post closure costs is not currently required.

Although closure and post closure costs will be paid only near or after the date that the landfill stops accepting waste, generally accepted accounting principles require the Police Jury to report a portion of these costs as a liability in its general long-term liabilities based on landfill capacity. At December 31, 2018, capacity used was estimated at 3,501,143 cubic yards, while total capacity was estimated at 4,458,320 cubic yards. The percentage of landfill capacity used to date is approximately 79%. The Police Jury expects to close the landfill in approximately fourteen years based on the existing permitted capacity. Actual costs may be higher due to inflation, changes in technology or changes in regulations.

(13) Federal Compliance Contingencies

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

(14) 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; and natural disasters for which the Police Jury carries commercial insurance. There have been no significant reductions in the insurance coverage during the year.

(15) Compensation, Benefits and Other Payments to Parish Administrator

Compensation, benefits, and other payments paid to Keith Roy, Parish Administrator, are as follows:

Purpose	Amount
Salary	\$ 67,788
Benefits - retirement	6,440
Cell phone	898
Registration fees	382
Conference travel	17
	\$ 75,525

VERMILION PARISH POLICE JURY  
Abbeville, Louisiana

Notes to Basic Financial Statements

(16) Compensation of Police Jurors

A summary of compensation paid to police jurors for the year ended December 31, 2018, follows:

Dane Hebert	\$ 19,200
Jason Picard	19,200
Brent Landry	19,200
Ronald Darby	19,200
Richard Wayne Touchet	19,200
Mark Poche	19,200
Paul Bourgeois	19,200
Errol Domingues	19,200
Kevin Sagrera	24,000
Ronald Menard	19,200
Pervis Gaspard	19,200
Cloris Boudreaux	19,200
Sandrus Stelly	19,200
Leon Broussard	19,200
	<u>\$ 273,600</u>

VERMILION PARISH POLICE JURY  
Abbeville, Louisiana

Notes to Basic Financial Statements

(17) Interfund Transactions

A. Receivables and Payables

A summary of interfund receivables and payables at December 31, 2018 follows:

	Interfund Receivables	Interfund Payables
General Fund	\$ 221,604	\$ 971,512
1976 Sales Tax	974	4,473
1978 Sales Tax	113,470	1,200
1994 Sales Tax	-	67,787
Royalty Road	84,830	-
Parishwide Public Improvement Maintenance	48,611	44,609
Project Account Fund	-	229,575
Total major governmental funds	469,489	1,319,156
Other governmental funds	851,187	1,520
Total	\$ 1,320,676	\$ 1,320,676

The above amounts are for reimbursements owed for expenditures paid for those funds, amounts owed to the general fund for workers compensation, and for short-term loans.

B. Transfers consisted of the following at December 31, 2018:

	Transfers In	Transfers Out
General Fund	\$ 786,043	\$ 65,000
1976 Sales Tax	-	2,500,000
1978 Sales Tax	51,000	2,500,000
1994 Sales Tax	2,500,000	800,000
Royalty Road	200,484	1,300,000
Parishwide Public Improvement Maintenance	4,200,967	51,000
Project Account	15,237	1,280
Total major funds	7,753,731	7,217,280
Other governmental funds	65,000	601,451
Total	\$ 7,818,731	\$ 7,818,731

Transfers are used to (a) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and to (b) use unrestricted

VERMILION PARISH POLICE JURY  
Abbeville, Louisiana

Notes to Basic Financial Statements

revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

(18) Wireless E911 Service Status

In accordance with LRS 33:9101 et seq, following is a summary of revenues derived from wireless services charges, how much were expended, and the progress of Phase I implementation as of December 31, 2018.

Total funds received from wireless service charges	<u>\$713,560</u>
Expenditures made solely for wireless 911	<u>\$ -</u>
Expenditures made solely for wireline 911	<u>\$ -</u>
Amount of expenditures attributable to wireless 911 (total balance of expenditures multiplied by the percentage of wireless calls received by the District to the total number of calls received)	<u>\$657,240</u>

Status of Phase I implementation:

AT&T Wireless – implemented  
Sprint/Nextel – implemented  
Pace – implemented  
Centennial Wireless - implemented  
T-Mobile – implemented  
Verizon Wireless – implemented

Status of Phase II Implementation:

AT&T Wireless – implemented  
Sprint/Nextel – implemented  
Pace – implemented  
Centennial Wireless – implemented  
T-Mobile – implemented  
Verizon Wireless – implemented

VERMILION PARISH POLICE JURY  
Abbeville, Louisiana

Notes to Basic Financial Statements

(19) Parish Government Building Lease

During 2001, the Police Jury purchased Hibernia Bank building in Abbeville to serve as new parish government office building. In order to facilitate the transaction, the Police Jury entered into an agreement with Hibernia Bank in which Hibernia would sell the building for a total sales price of \$900,000, with the Police Jury paying \$525,000 in cash and the remaining balance representing a prepayment from Hibernia for a lease of space within the building in which Hibernia would continue to maintain their branch. The total amount credited against the purchase price amounted to \$375,000, and represents payment for the 20-year permanent term of the lease. Rent for each permanent term of the lease is \$1,563 per month.

The lease has an initial term which commenced in December 2001, and shall continue for twelve months unless otherwise extended by the lessee. Lessee has the option to terminate the initial term on the last day of the calendar month in which lessee notifies the Police Jury that they are ready to occupy the leased premises as modified by lessee's initial alterations. During the initial term, gross rent of \$3,065 per month shall be paid to the Police Jury. The initial term was renewed (up to 4 additional months) in 2002 and therefore gross rent of \$3,832 per month is paid to the Police Jury.

After the initial term is complete, the permanent term of the lease shall commence and shall terminate twenty (20) years thereafter, unless extended by lessee. Rent during any extended permanent term shall be tied to the initial permanent term monthly rental adjusted for charges in the "Consumer Price Index."

As mentioned above, the lease payments were prepaid as an adjustment of the cash transferred for the purchase of the building. The balance of the unearned lease payments received is \$75,000 at December 31, 2018 and is presented as a deferred inflow of resources (See Note 1D) in the financial statements.

The future minimum rental revenue from the above lease is as follows:

2019	\$ 18,750
2020	18,750
2021	18,750
2022	<u>18,750</u>
	<u>\$ 75,000</u>

(20) On-behalf Payments

The Police Jury has recognized \$18,000 as a revenue and an expenditure for on-behalf salary payments regarding Justices of the Peace and Constables made by the State of Louisiana.

VERMILION PARISH POLICE JURY  
Abbeville, Louisiana

Notes to Basic Financial Statements

(21) Subsequent Events

In April 2019, the Police Jury issued \$10,400,000 in Revenue bonds at a 4.625% interest rate due November 1, 2038. The bonds will be paid using GOMESA funds received from the federal government and the proceeds will be used to fund coastal restoration projects.

(22) New Accounting Pronouncement

In June 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 87, *Leases*. The statement increased the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The provisions of GASB Statement No. 87 are effective for fiscal years beginning after December 15, 2019. The effect of implementation on the Police Jury's financial statements has not yet been determined.

(23) Change in Accounting Pronouncements

During the fiscal year ended December 31, 2018, the Police Jury adopted the Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. The statement addresses accounting and financial reporting for OPEB that is provided to the employees of state and local government employers. This statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expenses/expenditures. This resulted in a restatement of previously reported net positions, as follows:

	Governmental Activities
January 1, 2018 net position, as reported	\$ 136,130,149
Prior period adjustment:	
Change in accounting principle:	
Net effect of recording OPEB liability	(1,299,219)
January 1, 2018 net position, as restated	\$ 134,830,930

**REQUIRED  
SUPPLEMENTARY INFORMATION**

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VERMILION PARISH POLICE JURY  
Abbeville, Louisiana

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

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		(Negative)
<b>Revenues:</b>				
Ad valorem taxes	\$ 1,070,686	\$ 1,070,686	\$ 1,123,121	\$ 52,435
Licenses and permits	468,800	468,800	511,577	42,777
Intergovernmental revenues -				
Federal grants	884,934	34,791	152,556	117,765
State funds -				
State revenue sharing	116,706	116,706	117,293	587
Other	1,311,300	1,311,300	1,309,607	(1,693)
Fees, charges and commissions	358,214	358,214	416,247	58,033
Interest income	7,000	7,000	26,590	19,590
Miscellaneous	66,798	66,798	236,372	169,574
Total revenues	<u>4,284,438</u>	<u>3,434,295</u>	<u>3,893,363</u>	<u>459,068</u>
<b>Expenditures:</b>				
Current -				
General government:				
Legislative	346,742	346,742	335,880	10,862
Judicial	1,646,026	1,646,026	1,725,707	(79,681)
Elections	86,267	86,267	94,783	(8,516)
Finance and administration	696,873	696,873	736,880	(40,007)
Other	722,316	722,316	723,479	(1,163)
Public works	759,034	759,034	66,081	692,953
Public safety	1,384,776	1,384,776	1,105,289	279,487
Health and welfare	169,312	169,312	166,873	2,439
Economic development and assistance	20,050	20,050	13,163	6,887
Culture and recreation	1,850	1,850	1,498	352
Capital outlay	-	-	95,000	(95,000)
Total expenditures	<u>5,833,246</u>	<u>5,833,246</u>	<u>5,064,633</u>	<u>768,613</u>
Deficiency of revenues over expenditures	<u>(1,548,808)</u>	<u>(2,398,951)</u>	<u>(1,171,270)</u>	<u>1,227,681</u>
<b>Other financing sources (uses):</b>				
Transfers in	1,820,000	650,000	786,043	136,043
Transfers out	(130,000)	(130,000)	(65,000)	65,000
Total other financing sources (uses)	<u>1,690,000</u>	<u>520,000</u>	<u>721,043</u>	<u>201,043</u>
Net change in fund balances	141,192	(1,878,951)	(450,227)	1,428,724
Fund balance, beginning	<u>2,094,435</u>	<u>2,094,435</u>	<u>2,094,435</u>	<u>-</u>
Fund balance, ending	<u>\$ 2,235,627</u>	<u>\$ 215,484</u>	<u>\$ 1,644,208</u>	<u>\$ 1,428,724</u>

VERMILION PARISH POLICE JURY  
Abbeville, Louisiana

1976 Sales Tax Fund  
Budgetary Comparison Schedule  
For the Year Ended December 31, 2018

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Sales and use taxes	\$ 3,500,000	\$ 3,500,000	\$ 3,829,690	\$ 329,690
Intergovernmental revenues-				
Federal grants	-	-	66,783	66,783
Investment income	<u>65,000</u>	<u>65,000</u>	<u>188,643</u>	<u>123,643</u>
Total revenues	<u>3,565,000</u>	<u>3,565,000</u>	<u>4,085,116</u>	<u>520,116</u>
<b>Expenditures:</b>				
Current -				
General government:				
Finance and administration	56,754	56,754	52,130	4,624
Public works	260,694	260,694	251,046	9,648
Public safety	461,553	566,668	497,113	69,555
Health and welfare	869,421	869,421	967,736	(98,315)
Capital outlay	<u>306,545</u>	<u>306,545</u>	<u>94,555</u>	<u>211,990</u>
Total expenditures	<u>1,954,967</u>	<u>2,060,082</u>	<u>1,862,580</u>	<u>197,502</u>
Excess of revenues over expenditures	<u>1,610,033</u>	<u>1,504,918</u>	<u>2,222,536</u>	<u>717,618</u>
<b>Other financing sources (uses):</b>				
Proceeds from sales of assets	-	-	3,220	3,220
Transfers out	<u>(2,500,000)</u>	<u>(2,500,000)</u>	<u>(2,500,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(2,500,000)</u>	<u>(2,500,000)</u>	<u>(2,496,780)</u>	<u>3,220</u>
Net change in fund balances	(889,967)	(995,082)	(274,244)	720,838
Fund balance, beginning	<u>10,317,693</u>	<u>10,317,693</u>	<u>10,317,693</u>	<u>-</u>
Fund balance, ending	<u>\$ 9,427,726</u>	<u>\$ 9,322,611</u>	<u>\$ 10,043,449</u>	<u>\$ 720,838</u>

VERMILION PARISH POLICE JURY  
Abbeville, Louisiana

1978 Sales Tax Fund  
Budgetary Comparison Schedule  
For the Year Ended December 31, 2018

	Budget		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
<b>Revenues:</b>				
Sales and use taxes	\$ 3,500,000	\$ 3,500,000	\$ 3,829,690	\$ 329,690
Interest income	86,000	86,000	211,196	125,196
Miscellaneous	-	-	627	627
Total revenues	<u>3,586,000</u>	<u>3,586,000</u>	<u>4,041,513</u>	<u>455,513</u>
<b>Expenditures:</b>				
Current -				
General government:				
Finance and administration	56,754	56,754	52,130	4,624
Public safety	582,796	582,796	619,649	(36,853)
Culture and recreation	124,697	124,697	135,275	(10,578)
Capital outlay	<u>102,600</u>	<u>102,600</u>	<u>1,172,601</u>	<u>(1,070,001)</u>
Total expenditures	<u>866,847</u>	<u>866,847</u>	<u>1,979,655</u>	<u>(1,112,808)</u>
Excess of revenues over expenditures	<u>2,719,153</u>	<u>2,719,153</u>	<u>2,061,858</u>	<u>(657,295)</u>
<b>Other financing sources (uses):</b>				
Transfers in	-	-	51,000	51,000
Transfers out	<u>(3,020,000)</u>	<u>(3,520,000)</u>	<u>(2,500,000)</u>	<u>1,020,000</u>
Total other financing sources (uses)	<u>(3,020,000)</u>	<u>(3,520,000)</u>	<u>(2,449,000)</u>	<u>1,071,000</u>
Net change in fund balances	(300,847)	(800,847)	(387,142)	413,705
Fund balance, beginning	<u>14,007,512</u>	<u>14,007,512</u>	<u>14,007,512</u>	<u>-</u>
Fund balance, ending	<u>\$ 13,706,665</u>	<u>\$ 13,206,665</u>	<u>\$ 13,620,370</u>	<u>\$ 413,705</u>

VERMILION PARISH POLICE JURY  
Abbeville, Louisiana

1994 Sales Tax Fund  
Budgetary Comparison Schedule  
For the Year Ended December 31, 2018

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Sales and use taxes	\$ 3,500,000	\$ 3,500,000	\$ 3,829,690	\$ 329,690
Fees, charges, and commission	780,000	780,000	791,270	11,270
Licenses and permits	10,000	10,000	48,892	38,892
Intergovernmental funds -				
Federal grants	-	-	304	304
Interest income	100,000	100,000	249,042	149,042
Miscellaneous	1,000	1,000	14,439	13,439
Total revenues	<u>4,391,000</u>	<u>4,391,000</u>	<u>4,933,637</u>	<u>542,637</u>
<b>Expenditures:</b>				
Current -				
General government:				
Finance and administration	56,754	56,754	52,130	4,624
Sanitation, sewerage, and waste disposal	6,189,094	6,189,094	6,439,039	(249,945)
Capital outlay	<u>1,147,492</u>	<u>1,147,492</u>	<u>1,167,988</u>	<u>(20,496)</u>
Total expenditures	<u>7,393,340</u>	<u>7,393,340</u>	<u>7,659,157</u>	<u>(265,817)</u>
Deficiency of revenues over expenditures	<u>(3,002,340)</u>	<u>(3,002,340)</u>	<u>(2,725,520)</u>	<u>276,820</u>
Other financing sources (uses):				
Transfers in	2,500,000	2,500,000	2,500,000	-
Transfers out	<u>(800,000)</u>	<u>(800,000)</u>	<u>(800,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>1,700,000</u>	<u>1,700,000</u>	<u>1,700,000</u>	<u>-</u>
Net change in fund balances	(1,302,340)	(1,302,340)	(1,025,520)	276,820
Fund balance, beginning	<u>13,641,503</u>	<u>13,641,503</u>	<u>13,641,503</u>	<u>-</u>
Fund balance, ending	<u>\$12,339,163</u>	<u>\$12,339,163</u>	<u>\$12,615,983</u>	<u>\$ 276,820</u>

VERMILION PARISH POLICE JURY  
Abbeville, Louisiana

Royalty Road Fund  
Budgetary Comparison Schedule  
For the Year Ended December 31, 2018

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental revenues -				
State funds -				
Other	\$ 300,000	\$ 300,000	\$ 530,458	\$ 230,458
Interest income	60,000	60,000	108,118	48,118
Total revenues	<u>360,000</u>	<u>360,000</u>	<u>638,576</u>	<u>278,576</u>
Expenditures:				
Current -				
General government:				
Finance and administration	340,946	340,946	209,897	131,049
Public works	530,000	530,000	52,345	477,655
Capital outlay	-	-	326,936	(326,936)
Total expenditures	<u>870,946</u>	<u>870,946</u>	<u>589,178</u>	<u>281,768</u>
(Deficiency) excess of revenues over expenditures	<u>(510,946)</u>	<u>(510,946)</u>	<u>49,398</u>	<u>560,344</u>
Other financing sources (uses):				
Transfers in	300,484	300,484	200,484	(100,000)
Transfers out	<u>(1,300,000)</u>	<u>(1,300,000)</u>	<u>(1,300,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(999,516)</u>	<u>(999,516)</u>	<u>(1,099,516)</u>	<u>(100,000)</u>
Net change in fund balances	(1,510,462)	(1,510,462)	(1,050,118)	460,344
Fund balance, beginning	<u>8,056,278</u>	<u>8,056,278</u>	<u>8,056,278</u>	<u>-</u>
Fund balance, ending	<u>\$ 6,545,816</u>	<u>\$ 6,545,816</u>	<u>\$ 7,006,160</u>	<u>\$ 460,344</u>

VERMILION PARISH POLICE JURY  
Abbeville, Louisiana

Parishwide Public Improvements Maintenance Fund  
Budgetary Comparison Schedule  
For the Year Ended December 31, 2018

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes - ad valorem	\$ 959,670	\$ 959,670	\$ 992,047	\$ 32,377
Intergovernmental revenues -				
Federal funds-				
Federal grants	1,000,000	-	16,512	16,512
State funds-				
State revenue sharing	86,842	86,842	87,230	388
Other	500,000	500,000	574,671	74,671
Interest income	5,000	5,000	7,502	2,502
Miscellaneous	8,080	8,080	13,600	5,520
Total revenues	<u>2,559,592</u>	<u>1,559,592</u>	<u>1,691,562</u>	<u>131,970</u>
Expenditures:				
Current -				
General government:				
Finance and administration	92,471	92,471	105,726	(13,255)
Public works	4,551,605	4,551,605	4,139,270	412,335
Capital outlay	<u>1,527,464</u>	<u>1,527,464</u>	<u>613,442</u>	<u>914,022</u>
Total expenditures	<u>6,171,540</u>	<u>6,171,540</u>	<u>4,858,438</u>	<u>1,313,102</u>
Deficiency of revenues over expenditures	<u>(3,611,948)</u>	<u>(4,611,948)</u>	<u>(3,166,876)</u>	<u>1,445,072</u>
Other financing sources:				
Transfers in	3,700,967	4,200,967	4,200,967	-
Transfers out	<u>-</u>	<u>-</u>	<u>(51,000)</u>	<u>(51,000)</u>
Total other financing sources	<u>3,700,967</u>	<u>4,200,967</u>	<u>4,149,967</u>	<u>(51,000)</u>
Net change in fund balances	89,019	(410,981)	983,091	1,394,072
Fund balance, beginning	<u>562,779</u>	<u>562,779</u>	<u>562,779</u>	<u>-</u>
Fund balance, ending	<u>\$ 651,798</u>	<u>\$ 151,798</u>	<u>\$ 1,545,870</u>	<u>\$ 1,394,072</u>

VERMILION PARISH POLICE JURY  
Abbeville, Louisiana

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

Total OPEB Liability *	
Service cost	\$ 61,478
Interest	145,493
Changes of benefit terms	-
Differences between expected and actual experience	(70,480)
Changes of assumptions	(206,269)
Benefit payments	<u>(234,578)</u>
Net change in total OPEB liability	(304,356)
Total OPEB liability - beginning	<u>4,198,706</u>
Total OPEB liability - ending	<u>\$ 3,894,350</u>
Covered-employee payroll	<u>\$ 2,801,876</u>
Net OPEB liability as a percentage of covered-employee payroll	138.99%

\* Equal to net OPEB liability

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

VERMILION PARISH POLICE JURY  
Abbeville, Louisiana

Schedule of Employer's Share of Net Pension Liability/Asset - Primary Government  
Parochial Employees' Retirement System - Plan A  
For the Year Ended December 31, 2018

* Year Ended December 31	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)
2015	0.833335%	\$ 227,841	\$4,798,351	4.7%	99.1%
2016	0.893013%	\$ 2,350,667	\$5,120,277	45.9%	92.2%
2017	0.819665%	\$ 1,688,111	\$4,831,504	34.9%	94.1%
2018	0.748211%	\$ (555,357)	\$4,605,368	12.1%	102.0%

\* The amounts presented have a measurement date of the previous fiscal year end.

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

VERMILION PARISH POLICE JURY  
Abbeville, Louisiana

Schedule of Employer Contributions - Primary Government  
Parochial Employees' Retirement System - Plan A  
For the Year Ended December 31, 2018

Year Ended December 31	Contractually Required Contribution	Contributions in Relation to Contractual Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
2015	\$ 742,426	\$ 742,426	\$ -	\$ 5,120,277	14.5%
2016	\$ 628,097	\$ 628,097	\$ -	\$ 4,831,504	13.0%
2017	\$ 573,722	\$ 573,722	\$ -	\$ 4,605,368	12.5%
2018	\$ 477,033	\$ 477,033	\$ -	\$ 4,148,100	11.5%

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

VERMILION PARISH POLICE JURY  
Abbeville, Louisiana

Schedule of Employer's Share of Net Pension Liability/Asset - Tourist Commission  
Parochial Employees' Retirement System - Plan A  
For the Year Ended December 31, 2018

* Year Ended December 31	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.007498%	\$ 2,050	\$ 42,423	4.8%	99.1%
2016	0.006279%	\$ 16,528	\$ 42,000	39.4%	92.2%
2017	0.007082%	\$ 14,585	\$ 42,000	34.7%	94.1%
2018	0.005929%	\$ (4,401)	\$ 36,500	12.1%	102.0%

\* The amounts presented have a measurement date of the previous fiscal year end.

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

VERMILION PARISH POLICE JURY  
Abbeville, Louisiana

Schedule of Employer Contributions - Tourist Commission  
Parochial Employees' Retirement System - Plan A  
For the Year Ended December 31, 2018

Year Ended December 31	Contractually Required Contribution	Contributions in Relation to Contractual Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
2015	\$ 5,220	\$ 5,220	\$ -	\$ 36,000	14.5%
2016	\$ 5,460	\$ 5,460	\$ -	\$ 42,000	13.0%
2017	\$ 4,562	\$ 4,562	\$ -	\$ 36,500	12.5%
2018	\$ 5,894	\$ 5,894	\$ -	\$ 51,254	11.5%

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

VERMILION PARISH POLICE JURY  
Abbeville, Louisiana

Schedule of Employer's Share of Net Pension Liability/Asset  
Louisiana State Employees' Retirement System  
For the Year Ended December 31, 2018

* Year Ended December 31	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.00081%	\$ 54,752	\$ 14,911	367.2%	62.7%
2016	0.00084%	\$ 66,118	\$ 14,911	443.4%	57.7%
2017	0.00085%	\$ 59,549	\$ 14,911	399.4%	62.5%
2018	0.00082%	\$ 55,582	\$ 14,911	372.8%	64.3%

\* The amounts presented have a measurement date of June 30.

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

VERMILION PARISH POLICE JURY  
Abbeville, Louisiana

Schedule of Employer Contributions  
Louisiana State Employees' Retirement System  
For the Year Ended December 31, 2018

Year Ended December 31	Contractually Required Contribution	Contributions in Relation to Contractual Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
2015	\$ 5,935	\$ 5,935	\$ -	\$ 14,911	39.8%
2016	\$ 5,202	\$ 5,202	\$ -	\$ 13,669	38.1%
2017	\$ 5,823	\$ 5,823	\$ -	\$ 14,911	39.1%
2018	\$ 5,714	\$ 5,714	\$ -	\$ 14,250	40.1%

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

VERMILION PARISH POLICE JURY  
Abbeville, Louisiana

Schedule of Employer's Share of Net Pension Liability/Asset  
Registrar of Voters Employees' Retirement System  
For the Year Ended December 31, 2018

* Year Ended December 31	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.373303%	\$ 91,423	\$ 50,788	180.0%	76.9%
2016	0.372413%	\$ 105,673	\$ 51,158	206.6%	74.0%
2017	0.375845%	\$ 82,502	\$ 49,825	165.6%	80.5%
2018	0.316580%	\$ 74,726	\$ 43,924	170.1%	80.6%

\* The amounts presented have a measurement date of June 30.

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

VERMILION PARISH POLICE JURY  
Abbeville, Louisiana

Schedule of Employer Contributions  
Registrar of Voters Employees' Retirement System  
For the Year Ended December 31, 2018

Year Ended December 31	Contractually Required Contribution	Contributions in Relation to Contractual Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
2015	\$ 12,401	\$ 12,401	\$ -	\$ 53,125	23.3%
2016	\$ 10,822	\$ 10,822	\$ -	\$ 49,407	21.9%
2017	\$ 8,655	\$ 8,655	\$ -	\$ 46,789	18.5%
2018	\$ 7,196	\$ 7,196	\$ -	\$ 42,327	17.0%

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

VERMILION PARISH POLICE JURY  
Abbeville, Louisiana

Schedule of Employer's Share of Net Pension Liability/Asset  
District Attorneys' Retirement System  
For the Year Ended December 31, 2018

* Year Ended December 31	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.204429%	\$ 11,012	\$ 126,345	8.7%	98.6%
2016	0.249576%	\$ 47,771	\$ 151,023	31.6%	95.1%
2017	0.166243%	\$ 66,094	\$ 162,221	40.7%	93.6%
2018	0.187437%	\$ 60,316	\$ 116,539	51.8%	92.9%

\* The amounts presented have a measurement date of June 30.

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

VERMILION PARISH POLICE JURY  
Abbeville, Louisiana

Schedule of Employer Contributions  
District Attorneys' Retirement System  
For the Year Ended December 31, 2018

Year Ended December 31	Contractually Required Contribution	Contributions in Relation to Contractual Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
2015	\$ 7,105	\$ 7,105	\$ -	\$ 137,103	5.2%
2016	\$ 2,794	\$ 2,794	\$ -	\$ 79,819	3.5%
2017	\$ -	\$ -	\$ -	\$ 160,138	0.0%
2018	\$ 612	\$ 612	\$ -	\$ 73,435	0.8%

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

VERMILION PARISH POLICE JURY  
Abbeville, Louisiana

Notes to the Required Supplementary Information  
For the Year Ended December 31, 2018

(1) Budgetary Practices

The Police Jury follows these procedures in establishing the budgetary data reflected in the financial statements:

- a. Prior to December 15, the Treasurer prepares a proposed operating budget which is submitted to the budget committee who in turn submits the proposed budget to the Members of the Police Jury no later than fifteen days prior to the beginning of each fiscal year.
- b. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
- c. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
- d. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of a resolution prior to the commencement of the fiscal year for which the budget is being adopted.
- e. Budgetary amendments involving the transfer of funds from one department, program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Members of the Police Jury.
- f. All budgetary appropriations lapse at the end of each fiscal year.
- g. Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as amended by the Police Jury. Such amendments were not material in relation to the original appropriations.

(2) Retirement Systems

A. Parochial Employees' Retirement System

Changes of benefit terms –

There were no changes of benefit terms

Changes of assumptions –

* Year ended December 31,	Discount Rate	Investment Rate of Return	Inflation Rate	Expected Remaining Service Lives	Projected Salary Increase
2015	7.25%	7.25%	3.00%	4	5.75%
2016	7.00%	7.00%	2.50%	4	5.25%
2017	7.00%	7.00%	2.50%	4	5.25%
2018	6.75%	6.75%	2.50%	4	5.25%

\* The amounts presented have a measurement date of the previous fiscal year end.

B. Louisiana State Employees' Retirement System

Changes of benefit terms –

There were no changes of benefit terms

Change of assumptions –

* Year ended December 31,	Discount Rate	Investment Rate of Return	Inflation Rate	Expected Remaining Service Lives	Projected Salary Increase	
					Lower Range	Upper Range
2015	7.75%	7.75%	3.00%	3	3.00%	14.50%
2016	7.75%	7.75%	3.00%	3	3.00%	14.50%
2017	7.70%	7.70%	2.75%	3	2.80%	14.30%
2018	7.65%	7.65%	2.75%	3	2.80%	14.30%

\* The amounts presented have a measurement date of the previous fiscal year end.

C. Registrar of Voters Employees' Retirement System

Changes of benefit terms –

There were no changes of benefit terms

Changes of assumptions –

* Year ended December 31,	Discount Rate	Investment Rate of Return	Inflation Rate	Expected Remaining Service Lives	Projected Salary Increase
2015	7.00%	7.00%	2.50%	5	6.00%
2016	7.00%	7.00%	2.50%	5	6.00%
2017	6.75%	6.75%	2.50%	5	6.00%
2018	6.50%	6.50%	2.40%	5	6.00%

\* The amounts presented have a measurement date of the previous fiscal year end.

D. District Attorneys' Retirement System

Changes of benefit terms –

There were no changes of benefit terms

Changes of assumptions –

* Year ended December 31,	Discount Rate	Investment Rate of Return	Inflation Rate	Expected Remaining Service Lives	Projected Salary Increase
2015	7.00%	7.00%	2.50%	6	5.50%
2016	7.00%	7.00%	2.50%	7	5.50%
2017	6.75%	6.75%	2.50%	7	5.50%
2018	6.50%	6.50%	2.40%	6	5.50%

\* The amounts presented have a measurement date of the previous fiscal year end.

(3) OPEB

Benefit changes -

There were no changes of benefit terms

Change of assumptions –

The discount rate for the Police Jury was increased by .66% as of the valuation date December 31, 2018.

**OTHER SUPPLEMENTARY INFORMATION**

**OTHER FINANCIAL INFORMATION**

VERMILION PARISH POLICE JURY  
Abbeville, Louisiana  
Nonmajor Governmental Funds

Combining Balance Sheet  
December 31, 2018

	Special Revenue	Debt Service	Capital Projects	Total
ASSETS				
Cash and interest bearing deposits	\$ 8,226,007	\$ 274,468	\$ -	\$ 8,500,475
Accounts receivable	131,983	-	-	131,983
Ad valorem taxes receivable, net	2,486,147	134,900	-	2,621,047
Accrued interest receivable	1,024	125	-	1,149
Due from other governmental units	181,705	-	113,138	294,843
Due from other funds	851,187	-	-	851,187
Prepaid expenses	502	-	-	502
Total assets	<u>\$ 11,878,555</u>	<u>\$ 409,493</u>	<u>\$ 113,138</u>	<u>\$ 12,401,186</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 110,070	\$ -	\$ 15,422	\$ 125,492
Contracts payable	-	-	70,965	70,965
Retainage payable	-	-	26,751	26,751
Accrued liabilities	47,523	-	-	47,523
Due to other funds	1,520	-	-	1,520
Total liabilities	<u>159,113</u>	<u>-</u>	<u>113,138</u>	<u>272,251</u>
Deferred inflows of resources:				
Deferred revenues	232,511	12,532	-	245,043
Fund balances:				
Nonspendable	502	-	-	502
Restricted	11,486,429	396,961	-	11,883,390
Total fund balances	<u>11,486,931</u>	<u>396,961</u>	<u>-</u>	<u>11,883,892</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 11,878,555</u>	<u>\$ 409,493</u>	<u>\$ 113,138</u>	<u>\$ 12,401,186</u>

VERMILION PARISH POLICE JURY  
Abbeville, Louisiana  
Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Year Ended December 31, 2018

	Special Revenue	Debt Service	Capital Projects	Total
Revenues:				
Taxes-				
Ad valorem	\$ 2,770,460	\$ 156,613	\$ -	\$ 2,927,073
Intergovernmental revenues -				
Federal grants	979,050	-	984,472	1,963,522
State funds:				
State revenue sharing	158,899	-	-	158,899
Fees, charges and commissions	930,174	-	-	930,174
Interest income	142,289	5,904	-	148,193
Miscellaneous	39,433	-	-	39,433
Total revenues	<u>5,020,305</u>	<u>162,517</u>	<u>984,472</u>	<u>6,167,294</u>
Expenditures:				
Current -				
General government:				
Finance and administrative	271,467	-	-	271,467
Public works	912,769	-	888,721	1,801,490
Public safety	885,273	-	-	885,273
Health and welfare	664,016	-	-	664,016
Capital outlay	-	-	95,751	95,751
Debt service:				
Principal retirement	-	415,000	-	415,000
Interest and fiscal charges	-	31,980	-	31,980
Total expenditures	<u>2,733,525</u>	<u>446,980</u>	<u>984,472</u>	<u>4,164,977</u>
Excess (deficiency) of revenues over expenditures	<u>2,286,780</u>	<u>(284,463)</u>	<u>-</u>	<u>2,002,317</u>
Other financing sources (uses):				
Transfers in	65,000	-	-	65,000
Transfers out	<u>(601,451)</u>	<u>-</u>	<u>-</u>	<u>(601,451)</u>
Total other financing sources (uses)	<u>(536,451)</u>	<u>-</u>	<u>-</u>	<u>(536,451)</u>
Net change in fund balances	1,750,329	(284,463)	-	1,465,866
Fund balances, beginning	<u>9,736,602</u>	<u>681,424</u>	<u>-</u>	<u>10,418,026</u>
Fund balances, ending	<u>\$ 11,486,931</u>	<u>\$ 396,961</u>	<u>\$ -</u>	<u>\$ 11,883,892</u>

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## **NONMAJOR SPECIAL REVENUE FUNDS**

### **Health Unit**

To account for the maintenance of a health unit which provides health and welfare services to the citizens of the parish. Major means of financing is provided by ad valorem taxes, state revenue sharing and interest earnings on investments.

### **Ward 8 Public Cemetery**

To account for the maintenance of public cemeteries in Ward 8 of Vermilion Parish. Major means of financing is provided by ad valorem taxes and state revenue sharing.

### **Communications District**

To account for the operations of a 911 emergency system in the Parish, which is funded primarily by fees added to customer's telephone bills.

### **Civil Defense Fund**

To account for the civil defense operations in the parish. Means of financing is provided by a grant from the State of Louisiana Office of Emergency of Preparedness and transfers from other revenue sources of the Police Jury.

### **Road District No. 1 Maintenance Fund**

To account for the maintenance and upkeep of parish roads within Road District No, 1. Major means of financing is provided by ad valorem taxes and state revenue sharing.

### **Maintenance of Road Districts Funds**

To account for the maintenance and upkeep of parish roads within various road district other than Road District No. 1. Major means of financing is provided by ad valorem taxes and state revenue sharing.

### **GOMESA Surplus Revenue Fund**

To account for the collection and disbursement of the Police Jury's share of GOMESA proceeds. Money is to be used to fund coastal restoration projects in Vermilion Parish.

VERMILION PARISH POLICE JURY  
Abbeville, Louisiana  
Nonmajor Special Revenue Funds

Combining Balance Sheet  
December 31, 2018

	Health Unit Fund	Ward 8 Public Cemetery Fund	Communications District Fund
<b>ASSETS</b>			
Cash and interest-bearing deposits	\$ 2,249,717	\$ 121,071	\$ 462,881
Accounts receivable	-	-	131,983
Ad valorem taxes receivable, net	690,537	25,526	-
Accrued interest receivable	633	105	-
Due from other governmental units	31,243	1,596	-
Due from other funds	1,044	-	-
Prepaid expenses	502	-	-
Total assets	\$ 2,973,676	\$ 148,298	\$ 594,864
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ 12,428	\$ 100	\$ 9,554
Accrued liabilities	6,519	-	39,077
Due to other funds	1,398	-	-
Total liabilities	20,345	100	48,631
Deferred inflows of resources:			
Deferred revenues	51,686	3,461	-
Fund balances:			
Nonspendable	502	-	-
Restricted	2,901,143	144,737	546,233
Total fund balances	2,901,645	144,737	546,233
Total liabilities, deferred inflows of resources, and fund balances	\$ 2,973,676	\$ 148,298	\$ 594,864

Civil Defense Fund	Road District No.1 Fund	GOMESA Surplus Revenue Fund	Maintenance of Road District Funds	Total
\$ 55,050	\$ 79,479	\$ -	\$ 5,257,809	\$ 8,226,007
-	-	-	-	131,983
-	124,684	-	1,645,400	2,486,147
-	70	-	216	1,024
55,237	5,259	-	88,370	181,705
-	-	850,143	-	851,187
-	-	-	-	502
<u>\$ 110,287</u>	<u>\$ 209,492</u>	<u>\$ 850,143</u>	<u>\$ 6,991,795</u>	<u>\$ 11,878,555</u>
\$ 4,769	\$ 7,276	\$ -	\$ 75,943	\$ 110,070
1,927	-	-	-	47,523
122	-	-	-	1,520
<u>6,818</u>	<u>7,276</u>	<u>-</u>	<u>75,943</u>	<u>159,113</u>
-	9,367	-	167,997	232,511
-	-	-	-	502
<u>103,469</u>	<u>192,849</u>	<u>850,143</u>	<u>6,747,855</u>	<u>11,486,429</u>
<u>103,469</u>	<u>192,849</u>	<u>850,143</u>	<u>6,747,855</u>	<u>11,486,931</u>
<u>\$ 110,287</u>	<u>\$ 209,492</u>	<u>\$ 850,143</u>	<u>\$ 6,991,795</u>	<u>\$ 11,878,555</u>

VERMILION PARISH POLICE JURY  
 Abbeville, Louisiana  
 Nonmajor Special Revenue Funds

Combining Balance Sheet  
 Maintenance of Road District Funds  
 December 31, 2018

	<u>Sub Road District #1 of Road District #2</u>	<u>Sub Road District #2 of Road and Road District #3</u>	<u>Sub Road District #3 of Road District #2</u>	<u>Sub Road District #4 of Road District #2</u>
<b>ASSETS</b>				
Cash and interest-bearing deposits	\$ 946,648	\$ 51,454	\$ 159,008	\$ 263,697
Ad valorem taxes, net	348,681	86,805	148,186	252,968
Accrued interest receivable	46	7	6	57
Due from other governmental units	<u>40,132</u>	<u>7,139</u>	<u>11,093</u>	<u>-</u>
Total assets	<u>\$ 1,335,507</u>	<u>\$ 145,405</u>	<u>\$ 318,293</u>	<u>\$ 516,722</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 15,923	\$ 5,816	\$ 9,466	\$ 22,048
<b>Deferred inflows of resources:</b>				
Deferred revenues	27,256	6,397	11,774	48,018
<b>Fund balances:</b>				
Restricted	<u>1,292,328</u>	<u>133,192</u>	<u>297,053</u>	<u>446,656</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,335,507</u>	<u>\$ 145,405</u>	<u>\$ 318,293</u>	<u>\$ 516,722</u>

<u>Sub Road District #5 of Road District #2</u>	<u>Road District #4-A</u>	<u>Road District #6</u>	<u>Road District #7</u>	<u>Total</u>
\$ 362,754	\$ 926,612	\$ 50,061	\$ 2,497,575	\$ 5,257,809
120,612	212,199	76,856	399,093	1,645,400
3	32	1	64	216
<u>16,688</u>	<u>3,152</u>	<u>4,684</u>	<u>5,482</u>	<u>88,370</u>
<u>\$ 500,057</u>	<u>\$ 1,141,995</u>	<u>\$ 131,602</u>	<u>\$ 2,902,214</u>	<u>\$ 6,991,795</u>
\$ 1,097	\$ -	\$ -	\$ 21,593	\$ 75,943
14,109	10,345	7,411	42,687	167,997
<u>484,851</u>	<u>1,131,650</u>	<u>124,191</u>	<u>2,837,934</u>	<u>6,747,855</u>
<u>\$ 500,057</u>	<u>\$ 1,141,995</u>	<u>\$ 131,602</u>	<u>\$ 2,902,214</u>	<u>\$ 6,991,795</u>

VERMILION PARISH POLICE JURY  
 Abbeville, Louisiana  
 Nonmajor Special Revenue Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
 Year Ended December 31, 2018

	Health Unit Fund	Ward 8 Public Cemetery Fund	Communications District Fund
	<u>          </u>	<u>          </u>	<u>          </u>
Revenues:			
Taxes -			
Ad valorem	\$ 793,481	\$ 27,293	\$ -
Intergovernmental revenues -			
Federal grants	-	-	4,114
State funds:			
State revenue sharing	47,113	2,348	-
Fees, charges, and commissions	37,999	-	892,175
Interest income	40,346	283	720
Other revenues	-	-	11
Total revenues	<u>918,939</u>	<u>29,924</u>	<u>897,020</u>
Expenditures:			
Current -			
General government:			
Finance and administrative	83,024	2,960	-
Public works	-	29,049	-
Public safety	-	-	738,534
Health and welfare	664,016	-	-
Total expenditures	<u>747,040</u>	<u>32,009</u>	<u>738,534</u>
Excess (deficiency) of revenues over expenditures	<u>171,899</u>	<u>(2,085)</u>	<u>158,486</u>
Other financing sources (uses):			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	171,899	(2,085)	158,486
Fund balances, beginning	<u>2,729,746</u>	<u>146,822</u>	<u>387,747</u>
Fund balances, ending	<u>\$2,901,645</u>	<u>\$ 144,737</u>	<u>\$ 546,233</u>

Civil Defense Fund	Road District No.1 Fund	GOMESA Surplus Revenue Fund	Maintenance of Road District Funds	Total
\$ -	\$ 137,006	\$ -	\$ 1,812,680	\$ 2,770,460
124,793	-	850,143	-	979,050
-	7,740	-	101,698	158,899
-	-	-	-	930,174
754	241	-	99,945	142,289
<u>1,495</u>	<u>-</u>	<u>-</u>	<u>37,927</u>	<u>39,433</u>
<u>127,042</u>	<u>144,987</u>	<u>850,143</u>	<u>2,052,250</u>	<u>5,020,305</u>
-	14,443	-	171,040	271,467
-	90,007	-	793,713	912,769
146,739	-	-	-	885,273
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>664,016</u>
<u>146,739</u>	<u>104,450</u>	<u>-</u>	<u>964,753</u>	<u>2,733,525</u>
<u>(19,697)</u>	<u>40,537</u>	<u>850,143</u>	<u>1,087,497</u>	<u>2,286,780</u>
65,000	-	-	-	65,000
<u>-</u>	<u>(46,157)</u>	<u>-</u>	<u>(555,294)</u>	<u>(601,451)</u>
<u>65,000</u>	<u>(46,157)</u>	<u>-</u>	<u>(555,294)</u>	<u>(536,451)</u>
45,303	(5,620)	850,143	532,203	1,750,329
<u>58,166</u>	<u>198,469</u>	<u>-</u>	<u>6,215,652</u>	<u>9,736,602</u>
<u>\$ 103,469</u>	<u>\$ 192,849</u>	<u>\$ 850,143</u>	<u>\$ 6,747,855</u>	<u>\$ 11,486,931</u>

VERMILION PARISH POLICE JURY  
 Abbeville, Louisiana  
 Nonmajor Special Revenue Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
 Maintenance of Road District Funds  
 Year Ended December 31, 2018

	Sub Road District #1 of Road District #2	Sub Road District #2 of Road and Road District #3	Sub Road District #3 of Road District #2	Sub Road District #4 of Road District #2
Revenues:				
Taxes - Ad valorem	\$ 403,647	\$ 96,402	\$ 172,619	\$ 268,688
Intergovernmental revenues - State funds:				
State revenue sharing	28,857	10,791	16,847	-
Interest income	18,008	1,363	3,235	6,490
Total revenues	<u>471,474</u>	<u>108,556</u>	<u>192,701</u>	<u>292,143</u>
Expenditures:				
Current -				
General government:				
Finance and administrative	28,854	7,058	18,163	30,793
Public Works	203,078	68,414	68,587	227,100
Total expenditures	<u>231,932</u>	<u>75,472</u>	<u>86,750</u>	<u>257,893</u>
Excess (deficiency) of revenues over expenditures	239,542	33,084	105,951	34,250
Other financing uses:				
Transfers out	<u>(122,394)</u>	<u>(28,744)</u>	<u>(53,383)</u>	<u>(82,901)</u>
Net change in fund balances	117,148	4,340	52,568	(48,651)
Fund balances, beginning	<u>1,175,180</u>	<u>128,852</u>	<u>244,485</u>	<u>495,307</u>
Fund balances, ending	<u>\$ 1,292,328</u>	<u>\$ 133,192</u>	<u>\$ 297,053</u>	<u>\$ 446,656</u>

Sub Road District #5 of Road District #2	Road District #4-A	Road District #6	Road District #7	Total
\$ 154,715	\$ 211,187	\$ 81,628	\$ 423,794	\$ 1,812,680
25,141	4,730	7,038	8,294	101,698
6,095	17,140	1,171	46,443	99,945
<u>185,951</u>	<u>233,057</u>	<u>89,837</u>	<u>478,531</u>	<u>2,052,250</u>
16,859	15,609	8,868	44,836	171,040
28,457	26,244	41,667	130,166	793,713
<u>45,316</u>	<u>41,853</u>	<u>50,535</u>	<u>175,002</u>	<u>964,753</u>
140,635	191,204	39,302	303,529	1,087,497
<u>(54,587)</u>	<u>(63,240)</u>	<u>(25,722)</u>	<u>(124,323)</u>	<u>(555,294)</u>
86,048	127,964	13,580	179,206	532,203
<u>398,803</u>	<u>1,003,686</u>	<u>110,611</u>	<u>2,658,728</u>	<u>6,215,652</u>
<u>\$ 484,851</u>	<u>\$ 1,131,650</u>	<u>\$ 124,191</u>	<u>\$ 2,837,934</u>	<u>\$ 6,747,855</u>

## **NONMAJOR DEBT SERVICE FUND**

### **1999 General Obligation Bonds**

To accumulate monies for repayment of \$6,000,000 of bonds which were issued in 1999 for the purpose of constructing, acquiring, and improving public libraries buildings within the parish. Payments are due in various annual amounts through 2019, with interest accruing at various rates, ranging from 4.75% to 7.00%. These bonds are financed by a dedication of proceeds of a 3 mill property tax. These bonds were refunded April 1, 2005. The results of the refunding consisted of \$1,020,000 of bonds unrefunded, of which payments are due in various annual amounts through 2009, with interest accruing at various rates, ranging from 4.75% to 6.50%; and \$3,810,000 of bonds refunded, of which are due in various annual amounts through 2019, with interest accruing at various rates, ranging from 3.00% to 4.00%.

VERMILION PARISH POLICE JURY  
Abbeville, Louisiana  
Nonmajor Debt Service Fund  
General Obligation Bonds, Series 1999

Balance Sheet  
December 31, 2018

ASSETS

Cash and interest-bearing deposits	\$ 274,468
Ad valorem tax receivable, net	134,900
Accrued interest receivable	<u>125</u>
Total assets	<u>\$ 409,493</u>

LIABILITIES, DEFERRED INFLOWS OF  
RESOURCES, AND FUND BALANCE

Liabilities	\$ -
Deferred inflows of resources:	
Deferred revenues	12,532
Fund balance:	
Restricted	<u>396,961</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 409,493</u>

VERMILION PARISH POLICE JURY  
 Abbeville, Louisiana  
 Nonmajor Debt Service Fund  
 General Obligation Bonds, Series 1999

Statement of Revenues, Expenditures, and Changes in Fund Balance  
 Year Ended December 31, 2018

Revenues:	
Taxes -	
Ad valorem	\$ 156,613
Interest income	<u>5,904</u>
Total revenues	<u>162,517</u>
Expenditures:	
Debt service -	
Principal retirement	415,000
Interest and fiscal charges	<u>31,980</u>
Total expenditures	<u>446,980</u>
Deficiency of revenues over expenditures	(284,463)
Fund balance, beginning	<u>681,424</u>
Fund balance, ending	<u>\$ 396,961</u>

## **NONMAJOR CAPITAL PROJECT FUNDS**

### **LCDBG Contract I**

To account for cost associated with assisting low to middle income parish residents with improvements to their homes for medical necessities. These costs are being paid through a Community Development Block Grant.

### **LCDBG Contract III**

To account for cost associated with assisting parish residents with elevation of homes in response to new FEMA flood requirements. These costs are being paid through a Community Development Block Grant.

### **LCDBG Contract IV**

To account for cost associated with the purchase, construction and improvements made with respect to waterline extensions within two of the parishes districts. These costs are being paid through a Community Development Block Grant.

VERMILION PARISH POLICE JURY  
 Abbeville, Louisiana  
 Nonmajor Capital Project Funds

Combining Balance Sheet  
 December 31, 2018

	LCDBG Contract I	LCDBG Contract III	LCDBG Contract IV	Total
ASSETS				
Due from other governmental units	\$ 111,790	\$ 1,348	\$ -	\$ 113,138
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 14,074	\$ 1,348	\$ -	\$ 15,422
Contracts payable	70,965	-	-	70,965
Retainage payable	26,751	-	-	26,751
Total liabilities	111,790	1,348	-	113,138
Fund balances:				
Restricted	-	-	-	-
Total liabilities and fund balances	\$ 111,790	\$ 1,348	\$ -	\$ 113,138

VERMILION PARISH POLICE JURY  
 Abbeville, Louisiana  
 Nonmajor Capital Project Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
 Year Ended December 31, 2018

	LCDBG Contract I	LCDBG Contract III	LCDBG Contract IV	Total
Revenues:				
Intergovernmental -				
Federal grant	\$ 587,549	\$ 111,099	\$ 285,824	\$ 984,472
Total revenues	587,549	111,099	285,824	984,472
Expenditures:				
Public works	587,549	15,348	285,824	888,721
Capital outlay	-	95,751	-	95,751
Total expenditures	587,549	111,099	285,824	984,472
Excess of revenues over expenditures	-	-	-	-
Fund balance, beginning	-	-	-	-
Fund balance, ending	\$ -	\$ -	\$ -	\$ -

VERMILION PARISH POLICE JURY  
Abbeville, Louisiana  
Component Unit - Criminal Court

Governmental Fund  
Balance Sheet  
December 31, 2018

ASSETS

Cash and interest-bearing deposits	\$ 72,378
Due from other governmental units	<u>13,360</u>
Total assets	<u>\$ 85,738</u>

LIABILITIES AND FUND BALANCES

Liabilities:

Accounts payable	\$ 3,273
Due to primary government	<u>630</u>
Total liabilities	3,903

Fund balances:

Unassigned	<u>81,835</u>
Total liabilities and fund balances	<u>\$ 85,738</u>

VERMILION PARISH POLICE JURY  
Abbeville, Louisiana  
Component Unit - Criminal Court

Reconciliation of the Governmental Fund Balance Sheet  
to the Statement of Net Position  
December 31, 2018

Fund balance for the governmental fund	<u>\$ 81,835</u>
Net position	<u>\$ 81,835</u>

VERMILION PARISH POLICE JURY  
Abbeville, Louisiana  
Component Unit - Criminal Court

Statement of Revenues, Expenditures, and Changes in Fund Balance  
For the Year Ended December 31, 2018

Revenues:	
Fees, charges, and commission	\$ 200,060
Interest income	<u>805</u>
Total revenues	200,865
Expenditures:	
General government	<u>174,422</u>
Excess of revenues over expenditures	26,443
Fund balance, beginning	<u>55,392</u>
Fund balance, ending	<u>\$ 81,835</u>

VERMILION PARISH POLICE JURY  
Abbeville, Louisiana  
Component Unit - Criminal Court

Reconciliation of the Statement of Revenues, Expenditures, and  
Changes in Fund Balance of the Governmental Fund  
to the Statement of Activities  
For the Year Ended December 31, 2018

Net changes in fund balances per Statement of Revenues, Expenditures and Changes in Fund Balances	\$ 26,443
The effect of recording net pension liability/asset, and the related deferred outflows of resources and deferred inflows of resources: Change in pension expense	<u>(702)</u>
Changes in net position per Statement of Activities	<u>\$ 25,741</u>

VERMILION PARISH POLICE JURY  
Abbeville, Louisiana  
Component Unit - Tourist Commission

Balance Sheet  
Governmental Fund  
December 31, 2018

ASSETS

Cash and interest-bearing deposits	\$ 180,336
Taxes receivable, net	9,916
Other receivables	<u>100</u>
Total assets	<u>\$ 190,352</u>

LIABILITIES AND FUND BALANCES

Liabilities:	
Accounts payable	\$ 3,659
Accrued liabilities	<u>4,231</u>
Total liabilities	7,890
Fund balances:	
Unassigned	<u>182,462</u>
Total liabilities and fund balances	<u>\$ 190,352</u>

VERMILION PARISH POLICE JURY  
Abbeville, Louisiana  
Component Unit - Tourist Commission

Reconciliation of the Governmental Fund Balance Sheet  
to the Statement of Net Position  
December 31, 2018

Fund balance for the governmental fund		\$ 182,462
Pension:		
Net pension liability/asset	\$ 4,401	
Deferred outflows of resources related to net pension liability	11,524	
Deferred inflows of resources related to net pension liability	<u>(13,412)</u>	<u>2,513</u>
Net position		<u>\$ 184,975</u>

VERMILION PARISH POLICE JURY  
Abbeville, Louisiana  
Component Unit - Tourist Commission

Statement of Revenues, Expenditures, and Changes in Fund Balance  
For the Year Ended December 31, 2018

Revenues:	
Sales and use tax	\$ 55,227
Other grants	9,703
Interest income	267
Miscellaneous	<u>13,849</u>
Total revenues	79,046
Expenditures:	
Culture and recreation	<u>248,042</u>
Deficiency of revenues over expenditures	(168,996)
Fund balance, beginning	<u>351,458</u>
Fund balance, ending	<u>\$ 182,462</u>

VERMILION PARISH POLICE JURY  
Abbeville, Louisiana  
Component Unit - Tourist Commission

Reconciliation of the Statement of Revenues, Expenditures, and  
Changes in Fund Balance of the Governmental Fund  
to the Statement of Activities  
For the Year Ended December 31, 2018

Net changes in fund balances per Statement of Revenues, Expenditures and Changes in Fund Balances		\$ (168,996)
The effect of recording net pension liability/asset, and the related deferred outflows of resources and deferred inflows of resources:		
Change in pension expense	\$ 421	
Nonemployer pension contribution revenue recognized	<u>441</u>	<u>862</u>
Changes in net position per Statement of Activities		<u>\$ (168,134)</u>

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**INTERNAL CONTROL,  
COMPLIANCE,  
AND  
OTHER MATTERS**

# KOLDER, SLAVEN & COMPANY, LLC

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## 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 Members of the Police Jury  
Vermilion Parish  
Abbeville, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Vermilion Parish Police Jury (the Police Jury), as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Police Jury's, basic financial statements and have issued our report thereon dated June 14, 2019.

### Internal Control Over Financial Reporting

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

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

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

weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of current and prior year audit findings and management's corrective action plan as items 2018-001 that we consider to be a significant deficiency.

### **Compliance and Other Matters**

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

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

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

### **Purpose of this Report**

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

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

Abbeville, Louisiana  
June 14, 2019

# KOLDER, SLAVEN & COMPANY, LLC

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

To the Members of the Police Jury  
Vermilion Parish  
Abbeville, Louisiana

### Report on Compliance for Each Major Federal Program

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

### Management's Responsibility

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

### Auditor's Responsibility

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

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 on the Police Jury's compliance.

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

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

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

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

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

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

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

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

Abbeville, Louisiana  
June 14, 2019

VERMILION PARISH POLICE JURY  
 Abbeville, Louisiana  
 Schedule of Expenditures of Federal Awards  
 Year Ended December 31, 2018

Federal Grantor/Pass-Through Grantor/Program Name	CFDA Number	Pass - Through Identifying No.	Passed Through to Subrecipients	Expenditures
United States Department of Community Planning and Development, Department of Housing and Urban Development - Passed through State of Louisiana Division of Administration, Office of Finance and Support Services Community Development Block Grants/State's Program	14.228	683851	\$ -	\$ 111,099
Community Development Block Grants/State's Program	14.228	726451	-	285,824
Community Development Block Grants/State's Program	14.228	726450	-	587,549
			<u>-</u>	<u>984,472</u>
United States Department of Transportation and Development - Passed through State of Louisiana, Office of Community Development Public Transportation for Non-urbanized Areas	20.509	LA-2017-013	<u>92,169</u>	<u>92,169</u>
United States Department of the Treasury, Office of the Fiscal Assistant Secretary, Office of Gulf Coast Restoration Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States	21.015	N/A	<u>-</u>	<u>48,783</u>
United States Department of Homeland Security - Passed through State of Louisiana Military Department of Homeland Security and Emergency Preparedness - Flood Mitigation Assistance	97.029	FMA-PJ-06-LA-2014-008	-	172,364
Flood Mitigation Assistance	97.029	FMA-PJ-06-LA-2016-001	-	1,767,543
			<u>-</u>	<u>1,939,907</u>

(continued)

VERMILION PARISH POLICE JURY  
 Abbeville, Louisiana  
 Schedule of Expenditures of Federal Awards (Continued)  
 Year Ended December 31, 2018

Federal Grantor/Pass-Through Grantor/Program Name	CFDA Number	Pass - Through Identifying No.	Passed Through to Subrecipients	Expenditures
United States Department of Homeland Security (continued) -				
Passed through State of Louisiana Military				
Department of Homeland Security and				
Emergency Preparedness -				
Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-4345-PA-LA PW 37	-	18,656
Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-4345-PA-LA PW 48	-	66,783
Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-4345-PA-LA PW 50	-	3,917
Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-4345-PA-LA PW 1	-	4,114
			-	<u>93,470</u>
Hazard Mitigation Grant	97.039	1603-113-0006	-	124
Hazard Mitigation Grant	97.039	1603-113-0010	-	11,600
Hazard Mitigation Grant	97.039	1603-113-0011	-	395,319
Hazard Mitigation Grant	97.039	1786-113-0001	-	938
Hazard Mitigation Grant	97.039	1786-113-0003	-	28,661
Hazard Mitigation Grant	97.039	1792-113-0003	-	22,200
Hazard Mitigation Grant	97.039	1792-022-0002	-	86,258
Hazard Mitigation Grant	97.039	SRL-PJ-06-LA-2011-08	-	39,502
			-	<u>584,602</u>
Emergency Management Performance Grant	97.042	EMT-2017-EP-00001-S01	-	31,963
Emergency Management Performance Grant	97.042	EMT-2018-EP-00003-S01	-	31,867
			-	<u>63,830</u>
Homeland Security Grant Program	97.067	EMT-2016-EP-00003-S01	-	58,475
Total Department of Homeland Security			-	<u>2,740,284</u>
			<u>\$ 92,169</u>	<u>\$ 3,865,708</u>

VERMILION PARISH POLICE JURY  
Abbeville, Louisiana

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

(1) General

The accompanying Schedule of Expenditures of Federal Awards presents the federal grant activity of the Vermilion Parish Police Jury (the Police Jury). The Police Jury reporting entity is defined in Note 1 to the basic financial statements for the year ended December 31, 2018. All federal financial assistance received directly from federal agencies is included on the schedule as well as federal financial assistance passed through other government agencies.

(2) Basis of Accounting

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

(3) Indirect Cost Rate

The Police Jury has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

(4) Federal Emergency Managements Agency (FEMA) and Gulf Coast Restoration Programs

The Police Jury included fiscal year 2017 expenditures in the 2018 Schedule of Expenditures of Federal Awards for the following:

Federal Grantor/Pass-Through Grantor/Program Name	CFDA Number	Expenditures
United States Department of Homeland Security -		
Passed through State of Louisiana Military		
Department of Homeland Security and		
Emergency Preparedness -		
Public Assistance (Presidentially Declared Disasters)	97.036	\$ 93,470
Hazard Mitigation Grant	97.039	190,614
Flood Mitigation Assistance	97.029	19,744
Emergency Management Performance Grant	97.042	42,257
Homeland Security Grant Program	97.067	<u>35,105</u>
Total Department of Homeland Security		381,190
United States Department of the Treasury, Office of		
the Fiscal Assistant Secretary, Office of Gulf Coast		
Restoration Resources and Ecosystems Sustainability, Tourist		
Opportunities, and Revived Economies of the		
Gulf Coast States	21.015	<u>6,495</u>
Total		<u>\$ 387,685</u>

VERMILION PARISH POLICE JURY  
Abbeville, Louisiana

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

Part I. Summary of Auditor's Results:

1. The auditor's report expresses an unmodified opinion on the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Vermilion Parish Police Jury. Additionally, the auditor's report expresses an adverse opinion on the financial statements of the discretely presented component units of the Vermilion Parish Police Jury because the Police Jury does not issue reporting entity financial statements to include all component units.
2. One significant deficiency in internal control was disclosed by the audit of the basic financial statements.
3. An instance of noncompliance material to the financial statements which is required to be reported in accordance with *Government Auditing Standards*, was disclosed by the audit of the financial statements.
4. No significant deficiencies in internal control over the major program were disclosed by the audit of the basic financial statements.
5. An unmodified opinion was issued on compliance for the major programs.
6. The audit disclosed no findings required to be reported in accordance with 2 CFR section 200.516(a) of the Uniform Guidance.
7. The major program was:  
  
United States Department of Homeland Security, Louisiana Military Department of Homeland Security and Emergency Preparedness: Flood Mitigation Assistance, CFDA 97.029.
8. The dollar threshold used to distinguish between Type A and Type B programs was \$750,000.
9. The auditee did qualify as a low-risk auditee.

VERMILION PARISH POLICE JURY  
Abbeville, Louisiana

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

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

A. Internal Control Findings –

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

B. Compliance Findings –

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

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

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

VERMILION PARISH POLICE JURY  
Abbeville, Louisiana

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

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

A. Internal Control Over Financial Reporting

2018-001 Application of Generally Accepted Accounting Principles (GAAP)

Fiscal year finding initially occurred: Unknown

CONDITION: The Vermilion Parish Police Jury did not have adequate internal controls over recording the entity's financial transactions or preparing its financial statements, including related notes in accordance with generally accepted accounting principles (GAAP).

CRITERIA: AU-C§265.A37 identifies the following as a deficiency in the design of (internal) controls:

"... in an entity that prepares financial statements in accordance with generally accepted accounting principles, the person responsible for the accounting and reporting function lacks the skills and knowledge to apply generally accepted accounting principles in recording the entity's financial transactions or preparing its financial statements."

CAUSE: The cause of the condition is the result of a failure to design or implement policies and procedures necessary to achieve adequate internal control.

EFFECT: Financial statements and related supporting transactions may reflect a material departure from generally accepted accounting principles.

RECOMMENDATION: Management should evaluate the additional costs required to achieve the desired benefit and determine if it is economically feasible in relation to the benefit received.

MANAGEMENT'S CORRECTIVE ACTION PLAN: Mr. Keith Roy, Administrator, has evaluated the cost vs. benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interests of the Police Jury to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.

VERMILION PARISH POLICE JURY  
Abbeville, Louisiana

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

B. Compliance

2018-002 Budget Noncompliance

Fiscal year finding initially occurred: 2018

CONDITION: A budget variance in excess of 5% occurred in the 1978 Sales Tax Fund.

CRITERIA: LSA-RS 39:1311 et seq, Budgetary Authority and Control, provides for amending the budget when total revenue plus projected revenue are failing to meet total budgeted revenues by 5% or more, or when total expenditures plus projected expenditures exceed budgeted expenditures by 5% or more."

CAUSE: The cause is a result of failure to properly monitor the revenues and expenditures of the Police Jury.

EFFECT: The Police Jury may not prevent and/or detect compliance violations due to under receipt or over expending of the appropriated budget, and errors or irregularities on a timely basis.

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

MANAGEMENT'S CORRECTIVE ACTION PLAN: The Police Jury will monitor budget to actual comparisons closely and adopt the necessary amendments to ensure compliance with state statutes.

VERMILION PARISH POLICE JURY  
Abbeville, Louisiana

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

Part II: Prior Year Findings:

A. Internal Control Over Financial Reporting

2017-001 Application of Generally Accepted Accounting Principles (GAAP)

CONDITION: The Vermilion Parish Police Jury did not have adequate internal controls over recording the entity's financial transactions or preparing its financial statements, including related notes in accordance with generally accepted accounting principles (GAAP).

RECOMMENDATION: Management should evaluate the additional costs required to achieve the desired benefit and determine if it is economically feasible in relation to the benefit received.

CURRENT STATUS: Unresolved. See item 2018-001.

B. Compliance

There were no compliance findings.



# VERMILION PARISH POLICE JURY

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**Dane Hebert**  
VICE PRESIDENT

**Keith Roy**  
PARISH ADMINISTRATOR

**Carolyn Bessard**  
ASSISTANT PARISH  
ADMINISTRATOR

**MEMBERS:**

**DISTRICT 1**

Dane Hebert

**DISTRICT 2**

Jason Picard

**DISTRICT 3**

Brent Landry

**DISTRICT 4**

Ronald Darby

**DISTRICT 5**

Wayne Touchet

**DISTRICT 6**

Mark Poche

**DISTRICT 7**

Paul Bourgeois

**DISTRICT 8**

Erral J. Domingues

**DISTRICT 9**

Kevin Sagrera

**DISTRICT 10**

Ronald Menard

**DISTRICT 11**

Pervis Gaspard

**DISTRICT 12**

Cloris J. Boudreaux

**DISTRICT 13**

Sandrus Stelly

**DISTRICT 14**

Leon Broussard



Vermilion Parish Police Jury respectfully submits the following corrective action plan for the year ended December 31, 2018.

**Audit conducted by:**

Kolder, Slaven & Company, LLC  
200 South Main Street  
Abbeville, LA 70510

**Audit Period:** Fiscal year ended December 31, 2018

The findings from the December 31, 2018 schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

**FINDINGS -FINANCIAL AUDIT**

**Significant Deficiency**

2018-001 Application of Generally Accepted Accounting Principles (GAAP)

**RECOMMENDATION:** Management should evaluate the additional costs required to achieve the desired benefit and determine if it is economically feasible in relation to the benefit received.

**CORRECTIVE ACTION PLAN:** Mr. Keith Roy, Administrator, has evaluated the cost vs. benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interests of the Police Jury to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.

**Compliance**

2018-002 Budget Noncompliance

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

**CORRECTION ACTION PLAN:** The Police Jury will monitor budget to actual comparisons closely and adopt the necessary amendments to ensure compliance with state statutes.

If there are questions regarding this plan, please call Keith Roy, Administrator at 337-898-4300.

Sincerely,

Keith Roy, Parish Administrator

**VERMILION PARISH POLICE JURY**  
Abbeville, Louisiana

Agreed-Upon Procedures Report

Year Ended December 31, 2018

# KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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

To the Members of the Police Jury,  
and the Louisiana Legislative Auditor

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

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

The procedures and associated findings are as follows:

### *Written Policies and Procedures*

---

1. We obtained and inspected the entity's written policies and procedures and observed that they address each of the following categories and subcategories:
  - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
  - b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
  - c) **Disbursements**, including processing, reviewing, and approving.
  - d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties,

reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

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

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

---

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

### ***Bank Reconciliations***

---

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

### ***Collections***

---

4. We obtained a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly selected 5 deposit sites (or all deposit sites if less than 5).
5. For each deposit site selected, we obtained a listing of collection locations and management's representation that the listing is complete. We randomly selected one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), we obtained and inspected 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 we observed that job duties are properly segregated at each collection location such that:
  - a) Employees that are responsible for cash collections do not share cash drawers/registers.
  - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
  - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
  - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.
6. We inquired of management that all employees who have access to cash are covered by a bond or insurance policy for theft.
7. We randomly selected two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (selected the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly selected a deposit if multiple deposits are made on the same day). Alternately, we used a source document other than bank statements when

selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc. We obtained supporting documentation for each of the 10 deposits and:

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

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

---

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

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

---

11. We obtained from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. We obtained management's representation that the listing is complete.
12. Using the listing prepared by management, we randomly selected 5 cards (or all cards if less than 5) that were used during the fiscal period. We randomly selected one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtained supporting documentation, and:
  - a) Observed that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder.
  - b) Observed that finance charges and late fees were not assessed on the selected statements.
13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, we randomly selected 10 transactions (or all transactions if less than 10) from each statement, and we obtained supporting documentation for the transactions. For each transaction, we observed that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

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

---

14. We obtained 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. We randomly selected 5 reimbursements, obtained the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
  - a) If reimbursed using a per diem, agreed the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).
  - b) If reimbursed using actual costs, observed that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
  - c) Observed that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observed that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
  - d) Observed that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

## ***Contracts***

---

15. We obtained from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. We obtained management's representation that the listing is complete. We randomly selected 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
- a) Observed that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
  - b) Observed that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
  - c) If the contract was amended (e.g. change order), observed that the original contract terms provided for such an amendment.
  - d) Randomly selected one payment from the fiscal period for each of the 5 contracts, obtained the supporting invoice, agreed the invoice to the contract terms, and observed that the invoice and related payment agreed to the terms and conditions of the contract.

## ***Payroll and Personnel***

---

16. We obtained a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. We randomly selected 5 employees/officials, obtained related paid salaries and personnel files, and agreed paid salaries to authorized salaries/pay rates in the personnel files.
17. We randomly selected one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, we obtained attendance records and leave documentation for the pay period, and:
- a) Observed that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).
  - b) Observed that supervisors approved the attendance and leave of the selected employees/officials.
  - c) Observed that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
18. We obtained a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. We randomly selected two employees/officials, obtained related documentation of the hours and pay rates used in management's termination payment calculations, agreed the hours to the employee/officials' cumulate leave records, and agreed the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.
19. We obtained management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

### ***Ethics***

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20. Using the 5 randomly selected employees/officials from procedure #16 under “Payroll and Personnel” above we obtained ethics documentation from management, and:
  - a. Observed that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
  - b. Observed that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity’s ethics policy during the fiscal period.

### ***Debt Service***

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

### ***Other***

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23. We obtained a listing of misappropriations of public funds and assets during the fiscal period and management’s representation that the listing is complete. We selected all misappropriations on the listing, obtained supporting documentation, and observed that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.
24. We observed that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

### **Findings:**

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In accordance with the Statewide Agreed-Upon Procedures, certain categories may be excluded from testing. Therefore, the following categories were not tested this year: Travel and Travel-Related Expense Reimbursement, Contracts, Debt Service, and Other

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

#### **Written Policies and Procedures**

Vermilion Parish Police Jury does not have written policies and procedures addressing budgeting.

Vermilion Parish Police Jury does not have written policies and procedures addressing how vendors are added to the vendor list.

Vermilion Parish Police Jury does not have written policies and procedures addressing contracting.

Vermilion Parish Police Jury does not have written policies and procedures addressing allowable expenses and dollar thresholds by category of expense for travel and expense reimbursement.

Vermilion Parish Police Jury does not have written policies and procedures addressing ethics.

Vermilion Parish Police Jury does not have written policies and procedures addressing debt service

**Board or Finance Committee:**

The Entity's minutes did not reference monthly budget-to-actual comparisons for 8 out of 12 months.

**Disbursements:**

5 out of 5 of Communications district disbursement did not use purchase orders.

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

Vermilion Parish Police Jury was assessed late fees on one of the selected cards tested.

**Management's Response:**

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

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

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

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

Abbeville, Louisiana  
June 14, 2019