

East Feliciana Parish Police Jury

Clinton, Louisiana

Annual Financial Statements

As of and for the Year Ended December 31, 2018
With Supplemental Information Schedules



BRUCE HARRELL & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS
A Professional Accounting Corporation

**East Feliciana Parish Police Jury
Clinton, Louisiana**

**Annual Financial Statements
As of and for the Year Ended December 31, 2018
With Supplemental Information Schedules**

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Independent Auditor's Report

Board Members of the East Feliciana Parish Police Jury
and Mrs. Sonya Crowe, Parish Manager
P.O. Box 427
Clinton, LA 70722

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

BRUCE HARRELL & CO.
CERTIFIED PUBLIC ACCOUNTANTS
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Independent Auditor's Report
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Basis for Adverse Opinion on Aggregate Discretely Presented Component Units and Qualified Opinion on Governmental Activities

The financial statements referred to above do not include financial data for the East Feliciana Parish Police Jury's legally separate component units. Accounting principles generally accepted in the United States of America require financial data for those component units to be reported with the financial data of the East Feliciana Parish Police Jury's primary government unless the East Feliciana Parish Police Jury also issues financial statements for the financial reporting entity that include the financial data for its component units. The East Feliciana Parish 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.

Additionally, as described in Note 15, there is a potential contingent liability to the financial statements of the governmental activities related to the Coroner's Fund. The impact, if any, to the governmental activities is uncertain.

Adverse Opinion

In our opinion, because of the significance of the matter discussed in the "*Basis for Adverse Opinion on Aggregate Discretely Presented Component Units and Qualified Opinion on Governmental Activities*" paragraph, the financial statements referred to above do not present fairly the financial position of the aggregate discretely presented component units of the East Feliciana 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.

Qualified Opinion

In our opinion, except for the effects of the matter described in the "*Basis for Adverse Opinion on Aggregate Discretely Presented Component Units and Qualified Opinion on Governmental Activities*" paragraph, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the East Feliciana Parish Police Jury, as of December 31, 2018, and the respective changes in financial position 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 major funds and aggregate remaining fund information of the East Feliciana Parish Police Jury, as of December 31, 2018, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Adjustment to Prior Period Financial Statements

As discussed in Note 16 to the financial statements of the East Feliciana Parish Police Jury, the 2017 financial statements have been restated to correct a misstatement. Our opinion is not modified with respect to this matter.

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East Feliciana Parish Police Jury
Independent Auditor's Report
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Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 11-18 and 57-59, as well as the information presented in the Schedules of the Police Jury's Proportionate Share of the Net Pension Liability on pages 60-61, and the Schedules of the Police Jury's Contributions on pages 62-63, 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 response to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions of the financial statements that collectively comprise the East Feliciana Parish Police Jury's basic financial statements. The accompanying schedules listed as Other Supplemental Information in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying schedules listed as Other Supplemental Information in the table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules listed as Other Supplemental Information in the table of contents are fairly stated in all material respects in relation to the basic financial statements as a whole.

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East Feliciana Parish Police Jury
Independent Auditor's Report
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Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 26, 2019, based on our consideration of the East Feliciana Parish Police Jury's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing 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 the East Feliciana Parish Police Jury's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Bruce Harrell & Co." in a cursive script.

Bruce Harrell & Company, CPAs
A Professional Accounting Corporation
Kentwood, LA

August 26, 2019

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Required Supplemental Information (Part I)
Management's Discussion and Analysis

**East Feliciana Parish Police Jury
Management's Discussion and Analysis
As of and for the Year Ended December 31, 2018**

Introduction

The East Feliciana Parish Police Jury is pleased to present its Annual Financial Statements developed in compliance with Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements – Management's Discussion and Analysis – For State and Local Governments* (GASB 34), as amended. The amendment of GASB Statement No. 34, including the adoption of GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and applicable standards are more fully described in *Footnote 1 – Summary of Significant Accounting Policies*.

The Police Jury's discussion and analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Police Jury's financial activity, (c) identify changes in the Police Jury's financial position, (d) identify any significant variations from the Police Jury's financial plan, and (e) identify individual fund issues or concerns.

As with other sections of this financial report, the information contained within this MD&A should be considered only a part of a greater whole. The readers of this statement should take time to read and evaluate all sections of this report, including the footnotes and the other Required Supplemental Information ("RSI") that is provided in addition to this MD&A.

Financial Highlights

- At December 31, 2018, the Police Jury's assets exceeded its liabilities by \$20,367,663 (net position). Of this amount, \$2,288,005 (unrestricted net position) may be used to meet the Police Jury's ongoing obligations to its citizens.
- For the year ended December 31, 2018, the total net position increased by \$254,392, after prior period adjustments.
- There has been no debt incurred or anticipated in providing services to the parish.

Overview of the Annual Financial Report

This discussion and analysis is intended to serve as an introduction to the East Feliciana Parish Police Jury's financial statements. The East Feliciana Parish Police Jury's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

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

The *statement of net position* presents information on all of the East Feliciana Parish Police Jury's assets and liabilities using the accrual basis of accounting, the difference between the assets and liabilities is reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the East Feliciana Parish Police Jury is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the

**East Feliciana Parish Police Jury
Management's Discussion and Analysis
As of and for the Year Ended December 31, 2018**

change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes).

The governmental activities of the East Feliciana Parish Police Jury include general government, public safety, public works, cultural and recreation, health and welfare, and economic development. The East Feliciana Parish Police Jury does not at this time have any business-type activities.

The government-wide financial statements can be found on pages 20-21 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The East Feliciana Parish Police Jury, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related and legal requirements. All of the funds of the Police Jury can be divided into two categories: governmental funds and fiduciary funds.

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

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

The East Feliciana Parish Police Jury maintains six individual governmental funds. Information is presented separately in the governmental fund statements of revenues, expenditures, and changes in fund balances for the General, Roads and Bridges, and Solid Waste, each of which are considered to be major funds. Data from the other three governmental funds is combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The East Feliciana Parish Police Jury adopts an annual appropriated budget for its general and special revenue funds. Budgetary comparison statements for the major funds have been provided herein to demonstrate compliance with those budgets.

The basic governmental fund financial statements can be found on pages 23-28 of this report.

**East Feliciana Parish Police Jury
Management's Discussion and Analysis
As of and for the Year Ended December 31, 2018**

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are reflected in the government-wide financial statements because the resources of those funds are *not* available to support the East Feliciana Parish Police Jury's own programs.

The basic fiduciary fund financial statements can be found on page 30 of this report.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 32 through 55 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information. This includes the combining and individual fund statements and schedules which can be found on pages 65-66 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The following table provides a summary of the Police Jury's net position for the current year as compared to the prior year. For more detailed information, see the Statement of Net Position on page 20 of this report.

**Net Position
2018 and 2017**

	Governmental Activities	
	2018	2017
Assets:		(Restated)
Current and Other Assets	\$ 7,950,716	\$ 7,246,919
Capital Assets	12,694,903	13,315,560
Other Assets	118,139	-
Total Assets	<u>20,763,758</u>	<u>20,562,479</u>
Deferred Outflows of Resources		
Pension Related	303,719	470,260
Total Deferred Outflows of Resources	<u>303,719</u>	<u>470,260</u>
Liabilities:		
Long-Term Debt Outstanding	104,188	381,080
Other Liabilities	223,956	450,783
Total Liabilities	<u>328,144</u>	<u>831,863</u>
Deferred Inflows of Resources		
Pension Related	371,670	87,605
Total Deferred Inflows of Resources	<u>371,670</u>	<u>87,605</u>
Net Position:		
Net Investment in Capital Assets	12,694,903	13,315,560
Restricted	5,384,755	5,106,117
Unrestricted	2,288,005	1,691,594
Total Net Position	<u>\$ 20,367,663</u>	<u>\$ 20,113,271</u>

**East Feliciana Parish Police Jury
Management's Discussion and Analysis
As of and for the Year Ended December 31, 2018**

One of the largest portions of the East Feliciana Parish Police Jury's net position (62 percent) reflects its investment in capital assets (e.g., land, buildings, machinery and equipment, and infrastructure), less any related debt used to acquire those assets that is still outstanding. The East Feliciana Parish Police Jury uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the East Feliciana Parish Police Jury's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the East Feliciana Parish Police Jury's net position (26 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance or *unrestricted net position* (12 percent) may be used to meet the government's on-going obligations to its citizens.

The Police Jury's activities increased its total net position by \$254,392 during the current fiscal year.

In order to further understand what makes up the changes in net position, the table on the following page provides a summary of the results of the Police Jury's activities for the current year as compared to the prior year. An analysis of the primary sources of these changes follows the table. For more detailed information, see the Statement of Activities on page 21 of this report.

**East Feliciana Parish Police Jury
Management's Discussion and Analysis
As of and for the Year Ended December 31, 2018**

Changes in Net Position

For the years ended December 31, 2018 and 2017

	Governmental Activities		Variance	
	2018	2017 (Restated)	Amount	Percentage
Revenues:				
Program Revenues:				
Charges for Services	\$ 461,172	\$ 506,676	\$ (45,504)	-9%
Operating Grants and Contributions	264,479	384,640	(120,161)	-31%
Capital Grants and Contributions	407,867	345,670	62,197	18%
General Revenues:				
Property Taxes	1,073,939	932,418	141,521	15%
Sales Taxes	4,176,470	3,984,141	192,329	5%
Severance Taxes	357,230	341,681	15,549	5%
Franchise Taxes	11,016	12,170	(1,154)	-9%
Fire Insurance Rebates	82,063	90,138	(8,075)	-9%
Intergovernmental	182,768	276,200	(93,432)	-34%
Interest Income	62,686	32,122	30,564	95%
Miscellaneous	117,286	87,685	29,601	34%
Gain (Loss) on Disposition of Assets	76,803	-	76,803	100%
Total Revenues	<u>7,273,779</u>	<u>6,993,541</u>	<u>280,238</u>	4%
Expenses:				
General Government	1,324,841	1,495,694	(170,853)	-11%
Public Safety	1,316,065	1,478,897	(162,832)	-11%
Public Works	131,026	20,167	110,859	550%
Sanitation	1,753,440	1,522,606	230,834	15%
Health and Welfare	501,544	466,842	34,702	7%
Streets	1,971,285	2,079,455	(108,170)	-5%
Recreation	15,932	2,838	13,094	461%
Economic Development	5,254	746	4,508	604%
Total Expenses	<u>7,019,387</u>	<u>7,067,245</u>	<u>(47,858)</u>	-1%
Increase (Decrease) in Net Position	<u>254,392</u>	<u>(73,704)</u>	<u>328,096</u>	445%
Net Position - Beginning	20,059,792	20,092,105	(32,313)	-
Prior Period Adjustments (Note 16)	53,479	94,870	(41,391)	-44%
Net Position - Beginning (Restated)	<u>20,113,271</u>	<u>20,186,975</u>	<u>(73,704)</u>	-
Net Position, Ending	<u>\$ 20,367,663</u>	<u>\$ 20,113,271</u>	<u>\$ 254,392</u>	1%

**East Feliciana Parish Police Jury
Management's Discussion and Analysis
As of and for the Year Ended December 31, 2018**

Governmental Activities

Governmental activities decreased the East Feliciana Parish Police Jury's net position by \$254,392, after prior period adjustments. Key elements of this change in net position as shown on the previous page are as follows:

- Total Revenues increased by \$280,238 or four percent during the year primarily due to the increase in sales taxes in the amount of \$192,329 and property taxes in the amount of \$141,521.
- Total Expenses decreased by \$47,858 or by approximately one percent during the year. The largest decreases during 2018 were in general government expenses in the amount of \$170,853 and in public safety expenses in the amount of \$162,832. These decreases were partially offset by increases to sanitation expenses in the amount of \$230,834.
- The increase in net position for 2018 was \$254,392, after prior period adjustment, which was an increase from the previous year by \$328,096.

Fund Financial Analysis

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

Governmental Funds

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

As of the end of the current fiscal year, the East Feliciana Parish Police Jury's governmental funds reported combined ending fund balances of \$7,519,063, an increase of \$881,616. Approximately twenty-eight percent of this total amount, \$2,134,308 constitutes *unassigned fund balance*, which is available for spending at the government's discretion.

The general fund is the chief operating fund of the East Feliciana Parish Police Jury. At the end of the current fiscal year, unassigned fund balance of the general fund was \$1,652,397. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance to total fund operating expenditures plus other financing uses totaling \$2,708,067. Unassigned fund balance represents approximately 61 percent of total general fund operating expenditures and other financing source outflows.

The fund balance of the East Feliciana Parish Police Jury's general fund decreased by \$1,583 during the current fiscal year.

The Roads and Bridges Fund had an increase in fund balance for the current year of \$628,652, for an ending total of \$481,911 at December 31, 2018.

The Solid Waste Fund has a total fund balance of \$4,512,063 which increased by \$111,110.

**East Feliciana Parish Police Jury
Management's Discussion and Analysis
As of and for the Year Ended December 31, 2018**

Major Fund Budgetary Highlights

Total revenues and other sources and total expenditures and other uses for the East Feliciana Parish Police Jury were within five percent of budgeted revenues and other sources and expenditures and other uses for the fiscal year ending December 31, 2018.

Capital Assets and Debt Administration

Capital Assets

The East Feliciana Parish Police Jury's investment in capital assets for its governmental activities as of December 31, 2018, amounted to \$12,694,903 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings and improvements, machinery and equipment, and infrastructure.

The following table provides a summary of the Police Jury's capital assets (net of depreciation) at the end of the current year as compared to the prior year. For more detailed information, see Note 7 to the financial statements on page 43 of this report.

**Capital Assets (Net of Depreciation)
2018 and 2017**

Capital Assets	Governmental Activities		Increase (Decrease)	Percentage Increase (Decrease)
	2018	2017		
Land	\$ 259,230	\$ 259,230	\$ -	-
Construction in Progress	97,957	66,000	31,957	48%
Buildings and Improvements	10,178,147	10,085,396	92,751	1%
Equipment and Vehicles	4,182,636	4,485,819	(303,183)	-7%
Streets and Bridges	8,807,479	8,807,479	-	-
Subtotal Capital Assets	<u>23,525,449</u>	<u>23,703,924</u>	<u>(178,475)</u>	-1%
Less: Accumulated Depreciation	<u>(10,830,546)</u>	<u>(10,388,364)</u>	<u>(442,182)</u>	-4%
Capital Assets, Net	<u>\$ 12,694,903</u>	<u>\$ 13,315,560</u>	<u>\$ (620,657)</u>	-5%

**East Feliciana Parish Police Jury
Management's Discussion and Analysis
As of and for the Year Ended December 31, 2018**

Long-Term Obligations

At December 31, 2018, the Police Jury had total long-term obligations of \$104,188. The following table provides a summary of the Police Jury's outstanding debt at the end of the current year as compared to the prior year. For more detailed information, see Note 11 to the financial statements on pages 44 of this report.

**Outstanding Debt
2018 and 2017**

	<u>Governmental Activities</u>	
	<u>2018</u>	<u>2017</u>
Long Term Debt		
Compensated Absences	\$ 14,431	\$ 8,301
Net Pension Liability	49,257	372,779
Other Non-Current Liabilities	40,500	-
Total Long Term Debt	<u>\$ 104,188</u>	<u>\$ 381,080</u>

Economic Factors and Next Year's Budgets and Rates

The following factors were considered in preparing the East Feliciana Police Jury's budget for the 2018 fiscal year:

- The two major revenue sources for the general fund, excluding sales taxes, are ad valorem taxes and severance taxes. Ad valorem taxes increased \$20,865 in 2018. Ad valorem taxes were budgeted at \$410,000 for 2019. Severance tax decreased \$161,527 in 2018. This decrease is due to the Police Jury now depositing the severance taxes received for timber into the Road & Bridges Fund. Severance tax for the General Fund was budgeted at \$173,000 for 2019.
- Sales tax revenues increased by approximately \$192,329 in 2018. The General Fund, Roads and Bridges Fund, and Solid Waste Fund combined have budgeted sales tax revenues at \$3,925,000 for 2019.

Request for Information

This financial report is designed to provide a general overview of the East Feliciana Parish Police Jury's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Sonya Crowe, Parish Manager, P.O. Box 427, Clinton, Louisiana 70722; telephone (225) 683-3100.

Basic Financial Statements

Government-Wide Financial Statements

**East Feliciana Parish Police Jury
Statement of Net Position
As of December 31, 2018**

Statement A

		Primary Governmental Governmental Activities
		<u> </u>
Assets		
Current Assets:		
Cash and Cash Equivalents	\$	5,814,180
Receivables, Net:		2,087,323
Prepaid Insurance and Other Assets		49,213
Total Current Assets		<u>7,950,716</u>
Capital Assets:		
Land		259,230
Construction in Progress		97,957
Capital Assets, Net		<u>12,337,716</u>
Total Capital Assets		<u>12,694,903</u>
Other Assets		
Net Pension Asset		118,139
Total Other Assets		<u>118,139</u>
Total Assets		<u>20,763,758</u>
Deferred Outflows of Resources		
Pension Related		303,719
Total Deferred Outflows of Resources		<u>303,719</u>
Liabilities		
Current Liabilities:		
Accounts Payable		127,418
Other Accrued Payables		96,538
Total Current Liabilities		<u>223,956</u>
Long Term Liabilities:		
Compensated Absences Payable		14,431
Net Pension Liability		49,257
Other Non-Current Liabilities		40,500
Total Long Term Liabilities		<u>104,188</u>
Total Liabilities		<u>328,144</u>
Deferred Inflows of Resources		
Pension Related		371,670
Total Deferred Inflows of Resources		<u>371,670</u>
Net Position		
Net Investment in Capital Assets		12,694,903
Restricted for:		
Other Purposes		5,384,755
Unrestricted		2,288,005
Total Net Position	\$	<u>20,367,663</u>

The accompanying notes are an integral part of this statement.

Statement B

East Feliciana Parish Police Jury
Statement of Activities
For the year ended December 31, 2018

	<u>Program Revenues</u>				<u>Net (Expenses) Revenues and Changes in Net Position</u>
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants & Contributions</u>	<u>Capital Grants & Contributions</u>	<u>Primary Government Governmental Activities</u>
Governmental Activities					
General Government	\$ 1,324,841	\$ 165,855	\$ 17,951	\$ 134,271	\$ (1,006,764)
Public Safety	1,316,065	292,642	98,261	36,710	(888,452)
Public Works	131,026	-	-	-	(131,026)
Sanitation	1,753,440	-	-	-	(1,753,440)
Health and Welfare	501,544	-	148,267	-	(353,277)
Transportation	1,971,285	2,675	-	236,886	(1,731,724)
Recreation	15,932	-	-	-	(15,932)
Economic Development	5,254	-	-	-	(5,254)
Total Governmental Activities	<u>7,019,387</u>	<u>461,172</u>	<u>264,479</u>	<u>407,867</u>	<u>(5,885,869)</u>
General Revenues:					
Taxes:					
Property Taxes					1,073,939
Sales Taxes					4,176,470
Franchise Taxes					11,016
Severance Taxes					357,230
Fire Insurance Rebates					82,063
Intergovernmental					
State Revenue Sharing					63,633
Other					119,135
Investment Earnings					62,686
Miscellaneous					117,286
Gain (Loss) on Sale or Acquisition (Disposition) of Assets					76,803
Total General Revenues and Transfers					<u>6,140,261</u>
Change in Net Position					<u>254,392</u>
Net Position - Beginning					20,059,792
Prior Period Adjustments (Note 16)					53,479
Net Position - Beginning (Restated)					<u>20,113,271</u>
Net Position - Ending					<u>\$ 20,367,663</u>

The accompanying notes are an integral part of this statement.

Basic Financial Statements

Fund Financial Statements

East Feliciana Parish Police Jury
Balance Sheet, Governmental Funds
As of December 31, 2018

	<u>Major Funds</u>			<u>Nonmajor Funds</u>	<u>Total Governmental Funds</u>
	<u>General Fund</u>	<u>Road & Bridges Fund</u>	<u>Solid Waste Fund</u>	<u>Other Governmental Funds</u>	
Assets					
Cash and Equivalents	\$ 1,183,787	\$ 1,160,933	\$ 3,140,882	\$ 328,578	\$ 5,814,180
Investments	-	-	-	-	-
Receivables, Net:	713,069	87,703	403,965	609,309	1,814,046
Due From Other Funds	-	345,075	1,075,000	41,431	1,461,506
Restricted Cash	-	-	-	-	-
Total Assets	\$ 1,896,856	\$ 1,593,711	\$ 4,619,847	\$ 979,318	\$ 9,089,732
Liabilities, Deferred Inflows of Resources, and Fund Balances					
Liabilities:					
Accounts Payable	\$ 18,174	\$ -	\$ 106,270	\$ 2,974	\$ 127,418
Retainage Payable	10,621	-	-	-	10,621
Construction Payable	44,571	-	-	-	44,571
Other Accrued Liabilities	20,666	-	-	20,680	41,346
Due to Other Funds	74,915	1,111,800	1,514	-	1,188,229
Total Liabilities	168,947	1,111,800	107,784	23,654	1,412,185
Deferred Inflows of Resources:					
Unavailable Ad Valorem Taxes	75,512	-	-	82,972	158,484
Total Deferred Inflows of Resources	75,512	-	-	82,972	158,484
Fund Balances:					
Restricted	-	-	4,512,063	872,692	5,384,755
Unassigned	1,652,397	481,911	-	-	2,134,308
Total Fund Balances	1,652,397	481,911	4,512,063	872,692	7,519,063
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 1,896,856	\$ 1,593,711	\$ 4,619,847	\$ 979,318	\$ 9,089,732

The accompanying notes are an integral part of this statement.

East Feliciana Parish Police Jury
Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Financial Statement of Net Position
As of December 31, 2018

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

Fund Balances, Total Governmental Funds (Statement C)	\$ 7,519,063
Capital assets used in governmental activities are not financial resources and are therefore not reported in the governmental funds.	
Governmental capital assets net of depreciation	12,694,903
Prepaid Insurance not recorded in the fund basis financial statements	49,213
Ad valorem taxes collected after year-end, but not available soon enough to pay for current expenditures	158,484
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the Governmental funds.	
Compensated Absences Payable	(14,431)
Net Pension Liability	68,882
Deferred Outflows of Resources	303,719
Deferred Inflows of Resources	(371,670)
Other Non-Current Liabilities	<u>(40,500)</u>
Net Position of Governmental Activities (Statement A)	\$ <u>20,367,663</u>

The accompanying notes are an integral part of this statement.

East Feliciana Parish Police Jury
Statement of Revenues, Expenditures and
Changes in Fund Balances
For the year ended December 31, 2018

	<u>Major Funds</u>			<u>Nonmajor Funds</u>	<u>Total Governmental Funds</u>
	<u>General Fund</u>	<u>Road & Bridges Fund</u>	<u>Solid Waste Fund</u>	<u>Other Governmental Funds</u>	
Revenues					
Taxes					
Ad valorem	\$ 498,059	\$ -	\$ -	\$ 544,954	\$ 1,043,013
Other	11,016	-	-	-	11,016
Sales and Use	648,469	1,759,317	1,768,684	-	4,176,470
Licenses and Permits	336,329	2,675	-	-	339,004
Intergovernmental					
Grants - Federal	97,597	-	-	-	97,597
Grants - State	99,943	-	-	-	99,943
Other	349,465	236,886	-	-	586,351
Severance Taxes	180,154	177,076	-	-	357,230
State Revenue Sharing	37,347	-	-	26,286	63,633
Charges for Services	4,402	-	-	-	4,402
Fines and Forfeitures	-	-	-	115,161	115,161
Investment Earnings	14,241	9,074	33,703	5,668	62,686
Rent	20,605	-	-	-	20,605
Donations	71,702	-	-	-	71,702
Miscellaneous	58,584	10,581	-	4,796	73,961
Total Revenues	<u>2,427,913</u>	<u>2,195,609</u>	<u>1,802,387</u>	<u>696,865</u>	<u>7,122,774</u>

(Continued)

The accompanying notes are an integral part of this statement.

East Feliciana Parish Police Jury
Statement of Revenues, Expenditures and
Changes in Fund Balances
For the year ended December 31, 2018

	General Fund	Road & Bridges Fund	Solid Waste Fund	Other Governmental Funds	Total Governmental Funds
Expenditures					
General Government					
Salaries	\$ 376,273	\$ -	\$ -	\$ -	\$ 376,273
Benefits and Payroll Taxes	93,513	-	-	-	93,513
General and Administrative	114,076	-	-	-	114,076
Insurance	80,051	-	-	-	80,051
Other operating	242,651	-	-	-	242,651
Professional Fees	-	-	-	-	-
Repairs and Maintenance	115	-	-	-	115
Statutory Payments to Assessor	18,852	-	-	-	18,852
Total General Government	<u>925,531</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>925,531</u>
Public Safety					
Salaries	377,423	-	-	64,800	442,223
Benefits and Payroll Taxes	95,531	-	-	8,137	103,668
General and Administrative	6,646	-	-	-	6,646
Fuel	13,463	-	-	-	13,463
Other operating	156,407	-	-	-	156,407
Payments for Prisoners	327,862	-	-	-	327,862
Repairs and Maintenance	-	-	-	-	-
Supplies	-	-	-	84,177	84,177
Telephone	4,427	-	-	-	4,427
Utilities	14,119	-	-	-	14,119
Fire	82,063	-	-	-	82,063
Total Public Safety	<u>1,077,941</u>	<u>-</u>	<u>-</u>	<u>157,114</u>	<u>1,235,055</u>
Public Works					
Salaries	-	450,120	-	-	450,120
Benefits and Payroll Taxes	-	56,660	-	-	56,660
General and Administrative	-	8,154	-	-	8,154
Insurance	-	199,860	-	-	199,860
Other operating	131,026	33,200	-	-	164,226
Professional Fees	-	19,725	-	-	19,725
Repairs and Maintenance	-	283,006	-	-	283,006
Road Materials	-	218,291	-	-	218,291
Supplies	-	38,600	-	-	38,600
Utilities	-	16,370	-	-	16,370
Vehicle Expenses	-	96,782	-	-	96,782
Total Public Works	<u>131,026</u>	<u>1,420,768</u>	<u>-</u>	<u>-</u>	<u>1,551,794</u>
Sanitation					
Salaries	-	-	167,937	-	167,937
Benefits	-	-	35,503	-	35,503
General and Administrative	-	-	4,380	-	4,380
Insurance	-	-	53,162	-	53,162
Fuel	-	-	26,005	-	26,005
Other operating	-	-	-	-	-
Repairs and Maintenance	-	-	-	-	-
Waste Collection	-	-	1,402,508	-	1,402,508
Total Sanitation	<u>-</u>	<u>-</u>	<u>1,689,495</u>	<u>-</u>	<u>1,689,495</u>
Health and Welfare					
Salaries	-	-	-	98,804	98,804
Benefits and Payroll Taxes	-	-	-	23,203	23,203
Insurance	-	-	-	12,661	12,661
Fuel	-	-	-	4,070	4,070
Other operating	177,764	-	-	123,980	301,744
Statutory Payments to Assessor	-	-	-	20,680	20,680
Utilities	-	-	-	-	-
Total Health and Welfare	<u>177,764</u>	<u>-</u>	<u>-</u>	<u>283,398</u>	<u>461,162</u>
Recreation					
Other operating	15,932	-	-	-	15,932
Total Recreation	<u>15,932</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,932</u>
Economic Development					
Insurance	-	-	-	-	-
Other operating	5,254	-	-	-	5,254
Total Economic Development	<u>5,254</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,254</u>
Capital Outlays	154,204	238,916	-	-	393,120
Total Expenditures	<u>2,487,652</u>	<u>1,659,684</u>	<u>1,689,495</u>	<u>440,512</u>	<u>6,277,343</u>
Excess (Deficiency) of Revenues Over (Under)					
(Expenditures)	<u>(59,739)</u>	<u>535,925</u>	<u>112,892</u>	<u>256,353</u>	<u>845,431</u>
(Continued)					

The accompanying notes are an integral part of this statement.

East Feliciana Parish Police Jury
Statement of Revenues, Expenditures and
Changes in Fund Balances
For the year ended December 31, 2018

	<u>General Fund</u>	<u>Road & Bridges Fund</u>	<u>Solid Waste Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Other Financing Sources (Uses)					
Operating Transfers In	\$ 278,571	\$ 56,542	\$ -	\$ 137,084	\$ 472,197
Operating Transfers (Out)	(220,415)	-	(1,782)	(250,000)	(472,197)
Sale of Capital Assets	-	76,803	-	-	76,803
Flood Expenses	-	(65,943)	-	-	(65,943)
Proceeds from Insurance	-	25,325	-	-	25,325
Total Other Financing Sources (Uses)	<u>58,156</u>	<u>92,727</u>	<u>(1,782)</u>	<u>(112,916)</u>	<u>36,185</u>
Net Change in Fund Balances	<u>(1,583)</u>	<u>628,652</u>	<u>111,110</u>	<u>143,437</u>	<u>881,616</u>
Fund Balances, (Deficit) Beginning	1,569,973	(116,213)	4,400,953	729,255	6,583,968
Prior Period Adjustment (Note 16)	84,007	(30,528)	-	-	53,479
Fund Balances, (Deficit) Beginning Adjusted	<u>1,653,980</u>	<u>(146,741)</u>	<u>4,400,953</u>	<u>729,255</u>	<u>6,637,447</u>
Fund Balances, Ending	<u>\$ 1,652,397</u>	<u>\$ 481,911</u>	<u>\$ 4,512,063</u>	<u>\$ 872,692</u>	<u>\$ 7,519,063</u>

(Concluded)

The accompanying notes are an integral part of this statement.

East Feliciana Parish Police Jury
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Government-Wide Statement of Activities
For the year ended December 31, 2018

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

Net Change in Fund Balances, Total Governmental Funds, Statement E \$ 881,616

Governmental funds report capital outlays as expenditures. However, in the statement of activities the costs of these assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period, net of the gain on the sale of capital assets, which also is not reflected in the fund basis financial statements.

Expenditures for capital assets	\$	393,120	
Gain on disposition of capital assets		<u>76,803</u>	
Less:			
Proceeds from the sale of capital assets		(76,803)	
Current year depreciation		<u>(1,013,777)</u>	
			(620,657)

In the Statement of Activities, certain operating expenses-compensated absences (vacation and sick leave) - are measured by the amounts earned during the year. In the governmental funds, (essentially, the amounts actually paid) vacation and sick time earned exceeded the amounts used.

(6,130)

Non-employer contributions to cost-sharing pension plan

17,951

Pension Expense

(26,896)

Insurance which covers future periods is reflected in expenditures on the governmental funds. However, the statement of net position accounts for the expenses as a prepaid item.

18,082

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.

(40,500)

Deferred inflows of resources for ad valorem taxes collected after year end, but not available soon enough to pay for current expenditures changed by the following amount.

30,926

Change in Net Position of Governmental Activities, Statement B \$ 254,392

The accompanying notes are an integral part of this statement.

Basic Financial Statements

Fiduciary Fund Financial Statements

Statement G

East Feliciana Parish Police Jury
Statement of Net Position - Fiduciary Funds
As of December 31, 2018

	<u>Agency Funds</u>	
	<u>Library Fund</u>	<u>Sales Tax</u>
Assets		
Cash and Cash Equivalents	\$ -	\$ 2
Receivables, Net:		
Property Taxes	603,816	-
State Revenue Sharing	13,987	-
Sales Tax	-	216,842
Due from Others	-	-
Total Assets	\$ <u>617,803</u>	\$ <u>216,844</u>
Liabilities		
Due to Audubon Regional Library	\$ 617,803	\$ -
Other Liabilities	-	-
Held for Taxing Bodies	-	216,844
Total Liabilities	\$ <u>617,803</u>	\$ <u>216,844</u>

The accompanying notes are an integral part of this statement.

Basic Financial Statements

Notes to the Financial Statements

East Feliciana Parish Police Jury
Notes to the Financial Statements
As of and for the Year Ended December 31, 2018

Introduction

The East Feliciana Parish Police Jury is the governing authority for East Feliciana Parish and is a political subdivision of the State of Louisiana. The police jury is governed by nine jurors representing various districts within the parish. The jurors serve four-year terms.

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, beer and alcoholic beverage permits, state revenue sharing, and various other state and federal grants.

East Feliciana Parish is located in the southeast portion of Louisiana, and has a population of approximately 21,360 residents. The area of East Feliciana Parish includes 455 square miles wherein 288 miles of road are maintained. The East Feliciana Parish Police Jury employs an estimated 69 employees.

In accomplishing its objectives, the Police Jury also has the authority to create special districts (component units) within the Parish. The districts perform specialized functions, such as fire protection, water distribution, sewerage collection and disposal, and health care facilities.

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

Governmental Accounting Standards Board (GASB) Statement No.14, *the Reporting Entity*, established criteria for determining the governmental reporting entity and component units that should be considered part of the East Feliciana Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. These criteria include:

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

**East Feliciana Parish Police Jury
Notes to the Financial Statements
As of and for the Year Ended December 31, 2018**

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

Component Unit	Criteria Used
Audubon Regional Library	2, 3
Water District No. 7	1, 3
Gas Utility District No. 1	1, 3
Gas Utility District No. 2	1, 3
East Feliciana Council on Aging	2, 3
East Feliciana Parish Sheriff	2, 3
East Feliciana Parish Clerk of Court	2, 3
East Feliciana Parish Tax Assessor	2, 3
20th Judicial District Attorney	2, 3
East Feliciana Parish Emergency Communications Commission	1, 2
East Feliciana Parish Fire Protection District	1, 3

The primary government's (Police Jury) financial statements include all funds under the Police Jury's control and certain organizations for which the Jury maintains the accounting records. The Police Jury maintains the accounting records for the 20th Judicial District Criminal Court Fund. This fund is considered a part of the Police Jury and is included in the primary government financial statements as it is not considered to be a separate reporting entity. The Police Jury has chosen to issue financial statements of the primary government (Police Jury) only; therefore, none of the previously listed component units are included in the accompanying financial statements. The effect of the omission of these component units is unknown. The financial statements for the above component units can be found at the Louisiana Legislative Auditor at www.la.la.gov.

GASB Statement No. 14 provides for the issuance of primary government financial statements that are separate from those of the reporting entity. However, the primary government's (Police Jury) financial statements are not a substitute for the reporting entity's financial statements. The accompanying primary government financial statements have been prepared in conformity with generally accepted accounting principles as applied to governmental units. These financial statements are not intended to and do not report on the reporting entity but rather are intended to reflect only the financial statements of the primary government (Police Jury).

Also considered in the determination of component units of the reporting entity were the various municipalities and nonprofit entities of the Parish. It was determined that these governmental and nonprofit entities are not component units of East Feliciana Parish Police Jury reporting entity. These entities have separately elected governing bodies, are legally separate, and are fiscally independent of the Police Jury. They are considered by the Police Jury to be separate autonomous entities and issue financial statements separate from those of East Feliciana Parish Police Jury reporting entity.

1. Summary of Significant Accounting Policies

A. Government-Wide and Fund Financial Statements

The accompanying basic financial statements of the East Feliciana Parish Police Jury have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. These financial statements are presented in accordance with GASB Statement No. 34, *Basic Financial Statements, Management's*

East Feliciana Parish Police Jury
Notes to the Financial Statements
As of and for the Year Ended December 31, 2018

Discussion and Analysis, for State and Local Governments. Statement No. 34 established standards for financial reporting, with presentation requirements originally including a statement of net assets (or balance sheet), a statement of activities, and a statement of cash flows. The definition and composition of these statements, as originally defined in GASB Statement No. 34, are as amended by GASB Statements included in the following paragraphs. The Police Jury has also adopted the provisions of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, that require capital contributions to the Police Jury to be presented as a change in net position.

GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, effective for financial statement periods ending after December 15, 2012, provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. Concepts Statement No. 4, *Elements of Financial Statements*, introduced and defined *Deferred Outflows of Resources* as a consumption of net assets by the government that is applicable to a future reporting period, and *Deferred Inflows of Resources* as an acquisition of net assets by the government that is applicable to a future reporting period, respectively. Previous financial reporting standards do not include guidance for reporting those financial statement elements, which are distinct from assets and liabilities. GASB Concepts Statement 4 identifies net position as the residual of all other elements presented in a statement of financial position. This Statement amends the net asset reporting requirements in Statement No. 34, *Basic Financial Statements— and Management’s Discussion and Analysis—for State and Local Governments*, and other pronouncements by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets. The definition and reporting of net position is further described in *Footnote J – Net Position and Fund Balance*. The Police Jury adopted GASB Statement No. 63 for the fiscal year ended December 31, 2012. The Police Jury had deferred outflows and deferred inflows of resources related to pension of \$303,719 and \$371,670, respectively, at December 31, 2018.

The East Feliciana Police Jury has also previously adopted GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The application of this standard to long-term debt offerings of the Police Jury is more fully described in *Footnote I – Long-Term Obligations*.

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. 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 demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

East Feliciana Parish Police Jury
Notes to the Financial Statements
As of and for the Year Ended December 31, 2018

Separate financial statements are provided for governmental funds and fiduciary funds, even though the later are excluded from the government-wide financial statements. Major individual governmental funds are presented as separate columns in the fund financial statements.

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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 sixty days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessment receivable, if any, due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The Police Jury reports the following major governmental funds:

- The *General Fund* is the Police Jury's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The *Road District and Maintenance Fund* is a special revenue fund used to account for the operations and road maintenance of parish roads.
- The *Solid Waste Management Sales Tax Fund* is a special revenue fund used to account for the operations of a solid waste program for the Parish of East Feliciana.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule, if applicable, are payments-in-lieu of taxes and other charges between the government's enterprise operations. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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

East Feliciana Parish Police Jury
Notes to the Financial Statements
As of and for the Year Ended December 31, 2018

When restricted, committed, assigned, or unassigned fund balances are available, the Police Jury considers amounts to have been spent first out of restricted funds, then committed funds, then assigned funds, and finally unassigned funds as needed, unless it has been provided for otherwise in the restrictions, commitment, or assignment actions.

C. Deposits and Investments

The Police Jury's cash and cash equivalents are considered to be cash on hand, demand deposits, time deposits, and short-term investments with original maturities of three months or less from the date of acquisition. State law and the Police Jury's investment policy allow the Police Jury to invest in collateralized certificates of deposit, government-backed securities, commercial paper, the state-sponsored investment pool, and mutual funds consisting solely of government-backed securities.

Investments for the Police Jury are reported at fair market value.

D. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All trade and property tax receivables are shown net of an allowance for uncollectible amounts. Uncollectible accounts due for Ad Valorem taxes are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable.

Property Taxes

Property taxes are levied on or about October 1st for the current year and are invoiced/collected by the East Feliciana Parish Sheriff. Taxes are due by December 31st following the levy date and are considered delinquent after the due date. The General, Health Unit, and Library Funds benefit from authorized and levied ad valorem taxes on property located within the Parish, (1) General Fund – 2.77 mills except the Town of Jackson which is 1.38 mills; (2) Health Unit – 3.00 mills; and (3) Library Fund – 2.5 mills.

Sales and Use Taxes

The Police Jury receives the following sales taxes approved by the voters of the Parish: (1) 1% designated for roads and bridges; (2) 1% designated for solid waste management; and (3) 1% split between the General Fund and Roads and Bridges fund.

The Police Jury and the East Feliciana Parish School Board have entered into an agreement in which the School Board is to collect the sales and use taxes for a stipulated fee. The School Board remits the tax proceeds to the Police Jury on a monthly basis.

**East Feliciana Parish Police Jury
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E. Inventories and Prepaid Items

The Police Jury utilizes the “purchase method” of accounting for supplies in governmental funds whereby expendable operating supplies are recognized as expenditures when purchased. The Police Jury did not record any inventory at December 31, 2018, as the amount is not material. Certain payments for insurance reflect cost applicable to future accounting periods. The Government Wide financial statements reflect prepaid insurance cost applicable to future accounting periods. The Police Jury recognizes expenditures for insurance and similar services extending over more than one accounting period when paid in the fund financial statements.

F. Restricted Net Position

For the government-wide statement of net position, net position is reported as restricted when constraints placed on net asset use are either externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments and are imposed by law through constitutional provisions or enabling legislation.

G. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental column in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost 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 \$2,500 or more for capitalizing capital assets.

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.

Major outlays for capital assets and improvements are capitalized as projects are constructed. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings	40 Years
Roads, Bridges, and Infrastructure	40 - 50 Years
Equipment	5 - 10 Years
Furniture/Computers	7 Years
Vehicles	5 Years

H. Compensated Absences

Full-time employees of the Police Jury earn annual leave depending on length of service as follows: a) one week after one year of service; b) two weeks after two years of service; c) three weeks after five years of service; and d) four weeks after ten years of service.

Hourly employees of the Police Jury earn annual leave depending on length of service as follows: a) one week after one year of service; b) two weeks after three years of service; c) three weeks after six years of service; and d) four weeks after twelve years of service. Only one week of annual leave may be carried

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over to the next calendar year. Employees are not paid for their unused annual leave at year end, but are paid accumulated, unused leave upon termination at the employee's current rate of pay.

Sick leave shall be earned on the basis of years of employment as follows:

- 1) Full-time employees – forty hours after one year, plus twelve hours for each additional year of service
- 2) Part-time employees – prorated on the number of days worked per year as follows:
 - a) three days a week (156 days yearly) = 62% or seven hours per year
 - b) two days a week (104 days yearly) = 40% or five hours per year
 - c) five days per month (60 days yearly) = 23% or three hours per year

Only 320 hours (8 weeks) can be carried forward each year. Two weeks is the maximum amount of sick time that can be earned in one year. Employee are not paid for any accumulated sick leave at termination.

I. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Bond premiums and discounts, as well as issuance costs, were previously deferred and amortized over the life of the bonds using the effective interest method. Bonds payable were reported net of the applicable bond premium or discount.

The Police Jury adopted GASB 65 for the fiscal year end December 31, 2012, which required governmental entities to expense bond issuance costs in the period incurred. The Police Jury also adopted GASB 63, which has changed net assets to net position and utilizes deferred inflows and outflows.

In the fund financial statements, governmental fund types recognize bond premiums and discounts as well as bond issuance costs during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are now expended in the period occurred under GASB 65.

J. Net Position and Fund Balance

GASB Statement No. 34, *Basic Financial Statements, Management's Discussion and Analysis, for State and Local Governments*, required reclassification of net assets into three separate components. GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, revised the terminology by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets. GASB Statement No. 63 requires the following components of net position:

- **Net Investment in Capital Assets Component of Net Position**

The *net investment in capital assets* component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also should be included in this component of net position. If there are significant unspent related debt proceeds or deferred inflows of resources at the

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end of the reporting period, the portion of the debt or deferred inflows of resources attributable to the unspent amount should not be included in the calculation of net investment in capital assets. Instead, that portion of the debt or deferred inflows of resources should be included in the same net position component (restricted or unrestricted) as the unspent amount.

- **Restricted Component of Net Position**

The *restricted* component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Generally, a liability relates to restricted assets if the asset results from a resource flow that also results in the recognition of a liability or if the liability will be liquidated with the restricted assets reported.

- **Unrestricted Component of Net Position**

The *unrestricted* component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

In the fund statements, governmental fund equity is classified as fund balance. The Police Jury adopted GASB 54 for the year ended December 31, 2011. This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used.

- **Nonspendable.** These are amounts that cannot be spent either, because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.
- **Restricted.** These are amounts that can be spent only for specific purposes, because of constitutional provisions, enabling legislation or constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- **Committed.** These are amounts that can be used only for specific purposes determined by a formal decision of the highest level of decision making authority, which is the Board. To be reported as committed amounts, they cannot be used for any other purposes unless the government takes the same highest-level action to remove or change the constraint.
- **Assigned.** These are amounts that do not meet the criteria to be classified as restricted or committed, but are intended to be used for specific purposes.
- **Unassigned.** These are all other spendable amounts that are available for any purpose, based on the discretion of the Board. Positive amounts are reported only in the general fund.

K. Comparative Data/Reclassifications

Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation. All prior period adjustments recorded in the current period have been reflected in prior period data presented wherever possible.

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L. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events within the control of the Police Jury, which are either unusual in nature or infrequent in occurrence.

M. Estimates

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

N. Reconciliations of Government-Wide and Fund Financial Statements

Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position is presented in Statement D of the basic financial statements. Explanation of certain differences between the governmental fund statement of revenues, expenses, and changes in fund balances and the government-wide statement of activities is presented in Statement F of the basic financial statements.

2. Stewardship, Compliance and Accountability

There were no funds that had deficit balances at December 31, 2018.

3. Cash and Cash Equivalents

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

	2018
Demand Deposits	\$ 293,353
Time and Savings Deposits	5,520,827
	\$ 5,814,180

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

The Police Jury also invests excess funds in certificates of deposits, which have maturity dates greater than 90 days when purchased, and are therefore classified as investments for financial reporting.

At December 31, 2018, the Police Jury has \$6,053,639 in deposits (collected bank balances), consisting of \$339,317 in demand deposits and \$5,714,322 in time and savings deposits. The demand deposits are secured from risk by \$250,000 of federal deposit insurance and \$89,317 of pledged securities. The time and savings deposits are secured from risk by \$250,000 of federal deposit insurance and \$5,464,322 of pledged securities. The pledged securities totaling \$5,553,639 is exposed to custodial credit risk because while the amount is secured, such securities are held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

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

Custodial Credit Risk: For deposits, custodial credit risk is the risk that, in the event of a bank failure, the government's deposits may not be returned. The Police Jury does not have a formal policy for custodial 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 fiscal agent bank.

4. Investments

Investments are categorized into these three categories of credit risk:

1. Insured or registered, or securities held by the Police Jury or its agent in the Police Jury's name
2. Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the Police Jury's name
3. Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the Police Jury's name

The Police Jury had no investments at December 31, 2018.

In accordance with GASB 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, all investments, when held, are carried at fair market value, with the estimated fair market value based on quoted market prices. *Interest Rate Risk:* The Police Jury does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value arising from increasing interest rates.

5. Receivables

The Governmental Fund receivables at December 31, 2018 consist of the following:

Government Receivables	General Fund	Road and Bridges Fund	Solid Waste Fund	Other Funds	Total
Accounts	\$ -	\$ -	\$ -	\$ -	\$ -
Ad Valorem Taxes	543,047	-	-	596,533	1,139,580
Sales and Use Taxes	124,416	-	403,965	-	528,381
Severance Taxes	45,606	67,656	-	-	113,262
Revenue Sharing	-	-	-	-	-
Gaming	-	-	-	-	-
Franchise Taxes	-	-	-	-	-
Federal Grants	-	-	-	-	-
State Grants	-	20,047	-	-	20,047
Due from Other Governments	-	-	-	-	-
Other	-	-	-	12,776	12,776
Total Government Receivables	\$ 713,069	\$ 87,703	\$ 403,965	\$ 609,309	\$ 1,814,046

East Feliciana Parish Police Jury
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6. Interfund Receivables/Payables and Transfers

The following is a detailed list of interfund balances reported in the fund financial statements on December 31, 2018:

Interfund Balances	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
Major Funds:		
General Fund	\$ 1,782	\$ 49,036
Roads and Bridges Fund	7,337	1,075,000
Solid Waste Fund	1,075,268	1,782
Non-Major Funds:		
Health Unit	29,519	-
Coroner Fund	-	(11,912)
Total Interfund Balances	<u>\$ 1,113,906</u>	<u>\$ 1,113,906</u>

The reason for the interfund receivables/payables balances is the General Fund pays payroll expenses and accounts payable for other funds. The interfund balances are generally repaid on a monthly basis.

The following is a detailed list of interfund transfers reported in the fund financial statements during the year ended December 31, 2018:

Interfund Transfers	<u>Transfers In From Other Funds</u>	<u>Transfers Out To Other Funds</u>
Major Funds:		
General Fund	\$ 278,571	\$ 220,415
Roads and Bridges Fund	56,542	-
Solid Waste Fund	-	1,782
Non-Major Funds:		
Criminal Court Fund	36,000	-
Health Unit	9,934	250,000
Coroner Fund	91,150	-
Total Interfund Transfers	<u>\$ 472,197</u>	<u>\$ 472,197</u>

The primary reason for the operating transfers was to fund operating requirements per budget approvals.

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7. Capital Assets

Capital assets and depreciation activity as of and for the year ended December 31, 2018 for governmental activities is as follows:

Governmental Activities Capital Assets:	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets Not Being Depreciated:				
Land	\$ 259,230	\$ -	\$ -	\$ 259,230
Construction in Progress	66,000	31,957	-	97,957
Total Capital Assets Not Being Depreciated	<u>325,230</u>	<u>31,957</u>	<u>-</u>	<u>357,187</u>
Capital Assets Being Depreciated:				
Buildings and Improvements	10,085,396	92,751	-	10,178,147
Machinery and Equipment	4,485,819	268,412	(571,595)	4,182,636
Infrastructure	8,807,479	-	-	8,807,479
Total Capital Assets Being Depreciated	<u>23,378,694</u>	<u>361,163</u>	<u>(571,595)</u>	<u>23,168,262</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	(5,192,933)	(210,413)	-	(5,403,346)
Machinery and Equipment	(3,220,612)	(358,491)	571,595	(3,007,508)
Infrastructure	(1,974,819)	(444,873)	-	(2,419,692)
Total Accumulated Depreciation	<u>(10,388,364)</u>	<u>(1,013,777)</u>	<u>571,595</u>	<u>(10,830,546)</u>
Total Capital Assets Being Depreciated, Net	<u>12,990,330</u>	<u>(652,614)</u>	<u>-</u>	<u>12,337,716</u>
Total Governmental Activities Capital Assets, Net	\$ <u>13,315,560</u>	\$ <u>(620,657)</u>	\$ <u>-</u>	\$ <u>12,694,903</u>

Depreciation was charged to governmental functions as follows:

General Government	\$ 383,692
Public Safety	81,010
Public Works	63,945
Streets	485,130
	<u>\$ 1,013,777</u>

Capital asset additions consisted of \$92,751 for parish prison chiller, \$86,137 for an excavator, \$69,288 for a tractor, \$49,791 for a boom mower, \$22,500 for a trailer, \$18,596 for a drone, and \$22,100 for various other equipment. The Police Jury also incurred \$30,957 in construction in progress related to the clerk of court renovations and \$1,000 in construction in progress related to office renovations.

The Police Jury sold a dump truck, tractor, excavator, pothole patchers, trucks, and van that had original costs of \$496,565 and were fully depreciated. The total sales price of these items was \$76,803. The Police Jury also had an insurance claim of \$25,325 on a stolen excavator with cost of \$75,000 that was fully depreciated.

8. Prepaid Insurance

Insurance costs which cover future periods are recognized in the governmental fund financial statements when the expenditure is made. However, in the government-wide financial statements the expenditure for insurance applicable to future periods is reclassified as prepaid insurance on the statement of net position. Total insurance expense on a government wide basis, excluding insurance related to employees such as health and workers compensation insurance was \$274,490. Prepaid insurance was \$49,213.

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9. Accounts, Salaries, and Other Payables

Governmental Funds Payable	General Fund	Road & Bridges Fund	Solid Waste Fund	Other Funds	Total
Accounts	\$ 18,174	\$ -	\$ 106,270	\$ 2,974	\$ 127,418
Other Accrued Liabilities	20,666	-	-	20,680	41,346
Due to Other Funds	74,915	1,111,800	1,514	-	1,188,229
Retainage Payable	10,621	-	-	-	10,621
Construction Payable	44,571	-	-	-	44,571
Deferred Revenues	-	-	-	-	-
Total Government Funds Payable	\$ 168,947	\$ 1,111,800	\$ 107,784	\$ 23,654	\$ 1,412,185

10. Leases

The Police Jury had no operating nor capital leases at December 31, 2018.

11. Long-Term Obligations

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

	Compensated Absences	Net Pension Liability	Other	Total Long-Term Obligations
Beginning Balance	\$ 8,301	\$ 372,779	\$ -	\$ 381,080
Additions	6,130	2,857	40,500	49,487
Deletions	-	(326,379)	-	(326,379)
Ending Balance	\$ 14,431	\$ 49,257	\$ 40,500	\$ 104,188

12. Retirement Systems

Substantially all Police Jury employees are members of the Parochial Employees' Retirement System of Louisiana (System) or Registrar of Voters Employees' Retirement System. These systems are cost-sharing multiple-employer defined benefit pension plans administered by a separate board of trustees.

The Police Jury implemented Governmental Accounting Standards Board (GASB) Statement 68 on *Accounting and Financial Reporting for Pensions* and Statement 71 on *Pension Transition for Contributions Made Subsequent to the Measurement Date* – an amendment of GASB 68. These standards require the Police Jury to record its proportional share of each of the pension plans' net pension liability and report the following disclosures:

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

Plan Description: Parochial Employees' Retirement System of Louisiana is the administrator of a cost sharing multiple employer defined benefit pension plan. The System was established and provided for by R.S.I 1:1901 of the Louisiana Revised Statute (LRS), through 2025. The System provides retirement benefits to employees of taxing districts of a parish or any branch or section of a parish within the State which does not have their own retirement system and which elect to become members of the System.

Substantially all full-time employees of the Police Jury are members of the Parochial Employees' Retirement System of Louisiana (System). The System is composed of two distinct plans, Plan A and

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Plan B, with separate assets and benefit provisions. All participating employees of the Police Jury are members of Plan A.

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 Retirement 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.

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.

DROP Benefits:

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 the Plan will be placed in liquid asset money market investments at the discretion of the board of trustees. These subaccounts may be credited with

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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 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.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Parochial Employees' Retirement System, Post Office Box 14619, Baton Rouge, Louisiana 70898-4619, or by calling (225) 928-1361.

Funding Policy. Contributions for all members are established by state statute. Under Plan A, members are required to contribute 9.35 percent of their annual covered salary and the Police Jury is required to contribute at an actuarially determined rate, according to state statute. The current rate is 11.5 percent of annual covered payroll. Contributions to the System include one-fourth (1/4) of one percent of the taxes shown to be collectible by the tax rolls of each parish, except Orleans and East Baton Rouge Parishes. The System also receives revenue sharing funds each year as appropriated by the Legislature. These tax dollars and revenue sharing are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. These additional sources of income are used as additional employer contributions and are considered support from non-contributing entities. Non-employer contributions are recognized as revenue and excluded from pension expense for the year ended December 31, 2018. During the year ending December 31, 2018, the Police Jury recognized revenue as a result of support received from non-employer contributing entities of \$11,833 for its participation in Parochial Employees' Retirement System of Louisiana-Plan A.

The East Feliciana Police Jury's contributions to the System under Plan A for the years ending December 31, 2018 and 2017 were \$126,612, and \$139,539, respectively, equal to the required contributions for each year.

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 an asset of \$68,882 for its proportionate share of the net pension liability of the System. The net pension liability/asset was measured as of December 31, 2017 and the total pension liability/asset used to calculate the net pension

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liability/asset was determined by an actuarial valuation as of that date. The Police Jury's proportion of the net pension liability/asset was based on a projection of the Police Jury's long-term share of contributions to the pension plan relative to the projected contribution of all participating, actuarially determined. At December 31, 2017, the Police Jury's proportion was 0.159164%, which was an increase of 0.000690% from its proportion measured as of December 31, 2016.

For the year ended December 31, 2018, the Police Jury recognized pension expense for the Parochial Employees' Retirement System of \$147,893 representing its proportionate share of the System's net expense, including amortization of deferred amounts.

At December 31, 2018, the Police Jury reported deferred outflows of resources and deferred inflows of resources related to the Parochial Employees' Retirement System from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (76,474)
Changes of assumptions	149,109	-
Net difference between projected and actual earnings on pension plan investments	-	(272,935)
Changes in proportion and differences between employer contributions and proportionate share of contributions	14,423	(12,688)
Employer contributions subsequent to the measurement date	126,612	-
Total	\$ 290,144	\$ (362,097)

The Police Jury reported a total of \$126,612 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of December 31, 2017 which will be recognized as a reduction in net pension liability in the year ended December 31, 2019.

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

<u>Year</u>	
2018	\$ 9,197
2019	\$ (22,055)
2020	\$ (89,817)
2021	\$ (103,943)
	\$ (206,618)

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

Valuation Date	December 31, 2017
Actuarial Cost Method	Entry Age Normal

Actuarial Assumptions:

Expected Remaining Service Lives	4 years
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East Feliciana Parish Police Jury
Notes to the Financial Statements
As of and for the Year Ended December 31, 2018

Investment Rate of Return	6.75%
Salary Increases	Plan A—5.25% (2.75% (Merit)/2.5% Inflation)
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.
Mortality	RP-2000 Employee Sex Distinct Table was selected for employees. RP-2000 Healthy Annuitant Sex Distinct Tables were selected for annuitants and beneficiaries. RP-2000 Disabled Lives Mortality Table was selected for disabled annuitants.
Inflation Rate	2.5%

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

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

**East Feliciana Parish Police Jury
Notes to the Financial Statements
As of and for the Year Ended December 31, 2018**

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

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

The mortality rate assumption used was set based upon an experience study performed on plan data for the period January 1, 2010 through December 31, 2014. The data was 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 Sex Distinct Table (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 year for males and 3 years for females was selected. For active employees, the RP-2000 Employee Sex Distinct Tables set back 4 years for males and 3 years for females was used.

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the 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, or one percentage point higher than the current rate as of December 31, 2017:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Rates	5.75%	6.75%	7.75%
East Feliciana Parish Police Jury Share of NPL	\$ 582,468	\$ 118,139	\$(741,983)

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

Plan Description: The Registrar of Voters Employee's Retirement system of Louisiana (System) is a cost-sharing multiple-employer defined benefit pension plan established by Act 215 of the 1954 under Revised Statute 11:2032 to provide retirement benefits to registrars of voters, their deputies, and their permanent employees in each parish of the State of Louisiana.

Retirement Benefits:

Employees can retire providing he/she meet one of the following criteria:

For employees hired prior to January 1, 2013:

1. Any age with 30 or more years of creditable service

East Feliciana Parish Police Jury
Notes to the Financial Statements
As of and for the Year Ended December 31, 2018

2. Age 55 with 20 years of creditable service
3. Age 60 with 10 years of creditable service

For employees hired on or after January 1, 2013:

1. Age 55 with 30 years of creditable service
2. Age 60 with 20 years of creditable service
3. Age 62 with 10 years of creditable service

Survivor Benefits:

Upon the death of any member with 5 or more years of creditable service who is not eligible for retirement, the plan provides for benefits for the designated beneficiaries as outlined in the statutes. Any member 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.

DROP Benefits:

In lieu of terminating employment and accepting a service retirement allowance, any member who is eligible to retire may elect to participate in the deferred retirement option plan (DROP) for up to 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. 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 DROP may receive, at his option, a lump sum from the account equal to the payments into the account, a true annuity based upon his account balance in that fund, or any other method of payment if approved by the board of trustees. If a participant dies during the participation in the DROP, a lump sum equal to the balance in his account 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 DROP fund cease and the person resumes active contributing membership in the System.

Disability Benefits:

A member shall receive a disability benefit with at least 10 years of service and certified as disabled by the State Medical Disability Board. Upon retirement caused by disability, a member 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 and one third percent multiplied by years of service assuming continued service to age sixty. Disability benefits may not exceed two-thirds of earnable compensation.

Cost of Living Increases:

Cost of living provisions for the System allows the board of trustees to provide an annual cost of living increase of 2.5% of the eligible retiree's original benefit if certain funding criteria are met. Members are eligible to receive a cost of living adjustment once they have reached the age of sixty and been retired at least one year. Funding criteria for granting cost of living adjustment is dependent on the funded ratio.

Requests for further information should be directed to Registrar of Voters Employees' Retirement System of Louisiana, P.O. Box 57, Jennings, Louisiana 70546.

Funding Policy: Members are required by state statute to contribute 7% of their annual covered salary and the Police Jury is required to contribute at an actuarially determined rate. The 2018 Employer current rate is 17% of annual covered payroll. Contributions to the System include ad valorem taxes and state

**East Feliciana Parish Police Jury
Notes to the Financial Statements
As of and for the Year Ended December 31, 2018**

revenue sharing funds. These additional sources of income are used as additional employer contributions and considered support from non-employer contributing entities. Non-employer contributions are recognized as revenue and excluded from pension expense for the year ended June 30, 2018. During the year ending December 31, 2018, the Police Jury recognized revenue as a result of support received from non-employer contributing entities of \$6,118 for its participation in System.

The East Feliciana Parish Police Jury's contribution to the Registrar of Voters employees' Retirement System for the years ending December 31, 2018, and 2017 was \$4,922 and \$5,284 respectively equal to the required contributions for each year.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At December 31, 2018, the Police Jury reported a liability of \$49,257 for its proportionate share of the net pension liability of the System. 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 contribution of all participating, actuarially determined. At June 30, 2018, the Police Jury's proportion was 0.208679%, which was a decrease of 0.002700% from its proportion measured as of June 30, 2017.

For the year ended December 31, 2018, the Police Jury recognized pension expense of \$10,537 representing its proportionate share of the system's net expense including amortization of deferred amounts.

At December 31, 2018, the Police Jury reported deferred outflows of resources and deferred inflows of resources related to the Registrar of Voters' Pension System from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (7,516)
Changes of assumptions	8,068	(740)
Net difference between projected and actual earnings on pension plan investments	2,959	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	87	(1,317)
Employer contributions subsequent to the measurement	2,461	-
Total	\$ 13,575	\$ (9,573)

The Police Jury reported a total of \$2,461 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of June 30, 2018 which will be recognized as a reduction in net pension liability in the year ended December 31, 2019.

East Feliciana Parish Police Jury
Notes to the Financial Statements
As of and for 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:

<u>Year</u>		
2019	\$	685
2020	\$	(1,551)
2021	\$	660
2022	\$	1,619

<u>\$</u>	<u>1,413</u>
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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 is 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)
Expected Remaining Service Lives	2018 - 5 years
Projected Salary Increases	6.00%
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.
Mortality Rates	RP-2000 Combined Healthy Mortality Table for active members, healthy annuitants and beneficiaries RP-2000 Disabled Lives Mortality Table for disabled annuitants

The 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 expenses 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 rate 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.

**East Feliciana Parish Police Jury
Notes to the Financial Statements
As of and for the Year Ended December 31, 2018**

Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Real Return Arithmetic Basis</u>
Domestic Equities	40.0%	7.50%
International Equities	20.0%	8.50%
Domestic Fixed Income	12.5%	2.50%
International Fixed Income	10.0%	3.50%
Alternative Investments	10.0%	6.33%
Real Estate	7.5%	4.50%
Totals	<u>100%</u>	
Inflation		
Expected Arithmetic Nominal Rate		

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

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: The following presents the 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 as of June 30, 2018:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Rates	5.50%	6.50%	7.50%
East Feliciana Parish Police Jury Share of NPL	\$ 75,545	\$ 49,257	\$ 26,707

13. Deferred Compensation Plan

The Police Jury does not offer any post-employment benefits to its employees upon retirement.

East Feliciana Parish Police Jury
Notes to the Financial Statements
As of and for the Year Ended December 31, 2018

14. Constraints on Fund Balance and Net Position

Assets accumulated in the Special Revenue Funds have been legally restricted for the purpose of road improvements, fire protection, and other services as required by the designation of ad valorem and sales taxes. These assets are also included in restricted net position on the Statement of Net Position.

15. Contingent Liabilities

Coroners hold a unique position in Louisiana. They are state officials who perform state functions yet their jurisdiction is limited to the parish in which they hold office. Further, the Legislature places the responsibility of compensating coroners for their services on the parish in which they hold office. In all cases, parishes are responsible for paying the necessary and unavoidable expenses for the operation of the coroner's office. The East Feliciana Parish Police Jury compensates the parish coroner by salary and fees. Since 2016, the Police Jury has approved the Coroner's budget at less than requested. They have not reimbursed the coroner's office for prior years' expenses due to a disagreement on the amount owed. In August 2018, the Police Jury president appointed a two-person committee to help resolve these differences. There have been two meetings held. After the second meeting, on July 2, 2019, all the outstanding fees, not including salaries or mileage reimbursements, for 2018 and 2019 were approved and paid. Salary issues and mileage reimbursements for all years since 2016 are still not settled. Any amount exceeding \$30,000 in salaries, plus benefits, have not been approved by the Police Jury. During the entire term of the current coroner, payroll checks have been processed for the amount allowed in the adopted budgets. The coroner has returned all of his salary checks. Those checks have been voided. As a result of the July 2, 2019 meeting, \$40,500 was transferred from the General Fund to the Coroner's Fund to help pay the majority of the 2018 invoices. This portion of estimated expenses is recorded as government activities. These estimated expenses do not include salaries nor mileage reimbursements. 2019 invoices are being paid from the current adopted budget. No further funds have been identified at this time to cover any of the prior years' unpaid requests. No litigation has been served to the Police Jury regarding this matter. The amount of unpaid expenses and salary has not been determined, and no liability has been recorded in the financial statements of the East Feliciana Police Jury. The potential liabilities may be material to the governmental activities as reported in the auditor's opinion.

East Feliciana Parish Police Jury
Notes to the Financial Statements
As of and for the Year Ended December 31, 2018

16. Prior Period Adjustments

The East Feliciana Parish Police Jury has restated its financial statements for the year ending December 31, 2016 and December 31, 2017 and the adjustments included in the restatements are presented in the financial statements for the year ending December 31, 2018 and the summarized information for the year ending December 31, 2017 as follows:

<u>Governmental Activities</u>	<u>2018</u>
Beginning Net Position Before Prior Period Adjustments	\$ 20,059,792
Prior Period Adjustment - Voided Checks from General Fund	84,007
Prior Period Adjustment - Voided Checks from Road & Bridges Fund	16,309
Prior Period Adjustment - Road & Bridges Fund Error for Correction of Prior Year Voided Check	(46,837)
Beginning Net Position, Restated	<u>\$ 20,113,271</u>

Governmental Funds

<u>General Fund</u>	<u>2018</u>
Beginning Fund Balance Before Prior Period Adjustments	\$ 1,569,973
Voided Checks	84,007
Beginning Fund Balance After Prior Period Adjustments	<u>\$ 1,653,980</u>

<u>Road & Bridges Fund</u>	<u>2018</u>
Beginning Fund Balance Before Prior Period Adjustments	\$ (116,213)
Voided Checks	16,309
Error for Correction of Prior Year Voided Check	(46,837)
Beginning Fund Balance After Prior Period Adjustments	<u>\$ (146,741)</u>

17. Subsequent Events

See Footnote 15, *Contingent Liabilities* as it related to the Coroner.

Subsequent events have been evaluated by management through August 26, 2019, the date the report was available for issuance. No events were noted that require recording or disclosure in the financial statements for the fiscal year ending December 31, 2018.

Required Supplemental Information (Part II)

Schedule 1

East Feliciana Police Jury
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) to Actual
General Fund
For the year ended December 31, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> GAAP Basis	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		<u>Favorable</u> <u>(Unfavorable)</u>
Revenues				
Taxes	\$ 1,067,000	\$ 1,099,500	\$ 1,157,544	\$ 58,044
Licenses and Permits	349,500	339,500	336,329	(3,171)
Intergovernmental	728,240	747,420	764,506	17,086
Charges for Services	-	3,500	4,402	902
Interest	3,400	12,400	14,241	1,841
Rent	18,000	20,600	20,605	5
Donations	20,000	71,700	71,702	2
Miscellaneous	7,050	49,410	58,584	9,174
Total Revenues	<u>2,193,190</u>	<u>2,344,030</u>	<u>2,427,913</u>	<u>83,883</u>
Expenditures				
General Government	875,450	928,450	925,531	2,919
Public Safety	1,178,930	1,193,070	1,077,941	115,129
Public Works	27,000	131,050	131,026	24
Health and Welfare	170,000	170,000	177,764	(7,764)
Recreation	13,400	13,400	15,932	(2,532)
Economic Development	800	3,200	5,254	(2,054)
Capital Outlays	1,000	-	154,204	(154,204)
Total Expenditures	<u>2,266,580</u>	<u>2,439,170</u>	<u>2,487,652</u>	<u>(48,482)</u>
Excess Revenues (Expenditures)	<u>(73,390)</u>	<u>(95,140)</u>	<u>(59,739)</u>	<u>35,401</u>
Other Financing Sources (Uses)				
Operating Transfers In	299,450	299,450	278,571	(20,879)
Operating Transfers (Out)	(176,600)	(176,600)	(220,415)	(43,815)
Total Other Financing Sources (Uses)	<u>122,850</u>	<u>122,850</u>	<u>58,156</u>	<u>(64,694)</u>
Net Change in Fund Balances	<u>49,460</u>	<u>27,710</u>	<u>(1,583)</u>	<u>(29,293)</u>
Fund Balances, Beginning				
Before Prior Period Adjustments	1,569,973	1,569,973	1,569,973	-
Prior Period Adjustments	-	-	84,007	84,007
Fund Balances, Beginning	<u>1,569,973</u>	<u>1,569,973</u>	<u>1,653,980</u>	<u>84,007</u>
Fund Balances, Ending	<u>\$ 1,619,433</u>	<u>\$ 1,597,683</u>	<u>\$ 1,652,397</u>	<u>\$ 54,714</u>

See Independent Auditor's Report.

East Feliciana Police Jury
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) to Actual
Roads and Bridges Fund
For the year ended December 31, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>GAAP Basis</u>	<u>Favorable (Unfavorable)</u>
Revenues				
Taxes	\$ 1,500,000	\$ 1,600,000	\$ 1,759,317	\$ 159,317
Licenses and Permits	4,100	4,100	2,675	(1,425)
Intergovernmental	293,800	411,000	413,962	2,962
Interest	2,100	6,900	9,074	2,174
Miscellaneous	-	27,000	10,581	(16,419)
Total Revenues	<u>1,800,000</u>	<u>2,049,000</u>	<u>2,195,609</u>	<u>146,609</u>
Expenditures				
Highways and Streets	1,487,130	1,479,130	1,420,768	58,362
Capital Outlays	108,850	238,850	238,916	(66)
Total Expenditures	<u>1,595,980</u>	<u>1,717,980</u>	<u>1,659,684</u>	<u>58,296</u>
Excess Revenues (Expenditures)	<u>204,020</u>	<u>331,020</u>	<u>535,925</u>	<u>204,905</u>
Other Financing Sources (Uses)				
Operating Transfers In	-	-	56,542	56,542
Operating Transfers (Out)	-	-	-	-
Flood Expenses	-	(130,000)	(65,943)	64,057
Sale of Fixed Assets	-	82,000	76,803	(5,197)
Insurance Proceeds	-	-	25,325	25,325
Total Other Financing Sources (Uses)	<u>-</u>	<u>(48,000)</u>	<u>92,727</u>	<u>140,727</u>
Net Change in Fund Balances	<u>204,020</u>	<u>283,020</u>	<u>628,652</u>	<u>345,632</u>
Fund Balances, Beginning				
Before Prior Period Adjustments	(116,213)	(116,213)	(116,213)	-
Prior Period Adjustments	-	-	(30,528)	(30,528)
Fund Balances (Deficit), Beginning After Prior Period Adjustments	<u>(116,213)</u>	<u>(116,213)</u>	<u>(146,741)</u>	<u>(30,528)</u>
Fund Balances, Ending	<u>\$ 87,807</u>	<u>\$ 166,807</u>	<u>\$ 481,911</u>	<u>\$ 315,104</u>

See Independent Auditor's Report.

Schedule 3

East Feliciana Police Jury
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) to Actual
Solid Waste Fund
For the year ended December 31, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>GAAP Basis</u>	<u>Favorable (Unfavorable)</u>
Revenues				
Taxes	\$ 1,555,000	\$ 1,655,000	\$ 1,768,684	\$ 113,684
Interest	5,000	30,000	33,703	3,703
Total Revenues	<u>1,560,000</u>	<u>1,685,000</u>	<u>1,802,387</u>	<u>117,387</u>
Expenditures				
Sanitation	1,482,660	1,644,660	1,689,495	(44,835)
Capital Outlays	-	-	-	-
Total Expenditures	<u>1,482,660</u>	<u>1,644,660</u>	<u>1,689,495</u>	<u>(44,835)</u>
Excess Revenues (Expenditures)	<u>77,340</u>	<u>40,340</u>	<u>112,892</u>	<u>72,552</u>
Other Financing Sources (Uses)				
Operating Transfers In	50,000	50,000	-	(50,000)
Operating Transfers (Out)	-	-	(1,782)	(1,782)
Total Other Financing Sources (Uses)	<u>50,000</u>	<u>50,000</u>	<u>(1,782)</u>	<u>(51,782)</u>
Net Change in Fund Balances	<u>127,340</u>	<u>90,340</u>	<u>111,110</u>	<u>20,770</u>
Fund Balances, Beginning	<u>4,400,953</u>	<u>4,400,953</u>	<u>4,400,953</u>	<u>-</u>
Fund Balances, Ending	<u>\$ 4,528,293</u>	<u>\$ 4,491,293</u>	<u>\$ 4,512,063</u>	<u>\$ 20,770</u>

See Independent Auditor's Report.

East Feliciana Police Jury
Schedule of the Police Jury's Proportionate Share of the Net Pension Liability-Parochial Plan A
Last 10 Fiscal Years*

Parochial Employees' Retirement System of Louisiana:

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Employer's Proportion of the Net Pension Liability (Assets)	0.191870%	0.191244%	0.158474%	0.159164%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 52,459	\$ 503,409	\$ 326,379	\$ (118,139)
Employer's Covered-Employee Payroll	\$ 858,019	\$ 930,109	\$ 939,727	\$ 977,355
Employer's Proportionate Share of the Net Position Liability (Asset) as a Percentage of its Covered-Employee Payroll	6.1140%	54.1237%	34.7313%	-12.0876%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	99.1464%	92.2301%	94.1489%	101.9768%

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

* The amounts presented for each fiscal year were determined as of the fiscal year end.

See Independent Auditor's Report.

East Feliciana Police Jury
Schedule of the Police Jury's Proportionate Share of the Net Pension Liability-Registrar of Voters
Last 10 Fiscal Years *

State of Louisiana Registrar of Voters Retirement System

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Employer's Proportion of the Net Pension Liability (Assets)	0.213433%	0.138651%	0.211379%	0.208679%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 52,271	\$ 33,956	\$ 46,400	\$ 49,257
Employer's Covered-Employee Payroll	\$ 29,193	\$ 18,808	\$ 28,951	\$ 28,951
Employer's Proportionate Share of the Net Position Liability (Asset) as a Percentage of its Covered-Employee Payroll	179.0532%	180.5402%	160.2708%	170.1392%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	76.86%	73.98%	80.51%	80.57%

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

* The amounts presented for each fiscal year were determined as of 6/30 within the fiscal year.

See Independent Auditor's Report.

East Feliciana Police Jury
Schedule of the Police Jury's Contributions-Parochial Plan A
For the year ended December 31, 2018

Parochial Employees' Retirement System of Louisiana:

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Contractually required contribution	\$ 134,867	\$ 122,165	\$ 139,539	\$ 126,612
Contributions in relation to contractually required contributions	<u>134,867</u>	<u>122,165</u>	<u>139,539</u>	<u>126,612</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Employer's Covered Employee Payroll	\$ 930,109	\$ 939,727	\$ 1,204,358	\$ 1,100,963
Contributions as a % of Covered Employee Payroll	14.5001%	13.0001%	11.5862%	11.5001%

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

See Independent Auditor's Report.

East Feliciana Police Jury
Schedule of the Police Jury's Contributions-Registrar of Voters
For the year ended December 31, 2018

State of Louisiana Registrar of Voters Retirement System

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Contractually required contribution	\$ 6,767	\$ 6,152	\$ 5,284	\$ 4,922
Contributions in relation to contractually required contributions	<u>6,767</u>	<u>6,152</u>	<u>5,284</u>	<u>4,922</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Employer's Covered Employee Payroll	\$ 28,951	\$ 28,951	\$ 28,951	\$ 28,951
Contributions as a % of Covered Employee Payroll	23.3740%	21.2497%	18.2515%	17.0011%

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

See Independent Auditor's Report.

Other Supplemental Information

East Feliciana Parish Police Jury
Combining Balance Sheet
Nonmajor Special Revenue Funds
As of December 31, 2018

	Criminal Court	Health Unit	Coroner	Total Non Major Special Revenue Funds
Assets				
Cash and Equivalents	\$ 3,830	\$ 306,017	\$ 18,731	\$ 328,578
Receivables, Net	12,776	596,533	-	609,309
Due From Other Funds	-	29,519	11,912	41,431
Total Assets	\$ 16,606	\$ 932,069	\$ 30,643	\$ 979,318
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities:				
Accounts Payable	\$ 2,974	\$ -	\$ -	\$ 2,974
Other Accrued Liabilities	-	20,680	-	20,680
Due to Other Funds	-	-	-	-
Total Liabilities	2,974	20,680	-	23,654
Deferred Inflows of Resources:				
Unavailable Ad Valorem Taxes	-	82,972	-	82,972
Total Deferred Inflows of Resources	-	82,972	-	82,972
Fund Balances:				
Restricted	13,632	828,417	30,643	872,692
Total Fund Balances	13,632	828,417	30,643	872,692
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 16,606	\$ 932,069	\$ 30,643	\$ 979,318

See Independent Auditor's Report.

East Feliciana Parish Police Jury
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances for Nonmajor Special Revenue Funds
For the year ended December 31, 2018

	<u>Criminal Court</u>	<u>Health Unit</u>	<u>Coroner</u>	<u>Total Nonmajor Special Revenue Funds</u>
Revenues				
Taxes				
Ad valorem	\$ -	\$ 544,954	\$ -	\$ 544,954
Intergovernmental				
State Revenue Sharing	-	26,286	-	26,286
Fines and Forfeitures	107,705	-	7,456	115,161
Investment Earnings	274	5,032	362	5,668
Miscellaneous	2,676	2,090	30	4,796
Total Revenues	<u>110,655</u>	<u>578,362</u>	<u>7,848</u>	<u>696,865</u>
Expenditures				
Public Safety				
Salaries	64,800	-	-	64,800
Benefits	8,137	-	-	8,137
Other operating	-	-	-	-
Supplies	84,177	-	-	84,177
Utilities	-	-	-	-
Total Public Safety	<u>157,114</u>	<u>-</u>	<u>-</u>	<u>157,114</u>
Health and Welfare				
Salaries	-	98,804	-	98,804
Benefits	-	23,203	-	23,203
Insurance	-	12,661	-	12,661
Fuel	-	3,626	444	4,070
Other operating	-	33,610	90,370	123,980
Statutory Payments to Assessor	-	20,680	-	20,680
Utilities	-	-	-	-
Total Health and Welfare	<u>-</u>	<u>192,584</u>	<u>90,814</u>	<u>283,398</u>
Capital Outlays	-	-	-	-
Total Expenditures	<u>157,114</u>	<u>192,584</u>	<u>90,814</u>	<u>440,512</u>
Excess (Deficiency) of Revenues Over (Under) (Expenditures)	<u>(46,459)</u>	<u>385,778</u>	<u>(82,966)</u>	<u>256,353</u>
Other Financing Sources (Uses)				
Operating Transfers In	36,000	9,934	91,150	137,084
Operating Transfers (Out)	-	(250,000)	-	(250,000)
Total Other Financing Sources (Uses)	<u>36,000</u>	<u>(240,066)</u>	<u>91,150</u>	<u>(112,916)</u>
Net Change in Fund Balances	<u>(10,459)</u>	<u>145,712</u>	<u>8,184</u>	<u>143,437</u>
Fund Balances, Beginning	24,091	682,705	22,459	729,255
Prior Period Adjustment (Note 16)	-	-	-	-
Fund Balances, Beginning Adjusted	<u>24,091</u>	<u>682,705</u>	<u>22,459</u>	<u>729,255</u>
Fund Balances, Ending	<u>\$ 13,632</u>	<u>\$ 828,417</u>	<u>\$ 30,643</u>	<u>\$ 872,692</u>

See Independent Auditor's Report.

East Feliciana Parish Police Jury
Schedule of Compensation Paid to Board Members
For the year ended December 31, 2018

<u>Name and Title</u>	<u>Address</u>	<u>Term</u>	<u>Salary</u>
Glen Kent - District 1-A	14351 Highway 959 Clinton, LA 70722	Jan 2016 to 2020	\$ 14,400
Chris Hall - District 1-B	8311 Highway 955 E Ethel, LA 70730	Jan 2016 to 2020	14,400
Edward Brooks, Sr. - District 2	7105 Richardson Loop Jackson, LA 70748	Jan 2016 to 2020	14,400
Jason McCray - District 3	P.O. Box 1332 Jackson, LA 70748	Jan 2016 to 2020	14,400
Keith Mills - District 4-A (Vice President)	P.O. Box 1672 Jackson, LA 70748	Jan 2016 to 2020	14,400
Dwight Hill - District 4-B	P.O. Box 161 Jackson, LA 70748	Jan 2016 to 2020	14,400
Michael Cheatham - District 5	P.O. Box 707 Clinton, LA 70722	Jan 2016 to 2020	14,400
Sean Smith - District 6	P.O. Box 8702 Clinton, LA 70722	Jan 2016 to 2020	14,400
Louis Kent - District 7 (President)	P.O. Box 7996 Clinton, LA 70722	Jan 2016 to 2020	15,600
			\$ <u>130,800</u>

This schedule is presented in compliance with House Resolution #54 of the 1979 Session of Louisiana Legislature.

See Independent Auditor's Report.

Schedule 11

**East Feliciana Parish Police Jury
Schedule of Compensation, Benefits, and Other Payments to Agency Head
For the year ended December 31, 2018**

Sonya Crowe, Parish Manager		
Salary	\$	76,856
Benefits-Insurance		14,324
Benefits-Retirement		7,301
Employer Paid Medicare & Social Security		532
Other Miscellaneous Benefits		582
Cellphone		1,826
Fuel for Parish Owned Vehicle		303
Digital Tracker-GPS on Vehicle		295
Insurance on Vehicle		308
Travel/Training		1,129
Total	\$	<u>103,456</u>

See Independent Auditor's Report.

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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***

Board Members of the East Feliciana Parish Police Jury
and Ms. Sonya Crowe, Parish Manager
P.O. Box 427
Clinton, LA 70722

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, each major fund, and the aggregate remaining fund information of the East Feliciana Parish Police Jury as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the East Feliciana Parish Police Jury's basic financial statements and have issued our report thereon dated August 26, 2019.

Internal Control over Financial Reporting

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

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

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

East Feliciana Parish Police Jury
Page 2

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the East Feliciana Parish 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 and other matters that are required to be reported under *Government Auditing Standards* and which are described in Findings 2018-C1 and 2018-C2 in the accompanying *Schedule of Findings and Responses*.

East Feliciana Parish Police Jury's Response to Findings

The East Feliciana Parish Police Jury's response to the findings identified in our audit is described in the accompanying *Schedule of Findings and Responses*. The East Feliciana Parish 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.



Bruce Harrell & Company, CPAs
A Professional Accounting Corporation
Kentwood, Louisiana

August 26, 2019

Schedule of Findings and Responses
For the Year Ended December 31, 2018

Section I Summary of Auditor's Reports

Financial Statements

a. Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

- Unmodified [checked] Qualified [checked]
Disclaimer [] Adverse [checked]

b. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control:

Material Weaknesses [] Yes [checked] No Significant Deficiencies [] Yes [checked] No

Compliance:

Noncompliance Material to Financial Statements [checked] Yes [] No

Federal Awards - N/A

Internal Control over Major Federal Programs:

Material Weaknesses [] Yes [] No Significant Deficiencies [] Yes [] No

Type of auditor's report issued on compliance for major federal programs:

- Unmodified [] Qualified []
Disclaimer [] Adverse []

Are there findings required to be reported in accordance with 2 CFR 200.516(a)?

[] Yes [] No

Was a management letter issued?

[] Yes [checked] No

Identification of Major Programs:

Table with 2 columns: CFDA Number(s), Name of Federal Program (or Cluster)

Dollar threshold used to distinguish between Type A and Type B Programs: \$ _____

Is the auditee a 'low-risk' auditee, as defined by the Uniform Guidance? [] Yes [] No

Schedule of Findings and Responses
For the Year Ended December 31, 2018

Section II Financial Statement Findings

Finding 2018-C1 Ethics Training (Noncompliance)

Criteria: LRS 42:1170 requires all public servants obtain a minimum of one-hour education and training on the Code of Governmental Ethics during each year of his public employment or term in office.

Condition: The Police Jury did not have documentation of the required ethics training for one of the board members for the year ending December 31, 2018.

Cause: Failure to complete training or provide certificate.

Effect: Noncompliance with the above referenced statutes.

Recommendation: The Police Jury should ensure that all employees and board members complete the required training each year.

Management's Response: The Secretary on numerous occasions reminded all employees including the Board of the required ethics training and requested they provide her with the certificate showing completion of the training. The Secretary will continue to follow up monthly with those who have not completed the training until training is completed before December 31.

Contact Person:

Sonya Crowe, Parish Manager
(225) 683-8577

Finding 2018-C2 Audit Filing Requirement (Noncompliance)

Criteria: The Police Jury is subject to requirements as defined in LRS 24:513(A) for filing financial audit reports or review reports. The deadline for filing is six months after the end of the entity's fiscal year, but may be extended per Legislative Auditor approval. The Police Jury is also contractually obligated to adhere to audit requirements as defined in the grant agreements with its grantors. The audit requirements are to adhere to federal and state laws requiring an audit and to complete and submit the audit to the grantor no later than six months after the audit period. The Police Jury must comply with statutory and contractual deadlines for filing audit reports, but must also ensure that sufficient time is available to complete procedures required in accordance with Government Auditing Standards.

Condition: The Police Jury did not file its audit report by the statutory or contractual deadline.

Cause: Delays in obtaining requested audit information.

Effect: The Police Jury did not follow statutory and contractual deadlines for filing audit reports.

Recommendation: The Police Jury should monitor its compliance with applicable laws, regulations, contracts, and grant agreements. Specifically, the Police Jury should monitor audit requirements, including

**Schedule of Findings and Responses
For the Year Ended December 31, 2018**

deadlines. The Police Jury should ensure the timely start of the audit as well as timely responses to auditor requests.

Management's Response: The Police Jury will also monitor audit filing deadlines and comply with filing requirements in the future.

Contact Person:

Sonya Crowe, Parish Manager
(225) 683-8577

Section III Federal Award Findings and Questioned Costs

No Section III Findings

Schedule of Prior Year Findings and Responses
For the Year Ended December 31, 2018

Section I Internal Control and Compliance Material to the Financial Statements

Finding 2017-C1 Local Budget Act (Noncompliance)

Criteria: LRS 39:1311 requires that total expenditures and other uses must not exceed budgeted expenditures and other uses by 5% or more and revenues and other sources must meet budgeted revenue and other sources by 5% or more.

Condition: The Police Jury's actual expenditures and other uses in the General Fund exceeded the total budgeted revenue and other uses by five percent or more.

Cause: Accounts payable at year end were higher than anticipated due to unexpected expenditures near year end.

Effect: Noncompliance with the above referenced statute.

Recommendation: The budget should be amended when budget variances greater than 5% are evident.

Management's Response: We will continue to monitor budget compliance.

Current Year Status: Resolved.

Finding 2017-C2 Failures to Timely File Form 941 (Noncompliance)

Criteria: The Police Jury must timely report required information on an Employer's Quarterly Federal Tax Return (Form 941). The filing deadline is the last day of the month following the quarter reported.

Condition: Although the Police Jury remitted payroll taxes and withholding, it failed to file the federal payroll tax returns by the required deadline throughout the year and subsequent to year end.

Cause: Failure to file tax returns was caused due to miscommunications during staff turnovers and vacancies.

Effect: Noncompliance with tax filing requirements.

Recommendation: The Police Jury should closely monitor and follow filing deadlines.

Management's Response: The new administration has already filed the 2017 Form 941s.

Current Year Status: Resolved.

Finding 2017-C3 Audit Filing Requirement (Noncompliance)

Criteria: The Police Jury is subject to requirements as defined in LRS 24:513(A) for filing financial audit reports or review reports. The deadline for filing is six months after the end of the entity's fiscal year, but may be extended per Legislative Auditor approval. The Police Jury is also contractually obligated to adhere to audit requirements as defined in the grant agreements with its grantors. The audit requirements are to adhere to federal and state laws requiring an audit and to complete and submit the audit to the grantor no later than six months after the audit period. The Police Jury must comply with statutory and contractual deadlines for filing audit reports, but must also ensure that sufficient time is available to complete procedures required in accordance with Government Auditing Standards.

**Schedule of Prior Year Findings and Responses
For the Year Ended December 31, 2018**

Condition: The Police Jury did not file its audit report by the statutory or contractual deadline; however, an extension was approved until August 31, 2018 by the Legislative Auditor under the provisions of LRS 29:724(B)(1).

Cause: Delays in obtaining requested audit information.

Effect: The Police Jury would not have followed statutory and contractual deadlines for filing audit reports, if an extension wasn't approved.

Recommendation: The Police Jury should monitor its compliance with applicable laws, regulations, contracts, and grant agreements. Specifically, the Police Jury should monitor audit requirements, including deadlines. The Police Jury should ensure the timely start of the audit as well as timely responses to auditor requests.

Management's Response: The Police Jury will file by August 31, 2018, the date approved by the Legislative Auditor. The Police Jury will also monitor audit filing deadlines and comply with filing requirements in the future.

Current Year Status: The 2017 Audit Report was filed by the extension deadline. However, the 2018 Audit Report wasn't timely filed. See Finding 2018-C2 within the *Schedule of Findings and Responses*.

Section II Internal Control and Compliance Material to Federal Awards

No Section II Findings.

Section III Management Letter

No Section III Findings.

East Feliciana Police Jury
Clinton, Louisiana

Statewide Agreed-Upon Procedures

As of and for the Year Ended December 31, 2018



BRUCE HARRELL & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS
A Professional Accounting Corporation

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Independent Accountant's Report on Applying Agreed-Upon Procedures

Board Members of the East Feliciana Parish Police Jury,
Mrs. Sonya Crowe, Parish Manager, and the Louisiana Legislative Auditor
Clinton, Louisiana 70722

We have performed the procedures enumerated below, which were agreed to by the East Feliciana Police Jury (Entity) and the 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 01, 2018 through December 31, 2018. The Entity's management is responsible for those C/C areas identified in the SAUP's.

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

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):

- a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget.

Written policies and procedures were obtained and address the functions noted.

- b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.

Written policies and procedures were obtained and address the functions noted above, except the policy does not specifically address how vendors are added to the vendor list.

- c) **Disbursements**, including processing, reviewing, and approving.

Written policies and procedures were obtained and address the functions noted.

- d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

Written policies and procedures were obtained and address the functions noted, except the policy does not include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions. The policy also does not address the preparation of deposits in detail.

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

Written policies and procedures were obtained and address the functions noted.

- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

Written policies and procedures were obtained; however, they do not address the functions noted above.

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

Written policies and procedures were obtained; however, they do not address the functions noted above.

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

Written policies and procedures were obtained and address the functions noted above; except the policy does not specifically address the dollar threshold by category of expense.

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

Written policies and procedures were obtained; however, they do not address the functions noted above.

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

Written policies and procedures were obtained; however, they do not address the functions noted above. The Police Jury does not have any debt.

Management's Response to all written policies and procedures exceptions: We will amend written policies and procedures as needed and obtain board approval.

Board or Finance Committee

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:

- a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

The Board met (with a quorum) at least monthly.

- b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds.

The minutes did not include a reference to monthly budget-to-actual comparisons.

Management's Response: The Police Jury includes monthly budget-to-actual comparison reports in the information given to Board Members. In January 2019, the Police Jury began including the approval in the board minutes.

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

N/A - The Unrestricted Fund Balance in the General Fund did not have a negative ending balance in the prior year audit report.

Bank Reconciliations

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

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

Obtained bank statements and reconciliations for the selected month noting evidence that the reconciliation was prepared within two months of the related statement closing.

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

Obtained bank statements and reconciliations for the selected month noting evidence of review by a Board Member who does not handle cash, post ledgers, or issue checks.

- 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.

Obtained bank statements and reconciliations for the selected month and noted documentation reflecting that it has researched the reconciling items that have been outstanding for more than 12 months from the statement closing date.

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 the control or compliance. Accordingly, this report is not suitable for any other purposes. Under Louisiana Revised Statute R.S.24:513, this report is distributed by the LLA as a public document.



Bruce Harrell & Company, CPAs
A Professional Accounting Corporation
Kentwood, Louisiana

August 26, 2019