

**JEFFERSON DAVIS PARISH POLICE JURY
JENNINGS, LOUISIANA**

Annual Financial Statements

As of and for the Year Ended December 31, 2018

JEFFERSON DAVIS PARISH POLICE JURY

Annual Financial Statements

As of and for the Year Ended December 31, 2018

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Annual Financial Statements

December 31, 2018

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J. Aaron Cooper, CPA, LLC

P.O. Box 918 • 106 West Nezpique Street • Jennings, Louisiana 70546

Member of the American Institute of Certified Public Accountants and the Society of Louisiana Certified Public Accountants.

Recipient of Advanced Single Audit Certificate

INDEPENDENT AUDITOR'S REPORT

To the Jefferson Davis Parish Police Jury
Jennings, Louisiana

I have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Jefferson Davis Parish Police Jury (the Police Jury) as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the basic financial statements of the Police Jury's primary government 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

My responsibility is to express opinions on these financial statements based on my audit. I conducted my 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 I 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Summary of Opinions

<u>Opinion Unit</u>	<u>Type of Opinion</u>
Governmental Activities	Unmodified
Aggregate Discretely Presented Component Units	Adverse
General Fund	Unmodified
Road Sales Tax No. 1 Sales Tax Fund	Unmodified
Section 8 Housing Fund	Unmodified
Regional Consolidated Jail Maintenance Tax Fund	Unmodified
Regional Consolidated Jail Capital Project Fund	Unmodified
Aggregate Remaining Fund Information	Unmodified

Basis for Adverse Opinion on Aggregate Discretely Presented Component Units

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

Adverse Opinion on Aggregate Discretely Presented Component Units

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

Unmodified Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information, employer's share of net pension liability and employer contributions, and Schedule of Changes in the Total OPEB Liability and Related Ratios on pages 86 through 100 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. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America required to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Government 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. My opinion on the basic financial statements is not affected by this missing information.

Other Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Jefferson Davis Parish Police Jury's basic financial statements. The combining and individual nonmajor fund financial statements, the schedule of compensation paid to police jurors and the schedule of compensation, benefits, and other payments to the Police Jury President are presented for purposes of additional analysis and are not a required part of the primary government's basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the primary government's basic financial statements.

The combining and individual nonmajor fund financial statements, the schedule of compensation paid to police jurors, the schedule of compensation, benefits, and other payments to the Police Jury President, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the primary government's basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the primary government's 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 primary government's 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 my opinion, the combining and individual nonmajor fund financial statements, the schedule of compensation paid to police jurors, the schedule of compensation, benefits, and other payments paid to the Police Jury President, and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the primary government's basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued my report dated June 30, 2019, on my consideration of the Police Jury's internal control over financial reporting and on my 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 my 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 Police Jury's internal control over financial reporting and compliance.

A handwritten signature in blue ink that reads "J. Aaron Coogan, CPA, LLC". The signature is written in a cursive style.

Jennings, Louisiana
June 30, 2019

GOVERNMENT-WIDE FINANCIAL STATEMENTS

STATEMENT A

JEFFERSON DAVIS PARISH POLICE JURY

Statement of Net Position

December 31, 2018

	Primary Government Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 28,355,770
Investments	2,144,583
Receivables	1,971,040
Prepaid items	84,030
Restricted cash and cash equivalents	1,813,930
Restricted investments	1,552,823
Capital assets (net)	48,024,271
TOTAL ASSETS	<u>83,946,447</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension related deferrals	388,797
Deferred charge on refunding	539,167
Deferred bond issuance costs	210,190
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>1,138,154</u>
LIABILITIES	
Accounts, salaries, and other payables	820,421
Contracts payable	705,349
Deposits due others	664,975
Accrued interest payable	146,962
Current portion of bonds payable	1,189,556
Current portion of capital leases payable	105,947
Other post-employment benefits liability	4,482,622
Capital leases payable	539,028
Bonds payable	10,905,444
Unamortized bond premium	503,077
Net pension liability	107,742
TOTAL LIABILITIES	<u>20,171,123</u>
DEFERRED INFLOWS OF RESOURCES	
Pension related deferrals	459,196
Deferred revenues	537,304
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>996,500</u>
NET POSITION	
Net investment in capital assets	35,284,296
Restricted for:	
Public safety	14,937,426
Public works	8,183,645
Health and welfare	589,404
Debt service	2,675,524
Capital projects	399,951
Other general government	2,034,667
Unrestricted	(187,935)
TOTAL NET POSITION	<u>\$ 63,916,978</u>

The accompanying notes are an integral part of this statement.

STATEMENT B

JEFFERSON DAVIS PARISH POLICE JURY

Statement of Activities

For the Year Ended December 31, 2018

	Expenses	Program Revenues			Net (Expenses)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenues and
					Changes in Net Position
					Primary Governmental Governmental Activities
Governmental Activities					
General government	\$ 3,343,804	\$ 710,355	\$ 2,392	\$ -	\$ (2,631,057)
Public safety	2,800,310	368,447	312,132	-	(2,119,731)
Public works	4,130,735	-	1,032,626	1,431,206	(1,666,903)
Cultural and recreation	61,778	22,440	-	-	(39,338)
Health and welfare	1,263,098	24,234	1,067,650	-	(171,214)
Economic development	-	-	10,000	-	10,000
Interest on long-term debt	358,951	-	-	-	(358,951)
Total governmental activities	<u>\$ 11,958,676</u>	<u>\$ 1,125,476</u>	<u>\$ 2,424,800</u>	<u>\$ 1,431,206</u>	<u>(6,977,194)</u>

General revenues:

Taxes:

Property taxes	4,899,689
Sales tax	5,585,650
Severance taxes	923,347
State revenue sharing	131,620
Occupational licenses and permits	513,497
Grants and contributions not restricted to specific programs	712,079
Investment earnings	138,967
Other general revenues	170,519

Special items:

Gain (loss) on sale of capital assets	2,352
Total general revenues and special items	<u>13,077,720</u>

Change in net position 6,100,526

Net position – beginning, as restated 57,816,452

Net position – ending \$ 63,916,978

The accompanying notes are an integral part of this statement.

JEFFERSON DAVIS PARISH POLICE JURY

Annual Financial Statements

December 31, 2018

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FUND FINANCIAL STATEMENTS

JEFFERSON DAVIS PARISH POLICE JURY

Balance Sheet - Governmental Funds

December 31, 2018

	Major Funds			
	General Fund	Road Sales Tax No. 1 Sales Tax Fund	Section 8 Housing Fund	Regional Consolidated Jail Maintenance Tax
ASSETS				
Cash and cash equivalents	\$ 4,340,598	\$ 5,117,788	\$ 46,041	\$ 9,165,516
Investments	688,525	-	-	-
Receivables	566,726	507,104	39	431,274
Due from other funds	341,172	9,000	115	283,640
Restricted cash and cash equivalents	-	-	-	-
Restricted investments	-	1,552,823	-	-
Total assets	\$ 5,937,021	\$ 7,186,715	\$ 46,195	\$ 9,880,430
LIABILITIES				
Liabilities:				
Accounts, salaries, and other payables	\$ 216,097	\$ 78,309	\$ 80	\$ 70,106
Contracts payable	-	102,782	-	-
Deposits to others	664,975	-	-	-
Due to other funds	-	-	-	-
Total liabilities	881,072	181,091	80	70,106
DEFERRED INFLOWS OF RESOURCES				
Deferred revenues	110,144	-	-	-
FUND BALANCES				
Restricted for:				
Public safety	-	-	-	9,810,324
Public works	-	5,452,801	-	-
Health and welfare	-	-	46,115	-
Debt service	-	1,552,823	-	-
Capital projects	-	-	-	-
Other general government	-	-	-	-
Unassigned	4,945,805	-	-	-
Total fund balance	4,945,805	7,005,624	46,115	9,810,324
Total liabilities, deferred inflows of resources, and fund balances	\$ 5,937,021	\$ 7,186,715	\$ 46,195	\$ 9,880,430

The accompanying notes are an integral part of this statement.

STATEMENT C

Regional Consolidated Jail Capital Project Fund	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 9,685,827	\$ 28,355,770
-	1,456,058	2,144,583
267,217	174,927	1,947,287
-	-	633,927
283,640	1,530,290	1,813,930
-	-	1,552,823
<u>\$ 550,857</u>	<u>\$ 12,847,102</u>	<u>\$ 36,448,320</u>
\$ -	\$ 455,828	\$ 820,420
581,276	21,290	705,348
-	-	664,975
<u>550,856</u>	<u>83,071</u>	<u>633,927</u>
<u>1,132,132</u>	<u>560,189</u>	<u>2,824,670</u>
<u>-</u>	<u>427,161</u>	<u>537,305</u>
-	5,127,102	14,937,426
-	2,730,844	8,183,645
-	543,289	589,404
-	1,122,701	2,675,524
-	399,951	399,951
-	2,034,667	2,034,667
<u>(581,275)</u>	<u>(98,802)</u>	<u>4,265,728</u>
<u>(581,275)</u>	<u>11,859,752</u>	<u>33,086,345</u>
<u>\$ 550,857</u>	<u>\$ 12,847,102</u>	<u>\$ 36,448,320</u>

JEFFERSON DAVIS PARISH POLICE JURY

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

Fund Balances, Total Governmental Funds (Statement C)	\$ 33,086,345
-------------------------------------------------------	---------------

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.

Capital assets	\$ 70,555,879	
Accumulated depreciation	(22,531,608)	48,024,271

Other assets used in governmental activities that are not current financial resources and, therefore, are not reported in the governmental funds.

Prepaid items	84,030	
Deferred charge on refunding	539,167	
Receivables collected beyond 60 days after year-end	23,752	646,949

Long-term liabilities including bonds payable are not due and payable in the current period and, therefore, are not reported in the governmental funds.

Bonds payable	(12,095,000)
Capital leases payable	(644,975)
Other post-employment benefits liability	(4,482,622)

In accordance with Government Accounting Standards Board Statement No. 68, the net pension liability, deferred outflows of resources, and deferred inflows of resources related to pension plans are not recorded in governmental funds.

Net pension liability	(107,742)
Deferred outflows of resources	388,797
Deferred inflows of resources	(459,196)

Bond issue costs which are reported as expenditures in the year incurred in the governmental funds are deferred and amortized in the statement of activities.

Unamortized bond premium	(503,077)
Bond issue costs, net of accumulated amortization	210,190

Accrued interest expense reported for the government-wide statements

(146,962)

Net Position of Governmental Activities (Statement A)

<u>\$ 63,916,978</u>

The accompanying notes are an integral part of this statement.

JEFFERSON DAVIS PARISH POLICE JURY
Annual Financial Statements
December 31, 2018

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JEFFERSON DAVIS PARISH POLICE JURY

**Statement of Revenues, Expenditures and
and Changes in Fund Balances -
Governmental Funds**

For the Year Ended December 31, 2018

	Major Governmental Funds			
	General Fund	Road Sales Tax No. 1 Sales Tax Fund	Section 8 Housing Fund	Regional Consolidated Jail Maintenance Tax
REVENUES				
Local sources:				
Taxes				
Ad valorem	\$ 729,864	\$ -	\$ -	\$ -
Sales and use	-	3,099,016	-	2,486,633
Licenses and permits	503,242	-	-	-
Fees, charges, and commissions for services	99,403	-	-	-
Fines and forfeitures	11,582	-	-	-
Investment earnings	20,094	29,306	243	42,967
Other revenues	960,054	612,020	54,869	-
State sources:				
Parish transportation funds	-	-	-	-
State revenue sharing (net)	87,653	-	-	-
Severance taxes	923,347	-	-	-
Other state funds	263,728	-	-	-
Federal sources	186,298	-	853,601	-
Total revenues	<u>3,785,265</u>	<u>3,740,342</u>	<u>908,713</u>	<u>2,529,600</u>
EXPENDITURES				
General government	1,307,945	-	-	-
Public safety	664,685	-	-	228,159
Public works	304,003	144,672	-	-
Cultural and recreation	61,725	-	-	-
Health and welfare	195,448	-	888,240	-
Debt service	-	-	-	-
Capital outlay	48,854	3,088,746	-	93,932
Total expenditures	<u>2,582,660</u>	<u>3,233,418</u>	<u>888,240</u>	<u>322,091</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,202,605</u>	<u>506,924</u>	<u>20,473</u>	<u>2,207,509</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(1,748,003)	(1,423,600)	-	-
Long term debt proceeds	-	-	-	-
Sale of capital assets	7,425	-	-	-
Total other financing sources (uses)	<u>(1,740,578)</u>	<u>(1,423,600)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(537,973)	(916,676)	20,473	2,207,509
Fund balances – beginning	<u>5,483,778</u>	<u>7,922,300</u>	<u>25,642</u>	<u>7,602,815</u>
Fund balances – ending	<u>\$ 4,945,805</u>	<u>\$ 7,005,624</u>	<u>\$ 46,115</u>	<u>\$ 9,810,324</u>

The accompanying notes are an integral part of this statement.

STATEMENT E

Regional Consolidated Jail Capital Project Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ 4,169,486	\$ 4,899,350
-	-	5,585,649
-	10,350	513,592
-	334,355	433,758
-	701,156	712,738
-	46,358	138,968
-	88,921	1,715,864
-	411,721	411,721
-	43,967	131,620
-	-	923,347
1,366,732	138,042	1,768,502
-	4	1,039,903
<u>1,366,732</u>	<u>5,944,360</u>	<u>18,275,012</u>
-	1,750,574	3,058,519
-	1,393,621	2,286,465
-	2,356,949	2,805,624
-	-	61,725
-	165,580	1,249,268
-	1,500,812	1,500,812
1,831,063	1,166,607	6,229,202
<u>1,831,063</u>	<u>8,334,143</u>	<u>17,191,615</u>
<u>(464,331)</u>	<u>(2,389,783)</u>	<u>1,083,397</u>
418,933	3,012,453	3,431,386
-	(259,783)	(3,431,386)
-	410,000	410,000
-	-	7,425
<u>418,933</u>	<u>3,162,670</u>	<u>417,425</u>
(45,398)	772,887	1,500,822
<u>(535,877)</u>	<u>11,086,865</u>	<u>31,585,523</u>
<u>\$ (581,275)</u>	<u>\$ 11,859,752</u>	<u>\$ 33,086,345</u>

JEFFERSON DAVIS PARISH POLICE JURY

**Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances - Governmental Funds
to the Statement of Activities**

For the Year Ended December 31, 2018

Net change in fund balances, total governmental funds (Statement E)	\$	1,500,822
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlay as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.		
Capital outlay	\$	6,278,481
Depreciation expense		<u>(2,091,069)</u>
		4,187,412
The net effect of various miscellaneous transactions involving capital assets, such as sales, trade-ins, and donations is to increase (decrease) net position.		(5,073)
Revenue in the statement of activities that do not provide current resources are not reported as revenues in the funds:		
Increase (decrease) in revenue not reflected in governmental funds		(218,163)
The issuance of long-term debt (bonds, leases, etc.) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt.		684,255
Governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.		
Bond issuance cost		8,500
Bond issue cost amortization		(25,688)
Payment of other post employment benefits is reported as expenditures in the governmental funds when actually paid. However, on the Statement of Activities, other post-employment benefits are expensed as they are accrued. This is the change in the other post-employment benefit liability.		(14,017)
In accordance with Government Accounting Standards Board Statement No. 68, the net pension liability related pension is not required to be recorded in the governmental fund financial statements. Adjustments to pension expense related to changes in deferred outflows of resources and deferred inflows of resources are reflected in the Statement of Activities:		
Contributions after measurement date		155,907
Net change in pension expense		(177,167)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		<u>3,738</u>
Change in Net Position of Governmental Activities (Statement B)	\$	<u>6,100,526</u>

The accompanying notes are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

JEFFERSON DAVIS PARISH POLICE JURY

Notes to the Financial Statements As of and for the Year Ended December 31, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

INTRODUCTION

The Jefferson Davis Parish Police Jury (“Police Jury”) is the governing authority for Jefferson Davis Parish and is a political subdivision of the State of Louisiana. The Police Jury is governed by 13 jurors representing the various districts within the parish. The jurors serve four-year terms, which expire on December 31, 2019.

Louisiana Revised Statutes 33:1236 gives the Police Jury various powers in regulating and directing the affairs of the parish and its inhabitants. The more notable of these 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.

Jefferson Davis Parish occupies 650 square miles with a population of approximately 31,400. The Police Jury maintains approximately 632 miles of roads, with 182 miles paved and 450 miles gravel. Police Jury offices are located in the Sidney Briscoe Jr. Building next to the parish courthouse in Jennings, Louisiana, with road maintenance facilities located at five primary locations within the parish.

The accounting and reporting policies of the Jefferson Davis Parish Police Jury conform to generally accepted accounting principles (GAAP) as applicable to governmental units. The Government Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and financial reporting policies. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

A. REPORTING ENTITY

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

JEFFERSON DAVIS PARISH POLICE JURY

Notes to the Financial Statements As of and for the Year Ended December 31, 2018

Government Accounting Standards Board (GASB) Statement No. 14 establishes criteria for determining the governmental reporting entity and component units that should be considered part of the Jefferson Davis Parish Police Jury for financial reporting purposes. Under provisions of this statement, the Police Jury is considered a primary government, since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement No. 14, fiscally independent means that the Police Jury may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

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

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

<u>Component Unit</u>	<u>Fiscal Year End</u>	<u>Criteria Used</u>
Jefferson Davis Parish Library	December 31	1, 1a and 3
Mosquito Abatement District No. 1	December 31	1, 1a and 3
Airport District No. 1	April 30	1, 1a and 3
Consolidated Gravity Drainage District No. 1	December 31	1, 1a and 3
Welsh Gravity Drainage District No. 1	December 31	1, 1a and 3
Gravity Subdrainage District A of Gravity Drainage District No. 1	December 31	1, 1a and 3
Gravity Drainage Districts: No. 5	December 31	1, 1a and 3

JEFFERSON DAVIS PARISH POLICE JURY

Notes to the Financial Statements As of and for the Year Ended December 31, 2018

No. 6	December 31	1, 1a and 3
No. 7	December 31	1, 1a and 3
No. 9	December 31	1, 1a and 3
Grand Marais Drainage District	December 31	1, 1a and 3
Nezpique Drainage District	December 31	1, 1a and 3
Broadmore Drainage District	December 31	1, 1a and 3
Jefferson Davis Parish Central Waterworks	December 31	1, 1a and 3
Waterworks Districts: No. 4	December 31	1, 1a and 3
Hospital District #1	December 31	1, 1a and 3
Jefferson Davis Parish Water & Sewer Commission #1	December 31	1, 1a and 3
Marsh Bayou Drainage District	December 31	1, 1a and 3

The Police Jury has chosen to issue financial statements of the primary government only; therefore, none of the previously listed component units are included in the accompanying financial statements. Financial statements for these component units can be obtained from the individual component units.

These primary government financial statements include all major funds, aggregate non-major funds and organizations for which the Police Jury maintains the accounting records. The Thirty-First Judicial District Criminal Court Fund for which the Police Jury maintains the accounting records is considered part of the primary government.

GASB Statement 14 provides for the issuance of primary government financial statements that are separate from those of the reporting entity. However, the primary government's financial statements are not a substitute for the reporting entity's financial statements. The Police Jury has chosen to issue financial statements of the primary government only. As such, 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.

Considered in the determination of component units of the reporting entity were the Sheriff, Clerk of Court, Tax Assessor, School Board, Sanitary Landfill Commission, the District Attorney for the Thirty-First Judicial District, and the various municipalities in the parish. It was determined that these governmental entities are not component units of the Jefferson Davis Parish Police Jury reporting entity. All are governed by independently elected officials except the Landfill Commission which has Commissioners appointed by the member governments (see Note 17). The Police Jury, primary government, neither appoints governing boards nor designates management, the entities are legally separate, and are fiscally independent of the Jefferson Davis Parish Police Jury. They are considered by the Police Jury to be separate, autonomous governments and issue financial statements separate from those of the Jefferson Davis Parish Police Jury reporting entity.

JEFFERSON DAVIS PARISH POLICE JURY

Notes to the Financial Statements As of and for the Year Ended December 31, 2018

Joint Venture

Jefferson Davis Parish Landfill Commission - A jointly owned commission with the Cities of Jennings, Welsh and Lake Arthur was formed to provide a solid waste disposal facility for its member-owners. This commission has not been included in the reporting entity.

B. BASIS OF PRESENTATION

Government-Wide Financial Statements:

The government-wide financial statements include the Statement of Net Position and the Statement of Activities that report financial information for the primary government only. For the most part, the effect of interfund activity has been removed from these statements. Individual funds are not displayed but the statements report governmental activities, which normally are supported by taxes and intergovernmental revenues. The Police Jury has no business-type activities, which rely to a significant extent on fees and charges for support.

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 included: (1) charges for services which report licenses, permits, fees, fines, and forfeitures, and other charges to users of the Police Jury's services; (2) operating grants and contributions which finance annual operating activities; and (3) capital grants and contributions, which fund the acquisition, construction, or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses. Taxes and other revenue sources not properly included with program revenues are reported as general revenues.

Fund Financial Statements (FFS)

The accounts of the Police Jury are organized on the basis of funds each of which is considered a separate accounting entity with a separate set of self-balancing accounts. Fund financial statements are provided for governmental funds with major individual government funds reported in separate columns and a composite column for non-major governmental funds. A fund is considered major if it is the primary operating fund of the Police Jury, Section 8 Housing Fund, or meets the following criteria:

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

JEFFERSON DAVIS PARISH POLICE JURY

Notes to the Financial Statements As of and for the Year Ended December 31, 2018

The major funds of the Police Jury are described below:

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

Road Sales Tax District No. 1 Sales Tax Fund - The Road Sales Tax District No. 1 Sales Tax Fund accounts for the receipt of a 2% sales tax effective for twenty (20) years beginning January 1, 2007. Sales tax proceeds are to be used for the retirement of the 2016 Sales Tax Refunding Bonds for \$11,800,000. All moneys remaining in the Sales Tax Fund on the 20th day of each month in excess of all reasonable and necessary expenses of collection and administration of the tax and after making the required payments into the Sinking Fund and Bond Reserve for the current month and for prior months during which the required payments may not have been made, shall be considered as surplus. Such surplus may be used for any of the purposes for which the tax is authorized or for the purpose of retiring the bonds in advance of their maturities.

Section 8 - The Section 8 Fund accounts for the housing choice voucher program funded by the United States Department of Housing and Urban Development.

Regional Consolidated Jail Maintenance Tax Fund – The Regional Consolidated Jail Maintenance Tax Fund accounts for the receipt of a 1/2% sales tax effective for ten (10) years beginning July 1, 2014. Sales tax proceeds are to be used for maintaining and operating jail facilities, including both movable and immovable property.

Regional Consolidated Jail Capital Project Fund – The Regional Consolidated Jail Capital Project Fund accounts for financial resources received and used for the construction of a new regional consolidated jail.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The government-wide statements report uses the economic resources measurement focus and the accrual basis of accounting generally including the reclassification or elimination of internal activity (between or within funds). Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Ad valorem tax revenues and related state revenue sharing are recognized in the budgetary period the taxes are intended to finance while grants are recognized when grantor eligibility requirements are met.

Government 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 measurable when the amount of the transaction can be determined. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as

JEFFERSON DAVIS PARISH POLICE JURY

Notes to the Financial Statements As of and for the Year Ended December 31, 2018

under accrual accounting. However, debt service expenditures, as well as expenditures related to claims and judgments, are recorded only when payment is due.

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

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

Federal and state grants are recognized when the reimbursable expenditures have been incurred.

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

Interest income on time deposits is recognized when interest is earned.

Substantially all other revenues are recognized when they become available to the Police Jury.

Based on the above criteria, federal and state grants, sales tax revenues and fines, forfeitures, and court costs have been treated as susceptible to accrual.

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

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

D. BUDGET PRACTICES

Proposed budgets for the ensuing year are prepared by the secretary-treasurer with assistance from the assistant secretary-treasurer, prior to December 31 of each year. Upon completion, copies of the proposed budgets are reviewed by the finance committee and changes are made if necessary. The availability of the proposed budget for public inspection and the dates of the public hearing on the budgets are then advertised in the official journal. During its regular December meeting, the Police Jury conducts a public hearing to receive input from the public and other interested parties. Changes are made to the proposed budgets based on the public hearing and desires of the Police Jury as a whole.

JEFFERSON DAVIS PARISH POLICE JURY

Notes to the Financial Statements As of and for the Year Ended December 31, 2018

The budgets are then adopted, and notice is published in the official journal. The 2018 budget was adopted on December 27, 2017.

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

The budget is prepared on a cash basis of accounting. For the year ended December 31, 2018, the Police Jury adopted cash basis budgets for the general fund and all special revenue funds, debt service funds, and capital projects funds. Formal budget accounts are integrated into the accounting system during the year as a management control device, and the budget is amended with the approval of the Police Jury when necessary. Unexpended appropriations lapse at year end and must be re-appropriated in the next year's budget to be expended. Formal encumbrance accounting is not utilized by the Police Jury. Budget amounts included in the accompanying financial statements include the original and final adopted budget amounts.

E. DEPOSITS AND INVESTMENTS

Cash and cash equivalents include amounts in demand deposits and investments with original maturities of three months or less from the date of acquisition. Under state law, the Police Jury may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

State law and the Police Jury's investment policy allow the Police Jury to invest in collateralized certificates of deposits, government backed securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government backed securities.

Investments are limited by Louisiana Revised Statute 33:2955. If the original maturities of time deposits exceed 90 days, they are classified as investments. As of December 31, 2018, the Police Jury's investments consist of non-negotiable certificates of deposit that are reported at cost, which approximates market value.

F. INTERFUND RECEIVABLES AND PAYABLES

Short-term cash loans between funds are considered temporary in nature. These amounts are reported as "due from/to other funds" on the balance sheet.

JEFFERSON DAVIS PARISH POLICE JURY

Notes to the Financial Statements As of and for the Year Ended December 31, 2018

G. RECEIVABLES

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received, except revenue specifically budgeted to finance future periods. Major receivable balances for the governmental activities include sales taxes, grants, and other intergovernmental receivables.

H. UNCOLLECTIBLE ALLOWANCE

The statements contain no provision for uncollectible accounts. Jury management is of the opinion that such allowance would be immaterial in relation to the financial statements taken as a whole.

I. PREPAID ITEMS

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. Prepaid items consist of unexpired portions of insurance premiums and prepaid service contracts. Prepaid items in the governmental funds are reported only on the government-wide financial statements.

J. CAPITAL ASSETS

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) acquired after December 31, 2003, are reported in the applicable governmental activity columns 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 \$1,000 or more for capitalizing capital assets. The Police Jury has elected, as a Type III governmental body under the provisions of GASB 34, to omit the capitalization of infrastructure assets constructed in years prior to 2004, their year of implementation.

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>
Roads, bridges and infrastructure	20-40 years
Building improvements	10 years
Buildings	20-40 years
Computers and office equipment	5-10 years
Machinery and equipment	5-15 years

JEFFERSON DAVIS PARISH POLICE JURY

Notes to the Financial Statements As of and for the Year Ended December 31, 2018

K. COMPENSATED ABSENCES

Substantially, all employees of the Police Jury earn two weeks of vacation leave after one year of employment and each year thereafter. Employees also earn one day of sick leave for each month's work and is cumulative from year to year up to a maximum of 60 days. Upon termination, whether voluntary or involuntary, unused leave is forfeited. There are no accumulated and vested benefits relating to vacation and sick leave that require disclosure to conform to generally accepted accounting principles for these employees. However, employees at the Registrar of Voters office are allowed to accumulate up to 300 hours of annual leave.

L. DEFERRED REVENUE

Deferred revenues arise when a potential revenue does not meet the revenue recognition criteria. On government-wide and fund financial statements, ad valorem taxes received that are not intended to finance the current budgetary period are recorded as deferred revenue.

M. 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. The fund financial statements recognize proceeds of debt as other financing sources of the current period. Expenditures for long-term debt principal and interest payments are recorded in the fund financial statements in the year due. In governmental funds, bond issuance costs are recognized in the current period. In the government-wide financial statements, bond issuance costs are deferred and amortized over the terms of the bonds.

N. EQUITY CLASSIFICATIONS

In the government-wide statements, equity is classified as net position displayed in three components:

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

JEFFERSON DAVIS PARISH POLICE JURY

Notes to the Financial Statements As of and for the Year Ended December 31, 2018

In the fund statements, governmental fund equity is classified as fund balance. Fund balances of the governmental funds are classified as follows:

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

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

Committed – amounts that can be used for specific purposes determined by a formal action of the Police Jury. The Police Jury is the highest level of decision-making authority for the parish. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by police jurors.

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

Unassigned – all other spendable amounts.

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

O. ESTIMATES

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

P. INTERFUND TRANSFERS

Permanent reallocations of resources between funds of the reporting entity are classified as interfund transfers. For the purposes of the statement of activities, all interfund transfers between individual governmental funds have been eliminated.

JEFFERSON DAVIS PARISH POLICE JURY

Notes to the Financial Statements As of and for the Year Ended December 31, 2018

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

EXCESS OF EXPENDITURES OVER APPROPRIATIONS

The following individual funds had actual expenditures over budgeted appropriations for the year ended December 31, 2018:

<u>Fund</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
General Fund	\$ 3,293,086	\$ 2,718,749	\$ 2,724,025	\$ 5,276
Section 8 Housing Fund	830,101	888,226	888,326	100

DEFICITS

The following individual funds had deficits in unreserved fund balance (net position) at December 31, 2018:

<u>Fund</u>	<u>Fund Balance Deficit</u>
Regional Consolidated Jail Capital Project Fund	\$ (581,275)
Criminal Court Fund	\$ (35,408)
Fire District No. 4	\$ (21,586)
Special Ward Road and Bridge Div 2 Fund	\$ (19,228)
LCDBG Ike/Gustave Disaster Recovery	\$ (22)
LCDBG Disaster Recovery-LLT	\$ (47)
FY 2017 CDBG Capital Project Fund	\$ (22,478)
LCDBG Disaster Recovery	\$ (33)

The deficit balances in the Regional Consolidated Jail Capital Project Fund, LCDBG Ike/Gustav Disaster Recover Fund, and LCDBG Disaster Recovery-LLT will be funded by federal and state grants, state capital outlay and reimbursement from other local entities. The deficit balances in Fire District No. 4 and Special Ward Road and Bridge Div 2 Fund will be funded by future tax revenues. See Note 19 for more information concerning the deficit fund balances (net position) on the Criminal Court Fund.

3. AD VALOREM TAXES

MILLAGE

Taxes are levied on November 15 and payable by December 31. The Jefferson Davis Parish Sheriff's office bills and collects the property taxes on behalf of the Police Jury.

JEFFERSON DAVIS PARISH POLICE JURY

**Notes to the Financial Statements
As of and for the Year Ended December 31, 2018**

The following is a summary of authorized and levied ad valorem taxes in effect at December 31, 2018:

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
Parishwide taxes:			
General (inside municipalities)	2.05	2.05	Statutory
General (outside municipalities)	4.10	4.10	Statutory
Courthouse maintenance	2.61	2.61	2024
District taxes:			
Cooperative Extension Service	0.97	0.97	2027
Road District No. 10 Maintenance	11.33	11.33	2023
Road District No. 11 Maintenance	11.58	11.58	2027
Road District No. 12 Maintenance	10.97	10.97	2022
Sub-road District No. 1 of Road District No. 11 Maintenance	10.51	10.51	2024
Fire Protection Districts:			
No. 1 Maintenance	10.84	10.84	2018
No. 1 Special	10.49	10.49	2023
No. 2 Maintenance	11.31	11.31	2018
No. 3 Maintenance	5.05	5.05	2018
No. 3 Special	3.60	3.60	2023
No. 4 Maintenance	7.06	7.06	2018
No. 4 Special	5.16	5.16	2023
No. 5 Maintenance	5.10	5.10	2018
No. 5 Special	5.02	5.02	2018
No. 5 2nd Special	10.14	10.14	2023
No. 6 Maintenance	8.41	8.41	2018
No. 6 Special	5.53	5.53	2024
No. 6 Bond	4.00	4.00	2026
No. 7 Maintenance	11.05	11.05	2018

The following are the principal taxpayers for the parish and their 2018 assessed valuation:

	<u>2018 Assessed Valuation</u>	<u>Percent of Total Assessed Valuation</u>
Tennessee Gas Pipeline Company	\$ 10,691,150	4.83%
KM Louisiana Pipeline, LLC	\$ 8,479,760	3.83%
Columbia Gulf Transmission	\$ 7,503,840	3.39%
Entergy Gulf States LA, LLC	\$ 6,554,060	2.96%
Enterprise Lou-Tex NGL	\$ 4,743,800	2.14%

JEFFERSON DAVIS PARISH POLICE JURY

**Notes to the Financial Statements
As of and for the Year Ended December 31, 2018**

4. DEPOSITS AND INVESTMENTS

A. Deposits

At December 31, 2018, the Police Jury has deposits (book balances) as follows:

<u>Deposit Type</u>	<u>Reported Amount</u>
Cash-demand deposits	\$30,169,700

Additionally, the Police Jury has certificates of deposit totaling \$3,697,406 on deposit in local banks which are presented as investments in the financial statements.

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, the Police Jury's deposits may not be recovered. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or similar federal security 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 Police Jury or the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At December 31, 2018, the Police Jury has \$30,312,740 in deposits (collected bank balances) in local financial institutions, including certificates of deposit. These deposits are secured from risk by \$881,226 of federal deposit insurance and \$29,431,514 of pledged securities held by the custodial bank with the Police Jury named as pledgee. As such, these deposits are not considered subject to custodial credit risk according to GASB Statement No. 3.

B. Investments

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

<u>Investment Type</u>	<u>% of Portfolio</u>	<u>Fair Value</u>	<u>Investments Maturities (in Years)</u>	
			<u>Less than 1</u>	<u>1-5</u>
Certificates of deposits- nonnegotiable	100%	\$3,697,406	\$ 3,697,406	\$ -

Credit Risk - Credit risk is defined as the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Police Jury does not have a written investment policy, but does adhere to state laws regarding allowable investments. The certificates of deposit are not rated.

JEFFERSON DAVIS PARISH POLICE JURY

**Notes to the Financial Statements
As of and for the Year Ended December 31, 2018**

Custodial Credit Risk - For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Police Jury will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As discussed in Note 4A, certificates of deposit are considered fully collateralized under the provisions of GASB Statement No. 3. Accordingly, the Police Jury had no custodial credit risk related to its investments as of December 31, 2018.

Concentration of Credit Risk - The Police Jury places no limit on the amount it may invest in any one issuer. More than five percent of the Police Jury’s investments at December 31, 2018, are invested in certificates of deposit held at The Bank, Capital One, and JD Bank. These investments are 100% of the Police Jury’s total investments at December 31, 2018.

5. RECEIVABLES

The receivables of \$1,947,287 at December 31, 2018, are as follows:

Class of Receivable	General	Road Sales		Regional Consolidated		Nonmajor Fund	Total Government Balance
		Tax No. 1 Sales Tax Fund	Section 8 Housing Fund	Jail Maintenance Tax	Jail Capital Project Fund		
Taxes:							
Ad valorem	\$ 104	\$ -	\$ -	\$ -	\$ -	\$ 6,963	\$ 7,067
Sales and use	-	507,104	-	431,274	-	-	938,378
Licenses and permits	8,519	-	-	-	-	-	8,519
Fees, charges, and commissions	3,331	-	-	-	-	56,307	59,638
Fines and forfeitures	1,247	-	-	-	-	65,351	66,598
Other revenues	2,594	-	39	-	-	10,130	12,763
State sources							
Parish transportation funds	-	-	-	-	-	34,962	34,962
Severance taxes	222,368	-	-	-	-	-	222,368
Other state funds	11,807	-	-	-	267,217	1,214	280,238
Federal sources	316,756	-	-	-	-	-	316,756
Total as reported on fund financial statements	\$ 566,726	\$ 507,104	\$ 39	\$ 431,274	\$ 267,217	\$ 174,927	\$1,947,287

Due to past collection history and short duration of outstanding amounts, no allowance for doubtful accounts has been established.

JEFFERSON DAVIS PARISH POLICE JURY

**Notes to the Financial Statements
As of and for the Year Ended December 31, 2018**

6. INTERFUND RECEIVABLES/PAYABLES

Details related to interfund receivables and payables balances as of December 31, 2018, are presented as follows:

Fund	Interfund Receivable	Interfund Payable
Major Governmental Activities:		
General Fund	\$ 341,172	\$ -
Road Sales Tax No. 1 Sales Tax Fund	9,000	-
Section 8 Housing Fund	115	-
Regional Consolidated Jail Maintenance Tax	283,640	-
Regional Consolidated Jail Capital Project Fund	-	550,856
Nonmajor Governmental Funds	-	83,071
Total	<u>\$ 633,927</u>	<u>\$ 633,927</u>

Generally, interfund receivables and payables result from the 1) reimbursement to General Fund for expenditures paid on behalf of the other funds or 2) transfers made to debt service funds for debt service payments. All remaining balances resulted from amounts provided by the General Fund to set up various capital project fund accounts.

7. RESTRICTED ASSETS

Restricted assets were applicable to the following at December 31, 2018:

	Special Revenue Funds	Capital Projects Fund	Debt Service Funds
Cash and Cash Equivalents	\$ -	\$ 684,941	\$ 1,128,989
Investments	1,552,823	-	-
Total Restricted Assets	<u>\$ 1,552,823</u>	<u>\$ 684,941</u>	<u>\$ 1,128,989</u>

The capital project fund amount of \$401,101 is restricted for the construction of a new fire station and \$283,640 is restricted for the construction of the regional consolidated jail. The remaining capital project amounts of \$200 are to be used for disaster recovery improvements. The debt service fund amounts are restricted to the payment of bond and loan principal, interest and related debt financing costs only. The special revenue fund amount of \$1,552,823 is setup as a bond reserve for the payment of bond principal and interest of the Road Sales Tax No. 1 revenue bonds.

JEFFERSON DAVIS PARISH POLICE JURY

**Notes to the Financial Statements
As of and for the Year Ended December 31, 2018**

8. CAPITAL ASSETS

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

	Beginning Balance	Additions	Deletions	Transfers	Ending Balance
Governmental Activities:					
Capital assets, not being depreciated:					
Land	\$ 925,357	\$ -	\$ -	\$ -	\$ 925,357
Construction in progress	11,026,391	2,272,583	-	(2,075,535)	11,223,439
Total capital assets, not being depreciated	11,951,748	2,272,583	-	(2,075,535)	12,148,796
Capital assets being depreciated:					
Buildings and improvements	14,326,930	593,641	6,783	433,497	15,347,285
Vehicles	6,504,326	36,919	16,596	-	6,524,649
Maintenance equipment	2,118,122	-	14,608	-	2,103,514
Machinery and equipment	1,868,588	324,080	22,877	-	2,169,791
Office furniture and equipment	356,673	26,723	4,928	-	378,468
Sewer and sewer improvements	323,431	-	-	-	323,431
Infrastructure	26,893,372	3,024,535	-	1,642,038	31,559,945
Total capital assets being depreciated	52,391,442	4,005,898	65,792	2,075,535	58,407,083
Less accumulated depreciation for:					
Buildings and improvements	5,876,190	535,019	1,710	-	6,409,499
Vehicles	4,061,573	371,098	16,596	-	4,416,075
Maintenance equipment	1,359,821	151,046	14,608	-	1,496,259
Machinery and equipment	1,549,083	69,249	22,877	-	1,595,455
Office furniture and equipment	329,662	9,835	4,928	-	334,569
Sewer and sewer improvements	103,624	8,086	-	-	111,710
Infrastructure	7,221,305	946,736	-	-	8,168,041
Total accumulated depreciation	20,501,258	2,091,069	60,719	-	22,531,608
Total capital assets being depreciated, net	31,890,184	1,914,829	5,073	2,075,535	35,875,475
Total capital assets, net	\$ 43,841,932	\$ 4,187,412	\$ 5,073	\$ -	\$ 48,024,271

JEFFERSON DAVIS PARISH POLICE JURY

Notes to the Financial Statements As of and for the Year Ended December 31, 2018

Depreciation expense of \$2,091,069 for the year ended December 31, 2018, was charged to the following governmental functions:

	<u>Governmental Activities</u>
General government	\$ 276,180
Health and welfare	11,638
Public safety	520,177
Public works	<u>1,283,074</u>
Total	<u>\$ 2,091,069</u>

9. CONSTRUCTION COMMITMENTS

The Police Jury has active construction projects as of December 31, 2018. At year end the commitments with contractors are as follows:

<u>Project</u>	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Hazard mitigation wind retrofit	\$ 206,059	\$ 384,279

10. LEASES

The Police Jury records items under capital leases as an asset and an obligation in the accompanying financial statements. The net book value of equipment under capital leases at December 31, 2018 was as follows:

Equipment	\$1,011,718
Less accumulated depreciation	<u>264,318</u>
Net book value	<u>\$ 747,400</u>

Depreciation in 2018 on capital lease equipment was \$48,026.

JEFFERSON DAVIS PARISH POLICE JURY

**Notes to the Financial Statements
As of and for the Year Ended December 31, 2018**

The following is a schedule by years of the total lease payments due as of December 31, 2018.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$105,947	\$ 25,639	\$ 131,586
2020	111,348	21,488	132,836
2021	85,498	17,125	102,623
2022	88,825	13,798	102,623
2023	60,083	10,342	70,425
2024-2028	<u>193,274</u>	<u>21,617</u>	<u>214,891</u>
	<u>\$644,975</u>	<u>\$110,009</u>	<u>\$ 754,984</u>

The Police Jury has operating leases of the following nature:

<u>Lease of</u>	<u>Term</u>	<u>Annual Consideration</u>
3 Motor graders	6-9-2017 to 6-9-2021	\$ 102,312
Motor grader	7-23-2018 to 7-23-2022	37,601
Motor grader	6-29-2016 to 6-29-2020	34,486
Backhoe	5-14-2018 to 5-14-2022	18,328
Backhoe	9-10-2018 to 9-10-2022	18,306
South Louisiana Rail Facility land	6-1-2011 to 6-1-2026	18,000
Backhoe	3-24-2017 to 3-24-2021	17,531
Backhoe	3-24-2017 to 3-24-2021	17,173
Excavator	7-15-2016 to 7-15-2021	14,195
Maintenance yard-Lake Arthur	11-1-2015 to 11-1-2018	1,200
Equipment parking lot	1-1-2015 to 12-31-2018	1,200
Fire station building	6-16-2010 to 6-15-2040	500
Fire equipment storage	6-1-2013 to 5-31-2018	10

JEFFERSON DAVIS PARISH POLICE JURY

Notes to the Financial Statements As of and for the Year Ended December 31, 2018

The minimum annual commitments under non-cancelable operating leases for buildings and office facilities are as follows:

<u>Fiscal Year</u>	
2019	\$ 278,446
2020	261,194
2021	148,251
2022	60,276
2023	18,503
2024-2028	46,015
2029-2033	2,515
Thereafter	3,092
Total	<u>\$ 818,292</u>

During 2011, the Police Jury entered into a sub-lease agreement with the South Louisiana Rail Facility, LLC for the South Louisiana Rail Facility land that is currently leased from the Louisiana Agricultural Finance Authority. In accordance with this agreement, the Police Jury will receive \$18,000 annually in lease payments from the South Louisiana Rail Facility, LLC.

11. LONG-TERM OBLIGATIONS

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

	<u>Bonded Debt</u>	<u>Capital Leases</u>
Long-term obligations at beginning of year	\$ 12,828,000	\$ 596,231
Additions	410,000	291,327
Deductions	(1,143,000)	(242,583)
	<u>\$ 12,095,000</u>	<u>\$ 644,975</u>

JEFFERSON DAVIS PARISH POLICE JURY

**Notes to the Financial Statements
As of and for the Year Ended December 31, 2018**

The following is a summary of the current (due in one year or less) and the long-term (due in more than one year) portions of long-term obligations as of December 31, 2018:

	<u>Bonded Debt</u>	<u>Capital Leases</u>
Current portion	\$ 1,189,556	\$ 105,947
Long-term portion	<u>10,905,444</u>	<u>539,028</u>
Total	<u>\$ 12,095,000</u>	<u>\$ 644,975</u>

Bonds payable at December 31, 2018, are comprised of the following individual issues:

<u>Bond</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Final Payment Due</u>	<u>Interest to Maturity</u>	<u>Principal Outstanding</u>	<u>Funding Source</u>
General Obligation Bonds:						
Series 2007 Fire District No. 6 for constructing, improving, and resurfacing roads	\$ 575,000	1.00% to 6.00%	3-1-2027	\$ 82,158	\$ 335,000	Ad valorem tax revenues
Sales Tax Refunding Bonds series 2016 for refunding Sales Tax Bonds series 2007 and 2008	11,800,000	2.00% to 4.00%	2-1-2027	1,680,825	11,060,000	2% sales and use tax
Certificates of Indebtedness:						
Series 2018 Fire District No. 1 for constructing a fire station and providing for other matters in connection therewith.	410,000	4.62%	6-12-2033	167,226	410,000	Ad valorem tax revenues
Series 2016 Fire District No. 4 for acquiring, constructing and improving buildings, equipment, and real and personal property.	<u>350,000</u>	2.90% to 3.13%	3-1-2026	<u>34,487</u>	<u>290,000</u>	Ad valorem tax revenues
	<u>\$21,135,000</u>			<u>\$1,964,696</u>	<u>\$12,095,000</u>	

JEFFERSON DAVIS PARISH POLICE JURY

Notes to the Financial Statements As of and for the Year Ended December 31, 2018

During the year ended December 31, 2016, the Police Jury issued \$11,800,000 of the Sales Tax Refunding Bonds Series 2016 with an interest rate of 2.00% to 4.00% to advance refund \$7,435,000 of the Sales Tax Bonds Series 2007 with interest rates ranging from 4.00% to 5.00% and \$4,480,000 of the Sales Tax Bonds Series 2008 with interest rates ranging from 4.40% to 5.25%. The net proceeds of \$12,676,489 which includes \$369,764 from the debt service fund, net of \$254,014 in issuance costs, were deposited in an irrevocable trust with an escrow agent to provide funds for the future debt service of the refunded bonds. As a result, the refunded bonds are considered legally defeased and the liability has been removed from the statement of position. The net present value benefit of the advance refunding was \$885,700.

The total principal of defeased bonds outstanding is \$11,330,000 at December 31, 2018.

All principal and interest requirements are funded in accordance with Louisiana law by the annual ad valorem tax levy on taxable property within the parish. At December 31, 2018, the Police Jury has accumulated \$1,122,701 in the debt service funds and \$1,552,823 in special revenue funds for future debt requirements.

The bonds are due as follows:

Year Ending December 31,	Principal Payments	Interest Payments	Total
2019	\$ 1,189,556	\$ 345,279	\$ 1,534,835
2020	1,222,459	319,528	1,541,987
2021	1,249,403	293,077	1,542,480
2022	1,277,391	263,889	1,541,280
2023	1,305,425	232,125	1,537,550
2024-2028	5,682,377	486,779	6,169,156
2029-2033	168,389	24,019	192,408
Total	\$ 12,095,000	\$ 1,964,696	\$ 14,059,696

JEFFERSON DAVIS PARISH POLICE JURY

**Notes to the Financial Statements
As of and for the Year Ended December 31, 2018**

Capital leases at December 31, 2018, are comprised of the following issues:

	<u>Principal Outstanding</u>
Capital lease, 2010 \$229,037 capital lease issued September, 2010, due in yearly payments of \$26,000 in 2011 and \$28,963 thereafter thru February 1, 2020 with interest set at the five year treasury rate. Secured by 2010 Rosenbauer pumper.	\$ 55,783
Capital lease 2012 \$266,997 capital lease issued April, 2012, due in yearly payments of \$32,199 through April, 2022, with interest at 3.595%. Secured by 2012 Pumper Tanker	118,003
Capital lease, 2014 \$279,770 capital lease issued April, 2014, due in yearly payments of \$34,311 thru February, 2024 with interest at 3.997%. Secured by 2015 Fire Apparatus.	179,862
Capital lease, 2018 \$291,327 capital lease issued November, 2018, due in yearly payments of \$36,117 thru November, 2028 with interest at 4.111%. Secured by 2019 Rosenbauer Pumper Truck.	<u>291,327</u>
Total capital leases	<u>\$ 644,975</u>

12. INTERFUND TRANSFERS

Details related to interfund transfers as of December 31, 2018, are presented as follows:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
Major Governmental Activities:		
General Fund	\$ -	\$ 1,748,003
Road Sales Tax No. 1 Sales Tax Fund	-	1,423,600
Section 8 Housing Fund	-	-
Regional Consolidated Jail Maintenance Tax	-	-
Regional Consolidated Jail Capital Project Fund	418,933	-
Non-major Governmental Activities	<u>3,012,453</u>	<u>259,783</u>
Total Governmental Activities	<u>\$ 3,431,386</u>	<u>\$ 3,431,386</u>

JEFFERSON DAVIS PARISH POLICE JURY

Notes to the Financial Statements As of and for the Year Ended December 31, 2018

The transfers are movements of money from one fund to another. These merely serve as a means to finance activities in the receiving fund.

13. PENSION PLANS

Substantially all employees paid by the Jefferson Davis Parish Police Jury are members of the following statewide retirement systems: Parochial Employees Retirement System of Louisiana (PERS), Louisiana Firefighters' Retirement System (FRS), Registrar of Voters Employees' Retirement System (ROVERS), Louisiana State Employees' Retirement System (LASERS), and the Louisiana District Attorneys Retirement System (LDARS). These systems are cost-sharing, multiple-employer defined benefit pension plans administered by separate boards of trustees. Pertinent information relative to each plan follows:

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

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.11:1901 of the Louisiana Revised Statute (LRS). 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 elects to become members of the System. PERS offers two plans (Plan A and Plan B) to employers; however, the Police Jury only participates in Plan A.

All permanent parish government employees (except those employed by Orleans, Lafourche, and East Baton Rouge Parishes) who work at least 28 hours a week shall become members on the date of employment. New employees meeting the age and Social Security criteria have up to 90 days from the date of hire to elect to participate. As of January 1997, elected officials, except coroners, justices of the peace, and parish presidents may no longer join the System.

Benefits Provided

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

JEFFERSON DAVIS PARISH POLICE JURY

Notes to the Financial Statements As of and for the Year Ended December 31, 2018

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 or more years of creditable service.
2. Age 55 with twenty-five years of creditable service.
3. Age 60 with a minimum of ten years of creditable service.
4. Age 65 with a minimum of seven years of creditable service.

For employees hired after January 1, 2007:

1. Age 55 with thirty years of service.
2. Age 62 with ten years of service.
3. Age 67 with seven 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. Generally, the monthly amount of the retirement allowance for any member of Plan B shall consist of an amount equal to two percent of the members' final average compensation multiplied by his years of creditable service. However, under certain conditions, as outlined in the statutes, the benefits are limited to specified amounts.

Deferred Retirement Option Plan (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 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

JEFFERSON DAVIS PARISH POLICE JURY

Notes to the Financial Statements As of and for the Year Ended December 31, 2018

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

Survivor's Benefits

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

Cost-of-Living Increases

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

JEFFERSON DAVIS PARISH POLICE JURY

Notes to the Financial Statements As of and for the Year Ended December 31, 2018

Contributions

According to state statute, contributions for all employers are actuarially determined each year. For the year ended December 31, 2017, the actuarially determined contribution rate was 9.35% of member's compensation for Plan A. However, the actual rate for the fiscal year ending December 31, 2017, was 12.50% for Plan A. According to state statute, the System also receives $\frac{1}{4}$ of 1% of ad valorem taxes collected within the respective parishes, except for Orleans and East Baton Rouge parishes. The System also receives revenue sharing funds each year as appropriated by the Legislature. Tax monies and revenue sharing monies are apportioned between Plan A and Plan B in proportion to the member's compensation. These additional sources of income are used as additional employer contributions and are considered support from non-employer contributing entities.

The Police Jury's contractually required contribution rate for the year ended December 31, 2018, was 11.50% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability.

Contributions to the pension plan from the District were \$137,407 for the year ended December 31, 2018.

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 an asset of \$140,973 for its proportionate share of the Net Pension Asset. The Net Pension Asset was measured as of December 31, 2017, and the total pension liability used to calculate the Net Pension Asset was determined by an actuarial valuation as of that date. The Police Jury's proportion of the Net Pension Asset was based on a projection of the Police Jury's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At December 31, 2017, the Police Jury's proportion was .189927%, which was a decrease of .012599 percentage points from its proportion measured as of December 31, 2016.

For the year ended December 31, 2018, the Police Jury recognized pension expense of \$176,671 less employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions of \$2183.

JEFFERSON DAVIS PARISH POLICE JURY

**Notes to the Financial Statements
As of and for the Year Ended December 31, 2018**

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

	<u>Governmental Activities</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ (91,255)
Changes of assumptions	177,928	-
Net difference between projected and actual earnings on pension plan investments	-	(325,688)
Change in proportion and differences between employer contributions and proportionate share of contributions	19	(5,446)
Employer contributions subsequent to the measurement date	<u>137,407</u>	<u>-</u>
Total	<u>\$ 315,354</u>	<u>\$ (422,389)</u>

Deferred outflows of resources of \$137,407 related to PERS resulting from the Police Jury's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS will be recognized in pension expense as follows:

<u>Year Ended June 30</u>	
2019	\$ 18,767
2020	(23,074)
2021	(111,047)
2022	<u>(129,088)</u>
	<u>\$ (244,442)</u>

JEFFERSON DAVIS PARISH POLICE JURY

Notes to the Financial Statements As of and for the Year Ended December 31, 2018

Actuarial Assumptions

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

Valuation date	December 31, 2017
Actuarial cost method	Entry Age Normal
Expected remaining service lives	4 years
Actuarial assumptions:	
Investment rate of return	6.75%, net of investment expense, including inflation
Inflation rate	2.5%
Projected salary increases	5.25% (2.25% merit and 2.50% Inflation)
Mortality rates	RP-2000 Employee Sex Distinct Table for employees RP-2000 Healthy Annuitant Sex Distinct Table for annuitants and beneficiaries RP-2000 Disabled Lives Mortality Tables for disabled annuitants
Cost-of-living adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.

The discount rate used to measure the total pension liability was 6.75% for Plan A. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers and non-employer contributing entities will be made at the actuarially determined contribution rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term expected rate of return on pension plan investments was determined using a triangulation method, which integrated the capital asset pricing model (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward looking basis in equilibrium, in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each

JEFFERSON DAVIS PARISH POLICE JURY

Notes to the Financial Statements As of and for the Year Ended December 31, 2018

major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.00%, and an adjustment for the effect of rebalancing /diversification. The resulting expected long-term rate of return is 7.62% for the year ended December 31, 2017.

Best estimates of arithmetic real rates of return for each major asset class included in the System's 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	100%	5.62%
Inflation		2.00%
Expected arithmetic nominal return		7.62%

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

JEFFERSON DAVIS PARISH POLICE JURY

Notes to the Financial Statements As of and for the Year Ended December 31, 2018

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

The following presents the Police Jury's proportionate share of the PERS net pension liability calculated using the discount rate of 6.75%, as well as what the Police Jury's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower, or one percentage point higher than the current rate as of December 31, 2017:

	One Percentage Point Decrease <u>5.75%</u>	Current Discout Rate <u>6.75%</u>	One Percentage Point Increase <u>7.75%</u>
Net Pension Liability	\$ 695,046	\$ (140,973)	\$ (885,392)

Pension Plan Fiduciary Net Position

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

Payables to the Pension Plan

These financial statements do not include a payable to the pension plan because there were no legally required contributions due at December 31, 2018.

B. Firefighters' Retirement System of Louisiana (FRS)

Plan Description

The Jefferson Davis Parish Police Jury contributes to FRS which is a cost-sharing multiple-employer defined benefit pension plan. The System provides retirement, disability, and death benefits to firefighters in Louisiana.

The projections of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through the System in accordance with benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date.

JEFFERSON DAVIS PARISH POLICE JURY

Notes to the Financial Statements As of and for the Year Ended December 31, 2018

Benefit provisions are authorized within Act 434 of 1979 and amended by LRS 11:2251-11:2272. The following is a brief description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

Any person who becomes an employee as defined in RS 11:2252 on and after January 1, 1980, shall become a member as a condition of employment. Membership in the System is a condition of employment for any full-time firefighters who earn at least \$375 per month, excluding state supplemental pay, and are employed by a fire department of any municipality, parish, or fire protection district of the State of Louisiana, excepting Orleans and Lafayette Parishes, in addition to employees of the Firefighters' Retirement System.

No person who has attained age fifty or over shall become a member of the System, unless the person becomes a member by reason of a merger or unless the System received an application for membership before the applicant attained the age of fifty. No person who has not attained the age of eighteen years shall become a member of the System.

Any person who has retired from service under any retirement system or pension fund maintained basically for public officers and employees of the state, its agencies, or political subdivisions, and who is receiving retirement benefits therefrom may become a member of this System, provided the person meets all other requirements for membership. Service credit from the retirement system or pension plan from which the member is retired shall not be used for reciprocal recognition of service with this System, or for any other purpose in order to attain eligibility or increase the amount of service credit in this System.

Benefits Provided

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

Retirement Benefits

Employees with 20 or more years of service who have attained age 50, or employees who have 12 years of service who have attained age 55, or 25 years of service at any age are entitled to annual pension benefits equal to 3.333% of their average final compensation based on 36 consecutive months of highest pay multiplied by their total years of service, not to exceed 100%. Employees may elect to receive their pension benefits in the form of a joint and survivor annuity. If employees terminate before rendering 12 years of service, they forfeit the right to receive the portion of their accumulated plan benefits attributable to their employer's contributions.

JEFFERSON DAVIS PARISH POLICE JURY

Notes to the Financial Statements As of and for the Year Ended December 31, 2018

Optional Allowances

Benefits are payable over the employees' lives in the form of a monthly annuity. An employee may elect an unreduced benefit or any of seven options at retirement. See R.S. 11:2256(A) for additional details on retirement benefits.

Deferred Retirement Option Plan (DROP) Benefits

After completing twenty years of creditable service and attaining the age of 50 years, or 25 years at any age, a member may elect to participate in the deferred retirement option plan (DROP) for up to 36 months.

Upon commencement of participation in DROP, employer and employee contributions to the System cease. The monthly retirement benefit that would have been payable is paid into the member's DROP account. Upon termination of employment, a participant in the program has several options to receive their DROP benefit. A member may elect to roll over all or a portion of their DROP balance into another eligible qualified plan, receive a lump-sum payment from the account, receive single withdrawals at the discretion of the member, receive monthly or annual withdrawals, or receive an annuity based on the DROP account balance. These withdrawals are in addition to his regular monthly benefit.

If employment is not terminated at the end of the 36 months, the participant resumes regular contributions to the System. No withdrawals may be made from the DROP account until the participant retires.

Disability Benefits

A member who acquires a disability, and who files for disability benefits while in service, and who upon medical examination and certification as provided for in Title 11, is found to have a total disability solely as the result of injuries sustained in the performance of his official duties, or for any cause, provided the member has at least five years of creditable service and provided that the disability was incurred while the member was an active contributing member in active service, shall be entitled to disability benefits under the provisions of R.S. 11:2258(B)

JEFFERSON DAVIS PARISH POLICE JURY

Notes to the Financial Statements As of and for the Year Ended December 31, 2018

Survivor's Benefits

Benefits shall be payable to the surviving eligible spouse or designated beneficiary of a deceased member as specified in R. S. 11:2256(B) & (C).

Cost-of-Living Increases

Under the provisions of R.S. 11:246 and 11:2260 A (7), the board of trustees is authorized to grant retired members and widows of members who have retired an annual cost of living increase of up to 3% of their current benefit, and all retired members and widows who are sixty-five years of age and older a 2% increase in their original benefit. In order for the board to grant either of these increases the system must meet certain criteria detailed in the statute related to funding status and interest earnings (R.S. 11:243). In lieu of these cost of living adjustments, pursuant to R.S. 11:241, the board may also grant an increase in the form of "Xx(A+B)" where "X" is any amount up to \$1 per month, and "A" is equal to the number of years of credited service accrued at retirement or at death of the member or retiree, and "B" is equal to the number of years since retirement or since death of the member or retiree to June 30th of the initial year of such increase.

Initial Benefit Option Plan

Effective June 16, 1999, members eligible to retire and who do not choose to participate in DROP may elect to receive, at the time of retirement, an initial benefit option (IBO) in an amount up to 36 months of benefits, with an actuarial reduction of their future benefits. Such amounts may be withdrawn or remain in the IBO account earning interest at the same rate as the DROP account.

Contributions

Contribution requirements for employers are established and may be amended in accordance with Title 11 and Title 22 of the Louisiana Revised Statutes.

According to State statute, employer contributions are actuarially determined each year. For the year ended June 30, 2018, employer and employee contribution rates for members above the poverty line were 26.50% and 10.0%, respectively. The employer and employee contribution rates for those members below the poverty line were 28.50% and 8.0%, respectively.

JEFFERSON DAVIS PARISH POLICE JURY

Notes to the Financial Statements As of and for the Year Ended December 31, 2018

According to State statute, the System receives insurance premium tax funds from the State of Louisiana. The tax is considered support from a non-employer contributing entity and appropriated by the legislature each year based on an actuarial study. Non-employer contributions are recognized as revenue during the year ended June 30, 2018, and excluded from pension expense. Non-employer contributions received by the System during the year ended June 30, 2018, was \$25,953,989.

The Police Jury's contractually required contribution rate for the year ended December 31, 2018, for members above the poverty line was 26.50% of annual payroll from January 1, 2018, to June 30, 2018 and 26.50% from July 1, 2018 to December 31, 2018. The Police Jury's contractually required contribution rate for the year ended December 31, 2018, for members below the poverty line was 28.50% of annual payroll from January 1, 2017, to June 30, 2017, and 28.50% from July 1, 2017, to December 31, 2017, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability.

Contributions to FRS from the Police Jury were \$23,606 for the year ended December 31, 2018.

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 \$157,969 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2018, and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The Police Jury's proportion of the Net Pension Liability was based on a projection of the Police Jury's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2018, the Police Jury's proportion was .027463%, which was a decrease of .000574 percentage points from its proportion measured as of June 30, 2017.

For the year ended December 31, 2018, the Police Jury recognized pension expense of \$27,118 plus employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions of \$1,151.

JEFFERSON DAVIS PARISH POLICE JURY

**Notes to the Financial Statements
As of and for the Year Ended December 31, 2018**

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

	<u>Governmental Activities</u>	
	<u>Deferred</u>	<u>Deferred</u>
	<u>Outflows of</u>	<u>Inflows of</u>
	<u>Resources</u>	<u>Resources</u>
Differences between expected and actual experience	\$ -	\$ (12,023)
Changes of assumptions	11,020	(25)
Net difference between projected and actual earnings on pension plan investments	10,272	-
Change in proportion and differences between employer contributions and proportionate share of contributions	10,779	(7,347)
Employer contributions subsequent to the measurement date	<u>14,943</u>	<u>-</u>
Total	<u>\$ 47,014</u>	<u>\$ (19,395)</u>

Deferred outflows of resources of \$14,943 related to FRS resulting from the Police Jury's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to FRS will be recognized in pension expense as follows:

<u>Year Ended</u>	
<u>June 30</u>	
2019	\$ 10,138
2020	4,129
2021	(2,958)
2022	2,446
2023	(711)
2024	<u>(368)</u>
	<u>\$ 12,676</u>

JEFFERSON DAVIS PARISH POLICE JURY

Notes to the Financial Statements As of and for the Year Ended December 31, 2018

Actuarial Assumptions

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

Valuation date	June 30, 2018
Actuarial cost method	Entry Age Normal
Expected remaining service lives	7 years
Actuarial assumptions:	
Investment rate of return	7.30% per annum (net of investment expenses, including inflation)
Inflation rate	2.700% per annum
Projected salary increases	Vary from 15.00% in the first two years of service to 4.75% after 25 or more years of service
Mortality Rates	RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Tables for employee, annuitant and beneficiary mortality RP-2000 Disabled Lives Mortality Tables for disabled annuitants
Cost of living adjustments	Only those previously granted

The mortality rate assumption used was set based upon an experience study performed on plan data for the period July 1, 2009, through June 30, 2014. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the System's liabilities. The RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Tables projected to 2031 using Scale AA were selected for employee, annuitant, and beneficiary mortality. The RP-2000 Disabled Lives Mortality Table set back five years for males and set back three years for females was selected for disabled annuitants. Setbacks in these tables were used to approximate mortality improvement.

JEFFERSON DAVIS PARISH POLICE JURY

Notes to the Financial Statements As of and for the Year Ended December 31, 2018

The estimated long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation, 2.75%. The resulting long term expected arithmetic nominal rate of return was 8.09% as of June 30, 2018. Best estimates of real rates of return for each major asset class included in FRS' target asset allocation as of June 30, 2018, are summarized in the following table:

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Portfolio Real Rate of Return</u>
Equity - U.S. equity	22%	6.14%
Equity - non-U.S. equity	22%	7.46%
Equity - global equity	10%	6.74%
Fixed income	26%	1.76%
Alternatives - real estate	6%	4.38%
Alternatives - private equity	4%	8.73%
Global tactical asset allocation	5%	4.31%
Risk parity	5%	4.89%
Totals	<u>100%</u>	

The discount rate used to measure the total pension liability was 7.30%. 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 the Board of Trustees and by the Public Retirement Systems' Actuarial Committee 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.

JEFFERSON DAVIS PARISH POLICE JURY

Notes to the Financial Statements As of and for the Year Ended December 31, 2018

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

The following presents the Police Jury's proportionate share of the FRS's net pension liability calculated using the discount rate of 7.30%, as well as what the Police Jury's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower, or one percentage point higher than the current rate as of June 30, 2018:

	One Percentage Point Decrease 6.30%	Current Discout Rate 7.30%	One Percentage Point Increase 8.30%
Net Pension Liability	\$ 230,515	\$ 157,969	\$ 97,006

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Firefighters' Retirement System of Louisiana Annual Financial Report at www.lafirefightersret.com or on www.la.state.la.us.

Payables to the Pension Plan

These financial statements do not include a payable to the pension plan because there were no legally required contributions due at December 31, 2018.

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

Plan Description

The Jefferson Davis Parish Police Jury contributes to the Registrar of Voters Employees' Retirement System of Louisiana (ROVERS) which is a cost sharing multiple employer defined benefit pension plan. The System was established on January 1, 1955, for the purpose of providing retirement allowances and other benefits as stated under the provisions of R. S. Title 11:2032, as amended, for registrars of voters, their deputies, and their permanent employees in each parish.

Benefits Provided

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

JEFFERSON DAVIS PARISH POLICE JURY

Notes to the Financial Statements As of and for the Year Ended December 31, 2018

Retirement Benefits

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

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

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

Deferred Retirement Option Plan (DROP) Benefits

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

Upon termination of employment prior to or at the end of the specified period of participation, a participant in the plan may receive, at his option, a lump sum from the account equal to the payments into the account, a true annuity based upon his account balance in that fund, or any other method of payment if approved by the Board of Trustees. The monthly benefits that were

JEFFERSON DAVIS PARISH POLICE JURY

Notes to the Financial Statements As of and for the Year Ended December 31, 2018

being paid into the Deferred Retirement Option Plan fund will begin to be paid to the retiree. If the participant dies during participation in the plan, a lump sum equal to his account balance in the plan fund shall be paid to his named beneficiary or, if none, to his estate. If employment is not terminated at the end of the three years, payments into the plan fund cease and the person resumes active contributing membership in the System

Disability Benefits

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

Survivor's Benefits

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

Cost-of-Living Increases

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

JEFFERSON DAVIS PARISH POLICE JURY

Notes to the Financial Statements As of and for the Year Ended December 31, 2018

Contributions

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

In accordance with state statute, the System also receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities, but are not considered special funding situations. Non-employer contributions are recognized as revenue and excluded from pension expense for the year ended June 30, 2018.

The Police Jury's contractually required contribution rate for the year ended December 31, 2018, was 17.00% for January through June and 17.00% for July through December of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability.

Contributions to the pension plan from the Police Jury were \$6,101 for the year ended December 31, 2018.

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

At December 31, 2017, the Police Jury reported a liability of \$71,044 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2018, and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The Police Jury's proportion of the Net Pension Liability was based on a projection of the Police Jury's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2018, the Police Jury's proportion was .300978%, which was a decrease of .068953 percentage points from its proportion measured as of June 30, 2017.

For the year ended December 31, 2018, the Police Jury recognized pension expense of \$16,280 less employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions of \$174.

JEFFERSON DAVIS PARISH POLICE JURY

**Notes to the Financial Statements
As of and for the Year Ended December 31, 2018**

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

	<u>Governmental Activities</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ (10,840)
Changes of assumptions	11,637	(1,068)
Net difference between projected and actual earnings on pension plan investments	4,268	-
Change in proportion and differences between employer contributions and proportionate share of contributions	3,613	(3,615)
Employer contributions subsequent to the measurement date	<u>2,671</u>	<u>-</u>
Total	<u>\$ 22,189</u>	<u>\$ (15,523)</u>

Deferred outflows of resources of \$2,671 related to ROVERS resulting from the Police Jury's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ROVERS will be recognized in pension expense as follows:

<u>Year Ended June 30</u>	
2019	\$ 3,370
2020	2,222
2021	(2,126)
2022	<u>529</u>
	<u>\$ 3,995</u>

JEFFERSON DAVIS PARISH POLICE JURY

Notes to the Financial Statements As of and for the Year Ended December 31, 2018

Actuarial Assumptions

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

Valuation date	June 30, 2017
Actuarial cost method	Entry Age Normal
Expected remaining service lives	2018 - 5 years 2017 - 5 years 2016 - 5 years 2015 - 5 years
Actuarial assumptions:	
Investment rate of return	6.50%, net of investment expense, including inflation
Inflation rate	2.40%
Projected salary increases	6.00%
Mortality rates	RP-2000 Combined Healthy Mortality Table for active members, health annuitants and beneficiaries RP-2000 Disabled Lives Mortality Tables for disabled annuitants
Cost-of-living adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.

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

JEFFERSON DAVIS PARISH POLICE JURY

Notes to the Financial Statements As of and for the Year Ended December 31, 2018

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

Best estimates of arithmetic real rates of return for each major asset class based on the System's target asset allocation as of June 30, 2018, were as follows:

Asset Class	Target Asset Allocation	Real Return Arithmetic Basis	Long-Term Expected Portfolio Real Rate of Return
Domestic equities	40.00%	7.50%	3.00%
International equities	20.00%	8.50%	1.70%
Domestic fixed income	12.50%	2.50%	0.31%
International fixed income	10.00%	3.50%	0.35%
Alternative investments	10.00%	6.33%	0.63%
Real estate	7.50%	4.50%	0.34%
Totals	100%		6.33%
Inflation			2.50%
Expected arithmetic nominal return			8.83%

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

JEFFERSON DAVIS PARISH POLICE JURY

Notes to the Financial Statements As of and for the Year Ended December 31, 2018

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

The following presents the Police Jury's proportionate share of the net pension liability calculated using the discount rate of 6.50% as well as what the Registrar of Voters' proportionate share of the 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:

	One Percentage Point Decrease 5.50%	Current Discout Rate 6.50%	One Percentage Point Increase 7.50%
Net Pension Liability	\$ 108,959	\$ 71,044	\$ 38,520

Pension Plan Fiduciary Net Position

Detailed information about the Plan's fiduciary net position is available in the separately issued Registrar of Voters' Employees' Retirement System of Louisiana at www.larover.com.

Payables to the Pension Plan

These financial statements do not include a payable to the pension plan because there were no legally required contributions due at December 31, 2018.

D. Louisiana State Employees' Retirement System (LASERS)

Plan Description

The Police Jury contributes to LASERS. LASERS is a cost-sharing multiple employer defined benefit pension plan.

The System was established for the purpose of providing retirement allowances and other benefits as stated under the provisions of La. R.S. 11:401, as amended, for eligible state officers, employees and their beneficiaries. The projection of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through the System in accordance with the benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date.

JEFFERSON DAVIS PARISH POLICE JURY

Notes to the Financial Statements As of and for the Year Ended December 31, 2018

Benefits Provided

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

Retirement Benefits

The age and years of creditable service required in order for a member to retire with full benefits are established by statute, and vary depending on the member's hire date, employer, and job classification. Rank and file members hired prior to July 1, 2006, may either retire with full benefits at any age upon completing 30 years of creditable service, at age 55 upon completing 25 years of creditable service, or at age 60 upon completing ten years of creditable service depending on their plan. Those members hired between July 1, 2006 and June 30, 2015, may retire at age 60 upon completing five years of creditable service and those hired on or after July 1, 2015 may retire at age 62 upon completing five years of creditable service. The basic annual retirement benefit for members is equal to 2.5% to 3.5% of average compensation multiplied by the number of years of creditable service. Additionally, members may choose to retire with 20 years of service at any age, with an actuarially reduced benefit.

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

Act 992 of the 2010 Louisiana Regular Legislative Session, changed the benefit structure for LASERS members hired on or after January 1, 2011. This resulted in three new plans: regular, hazardous duty, and judges. The new regular plan includes regular members and those members who were formerly eligible to participate in specialty plans, excluding hazardous duty and judges. Regular members and judges are eligible to retire at age 60 after five years of creditable service and, may also retire at any age, with a reduced benefit, after 20 years of creditable service. Hazardous duty members are eligible to retire with twelve years of creditable service at age 55, 25 years of creditable service at any age or with a reduced benefit after 20 years of creditable service. Average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment for all three new plans.

JEFFERSON DAVIS PARISH POLICE JURY

Notes to the Financial Statements As of and for the Year Ended December 31, 2018

Members in the regular plan will receive a 2.5% accrual rate, hazardous duty plan a 3.33% accrual rate, and judges a 3.5% accrual rate. The extra 1.0% accrual rate for each year of service for court officers, the governor, lieutenant governor, legislators, House clerk, sergeants at arms, or Senate secretary, employed after January 1, 2011, was eliminated by Act 992. Specialty plan and regular members, hired prior to January 1, 2011, who are hazardous duty employees have the option to transition to the new hazardous duty plan.

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

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

Deferred Retirement Option Plan (DROP) Benefits

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

JEFFERSON DAVIS PARISH POLICE JURY

Notes to the Financial Statements As of and for the Year Ended December 31, 2018

Initial Benefit Option

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

Disability Benefits

Generally, active members with ten or more years of credited service who become disabled may receive a maximum disability retirement benefit equivalent to the regular retirement formula without reduction by reason of age. Upon reaching retirement age, the disability retiree may receive a regular retirement benefit by making application to the Board of Trustees. For injuries sustained in the line of duty, hazardous duty personnel in the Hazardous Duty Services Plan will receive a disability benefit equal to 75% of final average compensation or 100% of final average compensation if the injury was the result of an intentional act of violence.

Survivor's Benefits

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

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

JEFFERSON DAVIS PARISH POLICE JURY

Notes to the Financial Statements As of and for the Year Ended December 31, 2018

Cost-of-Living Increases

As fully described in Title 11 of the Louisiana Revised Statutes, the System allows for the payment of permanent benefit increases, also known as cost-of-living adjustments (COLAs) that are funded through investment earnings when recommended by the Board of Trustees and approved by the State Legislature.

Contributions

The employer contribution rate is established annually under La. R.S. 11:101-11:104 by the Public Retirement Systems' Actuarial Committee (PRSAC), taking into consideration the recommendation of the System's Actuary. Each plan pays a separate actuarially-determined employer contribution rate. However, all assets of LASERS are used for the payment of benefits for all classes of members, regardless of their plan membership. For the year ended June 30, 2018, employer and employee contribution rates for Judges hired before January 1, 2011 were 40.10% and 11.5%, respectively.

The Police Jury's contractually required contribution rate for the year ended December 31, 2018, was 40.10% of annual payroll from January 1, 2018, to June 30, 2018, and 40.10% from July 1, 2018, to December 31, 2018, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability.

Contributions to LASERS from the Police Jury were \$1,671 for the year ended December 31, 2018.

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 \$15,549 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2018 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The Police Jury's proportion of the Net Pension Liability was based on a projection of the Police Jury's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2018, the Police Jury's proportion was .000230%, which was a decrease of .000010 percentage points from its proportion measured as of June 30, 2017.

For the year ended December 31, 2018, the Police Jury recognized pension expense of \$1,269 plus employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions of \$7.

JEFFERSON DAVIS PARISH POLICE JURY

**Notes to the Financial Statements
As of and for the Year Ended December 31, 2018**

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

	<u>Governmental Activities</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ (174)
Changes of assumptions	158	-
Net difference between projected and actual earnings on pension plan investments	202	-
Change in proportion and differences between employer contributions and proportionate share of contributions	29	(397)
Employer contributions subsequent to the measurement date	<u>836</u>	<u>-</u>
Total	<u>\$ 1,225</u>	<u>\$ (571)</u>

Deferred outflows of resources of \$836 related to LASERS resulting from the Police Jury's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to LASERS will be recognized in pension expense as follows:

<u>Year Ended June 30</u>	
2019	\$ 255
2020	-
2021	(380)
2022	<u>(57)</u>
	<u>\$ (182)</u>

JEFFERSON DAVIS PARISH POLICE JURY

**Notes to the Financial Statements
As of and for the Year Ended December 31, 2018**

Actuarial Assumptions

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

Valuation date	June 30, 2018																		
Actuarial cost method	Entry Age Normal																		
Expected remaining service lives	3 years																		
Actuarial assumptions:																			
Investment rate of return	7.65% per annum, net of investment expenses																		
Inflation rate	2.75% per annum																		
Projected salary increases	Salary increases were projected based on a 2009-2013 experiences study of the System's members. The salary increase ranges for specific types of members are:																		
	<table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="border-bottom: 1px solid black;">Member Type</th> <th style="border-bottom: 1px solid black;">Lower Range</th> <th style="border-bottom: 1px solid black;">Upper Range</th> </tr> </thead> <tbody> <tr> <td>Regular</td> <td style="text-align: center;">3.80%</td> <td style="text-align: center;">12.80%</td> </tr> <tr> <td>Judges</td> <td style="text-align: center;">2.80%</td> <td style="text-align: center;">5.30%</td> </tr> <tr> <td>Corrections</td> <td style="text-align: center;">3.40%</td> <td style="text-align: center;">14.30%</td> </tr> <tr> <td>Hazardous Duty</td> <td style="text-align: center;">3.40%</td> <td style="text-align: center;">14.30%</td> </tr> <tr> <td>Wildlife</td> <td style="text-align: center;">3.40%</td> <td style="text-align: center;">14.30%</td> </tr> </tbody> </table>	Member Type	Lower Range	Upper Range	Regular	3.80%	12.80%	Judges	2.80%	5.30%	Corrections	3.40%	14.30%	Hazardous Duty	3.40%	14.30%	Wildlife	3.40%	14.30%
Member Type	Lower Range	Upper Range																	
Regular	3.80%	12.80%																	
Judges	2.80%	5.30%																	
Corrections	3.40%	14.30%																	
Hazardous Duty	3.40%	14.30%																	
Wildlife	3.40%	14.30%																	
Mortality rates	Non-disabled members - Mortality rates based on the RP-2000 Combined Healthy Mortality Table with mortality improvement projected to 2015 Disabled members - Mortality rates based on the RP-2000 Disabled Retiree Mortality Table, with no projection for mortality improvement.																		
Termination, disability, and retirement	Termination, disability, and retirement assumptions were projected based on a five-year (2009-2013) experience study of the System's members.																		
Cost of living adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The projected benefit payments do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.																		

JEFFERSON DAVIS PARISH POLICE JURY

Notes to the Financial Statements As of and for the Year Ended December 31, 2018

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 3.25% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 8.83% for 2018.

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

Asset Class	Long-Term Expected Portfolio Real Rate of Return
Cash	-0.48%
Domestic equity	4.31%
International equity	5.26%
Domestic fixed income	1.49%
International fixed income	2.23%
Alternative investments	7.67%
Risk Parity	4.96%
Total Fund	5.40%

The discount rate used to measure the total pension liability was 7.65%. 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.

JEFFERSON DAVIS PARISH POLICE JURY

**Notes to the Financial Statements
As of and for the Year Ended December 31, 2018**

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

The following presents the Police Jury's proportionate share of the LASERS's Net Pension Liability calculated using the discount rate of 7.65%, as well as what the Police Jury's proportionate share of the Net Pension Liability would be if it were calculated using a discount rate that is one percentage point lower, or one percentage point higher than the current rate as of June 30, 2018:

	One Percentage Point Decrease 6.65%	Current Discout Rate 7.65%	One Percentage Point Increase 8.65%
Net Pension Liability	\$ 19,624	\$ 15,549	\$ 12,040

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Firefighters' Retirement System of Louisiana Annual Financial Report at www.lasersonline.org or on www.lla.state.la.us.

Payables to the Pension Plan

These financial statements do not include a payable to the pension plan because there were no legally required contributions due at December 31, 2018.

E. Louisiana District Attorney's Retirement System (LDARS)

Plan Description.

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

All persons who are district attorneys of the State of Louisiana, assistant district attorneys in any parish of the State of Louisiana, or employed by this retirement system and the Louisiana District Attorneys' Association except for elected or appointed officials who have retired from service under any publicly funded retirement system within the state and who are currently receiving benefits, shall become members as a condition of their employment; provided, however, that in

JEFFERSON DAVIS PARISH POLICE JURY

Notes to the Financial Statements As of and for the Year Ended December 31, 2018

the case of assistant district attorneys, they must be paid an amount not less than the minimum salary specified by the Louisiana District Attorneys' Retirement System's Board of Trustees. The projection of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through the System in accordance with the benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date.

Benefits Provided

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

Retirement Benefits

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

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

Deferred Retirement Option Plan (DROP) Benefits

In lieu of receiving a service retirement allowance, any member who has more years of service than are required for a normal retirement may elect to receive a Back-Deferred Retirement Option Program (Back-DROP) benefit.

JEFFERSON DAVIS PARISH POLICE JURY

Notes to the Financial Statements As of and for the Year Ended December 31, 2018

The Back-DROP benefit is based upon the Back-DROP period selected and the final average compensation prior to the period selected. The Back-DROP period is the lesser of 36 months or the service accrued between the time a member first becomes eligible for retirement and his actual date of retirement. At retirement, the member's maximum monthly retirement benefit is based upon his service, final average compensation, and plan provisions in effect on the last day of creditable service immediately prior to the commencement of the Back-DROP period. In addition to the reduced monthly benefit at retirement, the member receives a lump-sum payment equal to the maximum monthly benefit as calculated above multiplied by the number of months in the Back-DROP period. In lieu of receiving the lump-sum payment, the member may leave the funds on deposit with the system in an interest bearing account.

Prior to January 1, 2009, eligible members could elect to participate in the Deferred Retirement Option Program (DROP) for up to three years in lieu of terminating employment and accepting a service benefit. During participation in the DROP, employer contributions were payable and employee contributions were reduced to $\frac{1}{2}$ of one percent. The monthly retirement benefits that would have been payable to the member were paid into a DROP account, which did not earn interest while the member was participating in the DROP. Upon termination of participation, the participant in the plan received, at his option, a lump sum from the account equal to the payments into the account or systematic disbursements from his account in any manner approved by the board of trustees. The monthly benefits that were being paid into the DROP would then be paid to the retiree. All amounts which remain credited to the individual's sub-account after termination of participation in the plan were invested in liquid money market funds. Interest was credited thereon as actually earned.

Disability Benefits

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

Survivor's Benefits

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

JEFFERSON DAVIS PARISH POLICE JURY

Notes to the Financial Statements As of and for the Year Ended December 31, 2018

accrued retirement benefit divided into equal shares. If a member has no surviving spouse or children, his accumulated contributions and interest are paid to his designated beneficiary. In lieu of periodic payments, the surviving spouse or children may receive a refund of the member's accumulated contributions with interest.

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

Cost-of-Living Increases

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

Contributions

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ending June 30, 2018, the actual employer contribution rate was 0%. In accordance with state statute, the System receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities. Non-employer contributions were recognized as revenue during the year ended June 30, 2018, and excluded from pension expense.

The Police Jury's contractually required contribution rate for the year ended December 31, 2018 was 0% of annual payroll from January 1, 2018 to June 30, 2018 and 1.25% annual payroll from July 1, 2018 to December 31, 2018, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability.

Contributions to the pension plan from the Police Jury were \$50 for the year ended December 31, 2018.

JEFFERSON DAVIS PARISH POLICE JURY

**Notes to the Financial Statements
As of and for the Year Ended December 31, 2018**

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 \$4,153 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2018 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The Police Jury's proportion of the Net Pension Liability was based on a projection of the Police Jury's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2018, the Police Jury's proportion was .012907%, which was a decrease of .000299 percentage points from its proportion measured as of June 30, 2017.

For the year ended December 31, 2018, the Police Jury recognized pension expense of \$1,420 less employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions of \$263.

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

	<u>Governmental Activities</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 22	\$ (603)
Changes of assumptions	2,519	(274)
Net difference between projected and actual earnings on pension plan investments	348	-
Change in proportion and differences between employer contributions and proportionate share of contributions	76	(441)
Employer contributions subsequent to the measurement date	<u>50</u>	<u>-</u>
Total	<u>\$ 3,015</u>	<u>\$ (1,318)</u>

JEFFERSON DAVIS PARISH POLICE JURY

Notes to the Financial Statements As of and for the Year Ended December 31, 2018

Deferred outflows of resources of \$50 related to LDARS resulting from the Police Jury's contributions subsequent to the measurement date will be recognized as a reduction in net pension liability in the year ended December 31, 2019. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended <u>June 30</u>		
2019	\$	567
2020		415
2021		93
2022		161
2023		<u>411</u>
	<u>\$</u>	<u>1,647</u>

Actuarial Assumptions:

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

Valuation date	June 30, 2018
Actuarial cost method	Entry Age Normal
Expected remaining service lives	6 years
Actuarial assumptions:	
Investment rate of return	6.50%, net of investment expense, including inflation
Inflation rate	2.40%
Projected salary increases	5.50% (2.40% Inflation, 3.10% Merit)
Mortality rates	RP 2000 Combined Health with White Collar Adjustment Sex Distinct Tables (set back 1 year for females) for employees, annuitants, and beneficiaries. RP 2000 Disabled Lives Mortality Table (set back 5 years for males and set back 3 years for females) for disable annuitants.
Cost-of-living adjustments	Only those previously granted

JEFFERSON DAVIS PARISH POLICE JURY

Notes to the Financial Statements As of and for the Year Ended December 31, 2018

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

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

The best estimates of arithmetic real rates of return for each major asset class based on the System's target asset allocation as of June 30, 2018, were as follows:

Asset Class	Long-Term Target Asset Allocation	Expected Portfolio Real Rate of Return
Equities	61.72%	10.82%
Fixed income	28.95%	6.36%
Alternatives	8.85%	10.50%
Cash	0.48%	0.50%
Totals	100.00%	6.95%
Inflation		2.50%
Expected arithmetic nominal return		9.45%

The discount rate used to measure the total pension liability was 6.50%. 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

JEFFERSON DAVIS PARISH POLICE JURY

Notes to the Financial Statements As of and for the Year Ended December 31, 2018

investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity to Changes in Discount Rate: The following presents the Police Jury's proportionate share of the LDARS net pension liability calculated using the discount rate of 6.50%, as well as what the 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:

	One Percentage Point Decrease 5.50%	Current Discout Rate 6.50%	One Percentage Point Increase 7.50%
Net Pension Liability	\$ 11,183	\$ 4,153	\$ (1,827)

Pension Plan Fiduciary Net Position:

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

Payables to Pension Plan:

These financial statements do not include a payable to the pension plan because there were no legally required contributions due at December 31, 2018.

14. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

In adopting the requirements of Governmental Accounting Standards Board (GASB) Statement No. 75 during the year ended December 31, 2018, the Police Jury recognizes the cost of other post-employment benefits (OPEB) in the year when employee services are received, recognizes a liability for OPEB obligations on the statement of net positions, and provides information useful in assessing potential demands on the Police Jury's future cash flows. Changes in total OPEB liability will be immediately recognized as OPEB expense on the statement of activities in accordance with the alternative measurement method.

Plan Description. The Jefferson Davis Parish Police Jury contributes to a single-employer defined benefit healthcare plan ("the Retiree Health Plan"). The plan provides lifetime healthcare and life insurance for eligible retirees and their spouses through the Police Jury's group health insurance plan, which covers both active and retired members. As of April 26, 2007, elected official and part-time employees who are paid by the Police Jury are not eligible for coverage. No employee hired after

JEFFERSON DAVIS PARISH POLICE JURY

Notes to the Financial Statements As of and for the Year Ended December 31, 2018

January 1, 2009 is eligible for coverage. The criteria to determine eligibility include years of service and employee age. Benefit provisions are established by the Jefferson Davis Parish Police Jury. The Retiree Health Plan does not issue a publicly available financial report.

Funding Policy. Contribution requirements are also established by the Jefferson Davis Parish Police Jury. For 2018, the Police Jury contributed 81.79% of the premiums for eligible regular employees. The plan is currently financed on a pay-as-you-go basis. For the year ended December 31, 2018, the Jefferson Davis Parish Police Jury contributed \$55,520, to the plan.

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

Inactive employees or beneficiaries currently receiving benefit payments	9
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	16
Total	<u>25</u>

Total OPEB liability. The Police Jury's total OPEB liability of \$4,482,622 as of December 31, 2018 was calculated based on the alternative measurement method permitted by GASB Statement No. 75 for employers in plans with fewer than one hundred total plan members.

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

Measurement date	December 31, 2018
Average retirement age	62
Employer future premium contribution	Remain a level % of the total cost over time
Actuarial cost method	Entry Age Normal
Amortization method	Level percentage of payroll
Discount rate	3.52%
Projected salary increases	3.00%

JEFFERSON DAVIS PARISH POLICE JURY

Notes to the Financial Statements As of and for the Year Ended December 31, 2018

Amortization period	20 years
Percentage participation	100%
Health care cost trend rates	4.6% for 2018, varying gradually until an ultimate rate of 4.7% for 2028 and beyond
Pharmacy cost trend rates	7.6% for 2018, varying gradually until an ultimate rate of 4.7% for 2028 and beyond
Dental cost trend rates	3.5% for 2018, varying gradually until an ultimate rate of 3.0% for 2028 and beyond
Vision cost trend rates	3.0% for all years

The discount rate used to calculate the OPEB liability was 3.52%, which was based on the Bond Buyers' 20 year bond index.

Mortality rates were based on the RP2000 Mortality Table for Males and Females Projected 18 years. This assumption does not include a margin for future improvements in longevity. Turnover was derived from data maintained by the U. S. Office of Personnel Management regarding the most recent experience of the employee group covered by the Federal Employees Retirement System.

Changes in the total OPEB liability: The changes in total OPEB liability are as follows:

Total OPEB liability at beginning of year	\$ 4,468,605
Changes during year:	
Service cost	111,465
Interest on total OPEB liability	178,461
Effect of economic/demographic gains or losses	(456,608)
Effect of assumption changes or inputs	236,219
Benefit payments	(55,520)
Net change in total OPEB liability	<u>14,017</u>
Total OPEB liability at end of year	<u>\$ 4,482,622</u>

JEFFERSON DAVIS PARISH POLICE JURY

**Notes to the Financial Statements
As of and for the Year Ended December 31, 2018**

Sensitivity of the total OPEB liability to changes in the discount rate: The following presents the total OPEB liability of the Police Jury, as well as what the Police Jury’s total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.52 percent) or one percentage point higher (4.52 percent) than the current discount rate:

	One Percentage Point Decrease <u>2.52%</u>	Current Discout Rate <u>3.52%</u>	One Percentage Point Increase <u>4.52%</u>
Total OPEB liability	\$ 5,158,995	\$ 4,482,622	\$ 3,922,802

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rate: The following presents the total OPEB liability of the Police Jury, as well as what the Police Jury’s total OPEB liability would be if it were calculated using healthcare cost trend rates that were one percentage point lower or one percentage point higher than the current health care cost trend rate:

	One Percentage Point Decrease <u> </u>	Assumed Rate <u> </u>	One Percentage Point Increase <u> </u>
Total OPEB liability	\$ 3,883,618	\$ 4,482,622	\$ 5,206,578

OPEB Expense and deferred Outflows and Inflows of Resources Related to OPEB. For the year ended December 31, 2018, the Police Jury recognized and OPEB expense of \$69, 537 as follows:

Service Cost	\$ 111,465
Interest on total OPEB liability	178,461
Recognition of effect of economic/demographic gains or losses	(456,608)
Recognition of effect of assumption changes or inputs	<u>236,219</u>
Total OPEB expense	<u><u>\$ 69,537</u></u>

Per GASB 75 paragraph 43(a), deferred inflows/outflows of resources related to differences between actual and expected experience with regard to economic of demographic factors or changes in assumptions and other inputs should not be used under the alternative measurement method. These items are recognized in OPEB expense immediately. The Police Jury does not have any OPEB assets in a trust. As a result, there are no deferred inflows or outflows related to the difference between projected and actual earnings on OPEB plan investments.

JEFFERSON DAVIS PARISH POLICE JURY

Notes to the Financial Statements As of and for the Year Ended December 31, 2018

15. LITIGATION, CLAIMS, AND CONTINGENCIES

Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. No claim expenditures or liabilities are reported in the accompanying financial statements. The Police Jury is involved in lawsuits for personal injury and property damage. In the opinion of the Police Jury's attorney, these suits are without merit and/or adequately covered by liability insurance presently enforce by the Police Jury, except for policy deductibles which are considered to be immaterial.

16. GRANT DISALLOWANCES

The Police Jury participates in a number of federally-assisted grant programs. These programs are subject to the program compliance audits by the grantors. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time. Based on prior experience, the Police Jury's management feels such disallowances, if any, will be immaterial.

17. LANDFILL JOINT VENTURE

The Police Jury is a participant in a joint venture referred to as the Jefferson Davis Parish Sanitary Landfill Commission. This entity was chartered on February 17, 1984. The Commission's purpose is the establishment of a long-term plan for the disposal of solid wastes in Jefferson Davis Parish. According to the charter, each participant in the Commission is responsible for a pro rata share of any operating deficits. Likewise, any distributions of surpluses are also shared on a pro rata basis. Each participant's pro rata share is based on the number of households within each participant's unit to the total number of households within all participating units.

These proportions were determined using the 1980 U. S. Census as follows:

<u>Locality</u>	<u>Number of Households</u>	<u>Percentages</u>
Jennings	4,161	.421196
Welsh	1,167	.118129
Lake Arthur	1,212	.122684
Parish (excluding Jennings, Welsh, Lake Arthur, & Elton)	<u>3,339</u>	<u>.337991</u>
Totals	<u>9,879</u>	<u>1.000000</u>

The Commission consists of six commissioners as follows: two residents of Jennings, one resident of Welsh, one resident of Lake Arthur, and two residents of Jefferson Davis Parish living outside the city limits of Jennings, Welsh, Lake Arthur and Elton. The Commission members are to be appointed by the governing body of their place of residence.

JEFFERSON DAVIS PARISH POLICE JURY

Notes to the Financial Statements As of and for the Year Ended December 31, 2018

The Commission has the power and authority to employ personnel, adopt its own budget and enter into agreements necessary for the operation of the Landfill. In certain instances, some agreements must be consented to by all six members of the Commission. Separate financial statements are available from the Jefferson Davis Parish Landfill Commission upon request.

Condensed financial information for the Jefferson Davis Parish Sanitary Landfill as of December 31, 2018, was as follows:

	<u>Total</u>	<u>Police Jury (33.7991%)</u>
Total assets	\$ 6,085,563	\$ 2,056,866
Total deferred outflows of resources	52,743	17,827
Total liabilities	16,188	5,471
Total deferred inflows of resources	68,772	23,244
Total net position	6,053,346	2,045,976
Total program revenues	3,325,248	1,123,904
General revenues	180,659	61,061
Distributions to member governments	2,695,562	911,076
Total expenses	684,899	231,490
Change in net position	125,446	42,400

As of December 31, 2018, the Commission had no long-term debt outstanding.

The Landfill Commission as owner of a sanitary landfill is subject to Environmental Protection Agency (EPA) regulations that require monitoring the landfill site for 30 years following closure of the site in addition to other closure requirements. These regulations also mandate that landfill owners provide financial assurances that they will have the resources available to satisfy the post-closure standards. These guarantees can be third-party trusts, surety bonds, letters of credit, insurance, or state sponsored plans.

According to the Commission's contract with the site operator, "...the contractor shall be responsible for closure in accordance with the permit..." Additionally, "...the contractor's post-closure care, maintenance and monitoring responsibility shall be three (3) years or as required by law..." In the event the operator is for whatever reason unwilling or unable to fulfill this requirement, the responsibility for closure and post closure monitoring will revert back to the Commission.

Additionally, because of the industry the Commission participates in, certain potential liabilities are always present. These include, but are not limited to, environmental cleanup costs and EPA penalties for violation of its regulations. The EPA is empowered by law (through the Superfund legislation) to seek recovery from anyone who ever owned or operated a particular contaminated site, or anyone who ever generated or transported hazardous materials to a site (these parties are commonly referred to as potentially responsible parties, or PRPs). Potentially, the liability can extend to subsequent owners or

JEFFERSON DAVIS PARISH POLICE JURY

Notes to the Financial Statements As of and for the Year Ended December 31, 2018

to the parent company of a PRP. While there are no asserted or unasserted potential costs or penalties at the date of this report that the Commission is aware of, the potential is present.

During 2018, the Commission voted to make a distribution to the participating governments in the amount of \$300,000. Additionally, the Commission distributed \$2,180,562 related to sales of methane. In addition, the Commission distributed \$40,000 to the participating governments for economic development. For the Jefferson Davis Parish Police Jury, the distribution amounted to \$848,425, of which \$838,425 was based on household percentages as explained above, and is recorded as other local sources in the General Fund. The \$10,000 distribution for economic development is recorded in the General Fund. There are no amounts due to this member government at December 31, 2018.

18. RISK MANAGEMENT

The Police Jury is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Police Jury has elected to purchase insurance coverage through the commercial insurance market to cover its exposure to loss. The Police Jury is insured up to policy limits for each of the above risks. There were no significant changes in coverage, retentions, or limits during the year ended December 31, 2018. Settled claims have not exceeded the commercial coverage in any of the previous three fiscal years.

19. CRIMINAL COURT FUND

Louisiana Revised Statute 15:571.11 requires that one-half of any balance remaining in the Criminal Court Fund at year end be transferred to the parish General Fund. The Criminal Court Fund had a deficit fund balance as of December 31, 2018 and 2017, therefore no balance is due as of December 31, 2018.

20. WIRELESS E911 SERVICE

The Jefferson Davis Parish Police Jury is in Phase 2 of implementing wireless E911 services. For the year ended December 31, 2018, the Police Jury collected \$216,328 from emergency telephone service charge from wireless systems. The funds collected from the service charge will be used to buy and lease necessary equipment, supplies, and other items needed to maintain and implement wireless E911 services.

21. ON-BEHALF PAYMENTS FOR SALARIES

GASB Statement No. 24, *Accounting and Financial Reporting for Certain Grants and Other Financial Assistance* requires the Police Jury to report in the financial statements on-behalf salary payments made by the State of Louisiana to certain groups of Police Jury employees. Supplementary salary payments are made by the state directly to certain groups of employees. The Police Jury is not legally responsible for these salaries. Therefore, the basis for recognizing the revenue and expenditure payments is the actual contribution made by the state. For the year ended December 31, 2018, the state paid supplemental salaries to the Police Jury's justices of the peace, constables and fire chiefs.

JEFFERSON DAVIS PARISH POLICE JURY

Notes to the Financial Statements As of and for the Year Ended December 31, 2018

On-behalf payment recorded as revenues and expenditures in the fund financial statements for the year ended December 31, 2018, totaled \$30,474.

22. SUBSEQUENT EVENTS

Subsequent events were evaluated through June 30, 2019, which is the date the financial statements were available to be issued. Management has determined that there were no additional events occurring after year end that were required to be disclosed.

23. PRIOR PERIOD ADJUSTMENT

During the year ended December 31, 2018, the Police Jury implemented Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*. GASB Statement No. 75 replaces the requirements of Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits other than Pensions*. GASB Statement No. 75 improves accounting and financial reporting by state and local governments for postemployment benefits other than pensions. The implementation of GASB Statement No. 75 required an adjustment to decrease beginning net position of the Police Jury as follows:

	<u>Governmental Activities</u>
January 1, 2017 net position, as previously reported	\$ 59,076,945
Change in accounting principle:	
Net effect of recording total OPEB Liability	(1,260,493)
	<hr/>
January 1, 2018 net position, as restated	<u>\$ 57,816,452</u>

REQUIRED SUPPLEMENTAL INFORMATION

JEFFERSON DAVIS PARISH POLICE JURY

Statement of Revenues, Expenditures, and Changes in Fund Balance –
Budget (Cash Basis) and Actual – General Fund

For the Year Ended December 31, 2018

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance From Final Budget Over (Under)
	Original	Final		
Revenues				
Local sources				
Taxes				
Ad valorem taxes	\$ 726,058	\$ 731,694	\$ 731,694	\$ -
Licenses and permits	520,700	502,370	502,604	234
Fees, charges and commissions for services	72,769	100,930	100,933	3
Fines and forfeitures	13,000	10,959	10,959	-
Investment earnings	9,800	20,144	20,094	(50)
Other revenue	864,408	1,131,102	1,130,521	(581)
State sources				
State revenue sharing (net)	50,000	87,653	87,653	-
Severance taxes	522,611	766,663	766,663	-
Other state funds	183,874	261,673	262,873	1,200
Federal sources	425,000	133,409	133,410	1
Total revenues	<u>3,388,220</u>	<u>3,746,597</u>	<u>3,747,404</u>	<u>807</u>
Expenditures				
General government	1,400,667	1,397,656	1,465,338	67,682
Public safety	904,094	685,118	686,938	1,820
Public works	219,440	255,738	255,738	-
Culture and recreation	69,077	61,093	61,093	-
Health and welfare	144,734	206,251	206,499	248
Capital outlay	555,074	112,893	48,419	(64,474)
Total expenditures	<u>3,293,086</u>	<u>2,718,749</u>	<u>2,724,025</u>	<u>5,276</u>
Excess of revenues over expenditures	<u>95,134</u>	<u>1,027,848</u>	<u>1,023,379</u>	<u>(4,469)</u>
Other Financing Sources (Uses)				
Transfers out	(1,150,000)	(1,744,372)	(1,748,003)	(3,631)
Sale of capital assets	-	7,425	7,425	-
Total other financing sources (uses)	<u>(1,150,000)</u>	<u>(1,736,947)</u>	<u>(1,740,578)</u>	<u>(3,631)</u>
Net change in fund balance	(1,054,866)	(709,099)	(717,199)	(8,100)
Fund balance at beginning of year	<u>5,227,321</u>	<u>5,227,321</u>	<u>5,227,321</u>	<u>-</u>
Fund balance at end of year	<u>\$ 4,172,455</u>	<u>\$ 4,518,222</u>	<u>\$ 4,510,122</u>	<u>\$ (8,100)</u>
Reconciliation of budget basis to GAAP basis:				
Net change in fund balance-budget basis			\$ (717,199)	
Revenue accruals			37,861	
Expenditure accruals			141,365	
Net change in fund balance-GAAP basis			<u>\$ (537,973)</u>	

See accompanying notes to Required Supplementary Information.

JEFFERSON DAVIS PARISH POLICE JURY

Statement of Revenues, Expenditures, and Changes in Fund Balance –
Budget (Cash Basis) and Actual – Road Sales Tax No. 1 Sales Tax Fund

For the Year Ended December 31, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>Budgetary Basis</u>	<u>Variance From</u> <u>Final Budget</u> <u>Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Local sources				
Taxes				
Sales and use	\$ 2,800,000	\$ 3,085,425	\$ 3,085,425	\$ -
Investment earnings	18,800	29,232	29,306	74
Other revenues	-	612,020	612,020	-
Total revenues	<u>2,818,800</u>	<u>3,726,677</u>	<u>3,726,751</u>	<u>74</u>
Expenditures				
Public works	401,300	138,470	128,686	(9,784)
Capital outlay	<u>1,400,000</u>	<u>3,595,417</u>	<u>3,605,201</u>	<u>9,784</u>
Total expenditures	<u>1,801,300</u>	<u>3,733,887</u>	<u>3,733,887</u>	<u>-</u>
Excess of revenues over expenditures	1,017,500	(7,210)	(7,136)	74
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Transfers out	<u>(983,850)</u>	<u>(1,423,600)</u>	<u>(1,423,600)</u>	<u>-</u>
Total other financing sources (uses)	<u>(983,850)</u>	<u>(1,423,600)</u>	<u>(1,423,600)</u>	<u>-</u>
Net change in fund balance	33,650	(1,430,810)	(1,430,736)	74
Fund balance at beginning of year	<u>8,101,348</u>	<u>8,101,348</u>	<u>8,101,348</u>	<u>-</u>
Fund balance at end of year	<u>\$ 8,134,998</u>	<u>\$ 6,670,538</u>	<u>\$ 6,670,612</u>	<u>\$ 74</u>
Reconciliation of budget basis to GAAP basis:				
Net change in fund balance-budget basis			\$ (1,430,736)	
Revenue accruals			13,591	
Expenditure accruals			500,469	
Net change in fund balance-GAAP basis			<u>\$ (916,676)</u>	

See accompanying notes to Required Supplementary Information.

JEFFERSON DAVIS PARISH POLICE JURY

Statement of Revenues, Expenditures, and Changes in Fund Balance –
Budget (Cash Basis) and Actual – Section 8 Housing

For the Year Ended December 31, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance From Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Local sources				
Investment earnings	\$ 70	\$ 243	\$ 243	\$ -
Other revenue	62,550	57,718	55,148	(2,570)
Federal sources	767,481	851,031	853,601	2,570
Total revenues	<u>830,101</u>	<u>908,992</u>	<u>908,992</u>	<u>-</u>
Expenditures				
Health and welfare	830,101	888,226	888,326	100
Total expenditures	<u>830,101</u>	<u>888,226</u>	<u>888,326</u>	<u>100</u>
Deficiency of revenues over expenditures	-	20,766	20,666	(100)
Fund balance at beginning of year	<u>25,490</u>	<u>25,490</u>	<u>25,490</u>	<u>-</u>
Fund balance at end of year	<u>\$ 25,490</u>	<u>\$ 46,256</u>	<u>\$ 46,156</u>	<u>\$ (100)</u>
Reconciliation of budget basis to GAAP basis:				
Net change in fund balance-budget basis			\$ 20,666	
Revenue accruals			(279)	
Expenditure accruals			86	
Net change in fund balance-GAAP basis			<u>\$ 20,473</u>	

See accompanying notes to Required Supplementary Information.

JEFFERSON DAVIS PARISH POLICE JURY

Statement of Revenues, Expenditures, and Changes in Fund Balance –
Budget (Cash Basis) and Actual – Regional Consolidated Jail Maintenance Fund

For the Year Ended December 31, 2018

	<u>Budgeted Amounts</u>		Actual Amounts Budgetary Basis	Variance From Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>		
Revenues				
Local sources				
Taxes				
Sales and use	\$ 2,500,000	\$ 2,465,607	\$ 2,465,607	\$ -
Investment earnings	10,000	42,719	42,967	248
Total revenues	<u>2,510,000</u>	<u>2,508,326</u>	<u>2,508,574</u>	<u>248</u>
Expenditures				
Public works	750,000	173,195	173,195	-
Capital outlay	100,000	78,801	78,801	-
Total expenditures	<u>850,000</u>	<u>251,996</u>	<u>251,996</u>	<u>-</u>
Net change in fund balance	1,660,000	2,256,330	2,256,578	248
Fund balance at beginning of year	<u>7,192,578</u>	<u>7,192,578</u>	<u>7,192,578</u>	<u>-</u>
Fund balance at end of year	<u>\$ 8,852,578</u>	<u>\$ 9,448,908</u>	<u>\$ 9,449,156</u>	<u>\$ 248</u>
Reconciliation of budget basis to GAAP basis:				
Net change in fund balance-budget basis			\$ 2,256,578	
Revenue accruals			21,026	
Expenditure accruals			(70,095)	
Net change in fund balance-GAAP basis			<u>\$ 2,207,509</u>	

See accompanying notes to Required Supplementary Information.

JEFFERSON DAVIS PARISH POLICE JURY, LOUISIANA

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

Year ended December 31,	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Employee Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2018	0.189927%	\$ (140,973)	\$ 1,168,814	(12.06%)	101.98%
2017	0.202526%	\$ 417,105	\$ 1,201,089	34.73%	94.15%
2016	0.201842%	\$ 531,306	\$ 1,157,283	45.91%	92.23%
2015	0.188140%	\$ 51,439	\$ 1,065,721	4.83%	99.15%

* The amounts presented were determined as of the measurement date (previous calendar year end).

See accompanying notes to Required Supplementary Information.

JEFFERSON DAVIS PARISH POLICE JURY, LOUISIANA

Firefighters' Retirement System of Louisiana
Schedule of Employer's Share of Net Pension Liability
For the Year Ended December 31, 2018*

Year ended December 31,	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Employee Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2018	0.027463%	\$ 157,969	\$ 63,800	247.60%	74.76%
2017	0.028037%	\$ 160,704	\$ 63,800	251.89%	73.55%
2016	0.028980%	\$ 189,555	\$ 63,800	297.11%	68.16%
2015	0.025239%	\$ 136,218	\$ 52,200	260.95%	72.45%

* The amounts presented were determined as of the measurement date (fiscal year end June 30).

See accompanying notes to Required Supplementary Information.

JEFFERSON DAVIS PARISH POLICE JURY, LOUISIANA

Registrar of Voters Employees' Retirement System
Schedule of Employer's Share of Net Pension Liability

For the Year Ended December 31, 2018*

Year ended December 31,	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Employee Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2018	0.300978%	\$ 71,044	\$ 41,756	170.14%	80.57%
2017	0.369931%	\$ 69,175	\$ 43,160	160.28%	80.51%
2016	0.302881%	\$ 85,943	\$ 41,606	206.56%	73.98%
2015	0.283716%	\$ 69,483	\$ 34,486	201.48%	76.86%

* The amounts presented were determined as of the measurement date (fiscal year end June 30).

See accompanying notes to Required Supplementary Information.

JEFFERSON DAVIS PARISH POLICE JURY, LOUISIANA

Louisiana State Employees' Retirement System
Schedule of Employer's Share of Net Pension Liability

For the Year Ended December 31, 2018*

Year ended December 31,	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Employee Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2018	0.000230%	\$ 15,549	\$ 4,168	373.06%	64.30%
2017	0.000240%	\$ 16,612	\$ 4,168	398.56%	62.54%
2016	0.000240%	\$ 18,454	\$ 4,167	442.86%	57.73%
2015	0.000230%	\$ 15,303	\$ 4,167	367.24%	62.66%

* The amounts presented were determined as of the measurement date (fiscal year end June 30).

See accompanying notes to Required Supplementary Information.

JEFFERSON DAVIS PARISH POLICE JURY, LOUISIANA

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

Year ended December 31,	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Employee Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2018	0.012907%	\$ 4,153	\$ 8,024	51.76%	92.92%
2017	0.013206%	\$ 3,562	\$ 8,024	44.39%	93.57%
2016	0.014684%	\$ 2,811	\$ 8,023	35.04%	95.09%
2015	0.013816%	\$ 276	\$ 8,023	3.44%	99.45%

* The amounts presented were determined as of the measurement date (fiscal year end June 30).

See accompanying notes to Required Supplementary Information.

JEFFERSON DAVIS PARISH POLICE JURY, LOUISIANA

Parochial Employees' Retirement System of Louisiana
Schedule of Employer Contributions

For the Year Ended December 31, 2018*

Year ended December 31,	Contractually Required Contribution	Contributions in Relation to Contractual Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
2018	\$ 137,404	\$ 137,404	\$ -	\$ 1,194,842	11.50%
2017	\$ 146,102	\$ 146,102	\$ -	\$ 1,168,814	12.50%
2016	\$ 156,142	\$ 156,142	\$ -	\$ 1,201,089	13.00%
2015	\$ 167,806	\$ 167,806	\$ -	\$ 1,157,283	14.50%

* The amounts presented were determined as of the end of the calendar year

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

See accompanying notes to Required Supplementary Information.

JEFFERSON DAVIS PARISH POLICE JURY, LOUISIANA

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

Year ended December 31,	Contractually Required Contribution	Contributions in Relation to Contractual Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
2018	\$ 23,606	\$ 23,606	\$ -	\$ 87,445	27.00%
2017	\$ 16,928	\$ 16,928	\$ -	\$ 63,800	26.53%
2016	\$ 17,168	\$ 17,168	\$ -	\$ 63,800	26.91%
2015	\$ 16,747	\$ 16,747	\$ -	\$ 58,000	28.87%

* The amounts presented were determined as of the end of the calendar year

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

See accompanying notes to Required Supplementary Information.

JEFFERSON DAVIS PARISH POLICE JURY, LOUISIANA

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

Year ended December 31,	Contractually Required Contribution	Contributions in Relation to Contractual Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
2018	\$ 6,101	\$ 6,101	\$ -	\$ 35,888	17.00%
2017	\$ 7,985	\$ 7,985	\$ -	\$ 43,160	18.50%
2016	\$ 9,172	\$ 9,172	\$ -	\$ 43,160	21.25%
2015	\$ 9,362	\$ 9,362	\$ -	\$ 40,052	23.37%

* The amounts presented were determined as of the end of the calendar year

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

See accompanying notes to Required Supplementary Information.

JEFFERSON DAVIS PARISH POLICE JURY, LOUISIANA

Louisiana State Employees' Retirement System
Schedule of Employer Contributions

For the Year Ended December 31, 2018*

Year ended December 31,	Contractually Required Contribution	Contributions in Relation to Contractual Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
2018	\$ 1,672	\$ 1,672	\$ -	\$ 4,168	40.12%
2017	\$ 1,628	\$ 1,628	\$ -	\$ 4,168	39.06%
2016	\$ 1,586	\$ 1,586	\$ -	\$ 4,167	38.06%
2015	\$ 1,659	\$ 1,659	\$ -	\$ 4,167	39.81%

* The amounts presented were determined as of the end of the calendar year

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

See accompanying notes to Required Supplementary Information.

JEFFERSON DAVIS PARISH POLICE JURY, LOUISIANA

District Attorneys' Retirement System
Schedule of Employer Contributions

For the Year Ended December 31, 2018*

Year ended December 31,	Contractually Required Contribution	Contributions in Relation to Contractual Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
2018	\$ 50	\$ 50	\$ -	\$ 8,024	0.62%
2017	\$ -	\$ -	\$ -	\$ 8,024	0.00%
2016	\$ 140	\$ 140	\$ -	\$ 8,023	1.74%
2015	\$ 421	\$ 421	\$ -	\$ 8,023	5.25%

* The amounts presented were determined as of the end of the calendar year

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

See accompanying notes to Required Supplementary Information.

JEFFERSON DAVIS PARISH POLICE JURY

Schedule of Changes in the Total OPEB Liability and Related Ratios

December 31, 2018

	2018
Total OPEB liability	
Service Cost	\$ 111,465
Interest on total OPEB liability	178,461
Effect of economic/demographic gains or losses	(456,608)
Effect of assumptions changes or inputs	236,219
Benefit payments	(55,520)
Net change in total OPEB liability	<u>14,017</u>
Total OPEB liability, beginning	<u>4,468,605</u>
Total OPEB liability, ending	<u>4,482,622</u>
Change in fiduciary net position	
Benefit payments	(55,520)
Employer contributions	55,520
Net change in fiduciary net position	<u>-</u>
Total fiduciary net position, beginning	<u>-</u>
Total fiduciary net position, ending	<u>-</u>
Net OPEB liability	<u>\$ 4,482,622</u>
Fiduciary net position as a percentage of the total OPEB liability	<u>0.0%</u>
Covered employee payroll	<u>\$ 687,727</u>
Total OPEB liability as a percentage of covered employee payroll	<u>651.8%</u>

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

See accompanying notes to Required Supplementary Information.

JEFFERSON DAVIS PARISH POLICE JURY, LOUISIANA

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

Budget Basis of Accounting

All governmental funds' budgets are prepared on the cash basis of accounting. Budgeted amounts are as originally adopted or as amended by the Police Jury. Legally, the Police Jury must adopt a balanced budget; that is total budgeted revenues and other financing sources including fund balance must equal or exceed total budgeted expenditures and other financing uses. State statutes require the Police Jury to amend its budgets when revenues plus projected revenues within a fund are expected to be less than budgeted revenues by five percent or more and/or expenditures within a fund are expected to exceed budgeted expenditures by five percent or more.

Explanation of Significant Difference Between Original and Final Budget:

Transfers in (out) in the original budget for the general fund were significantly lower than the amounts in the final budget. The reason for the difference was because transfers were made to a separate capital project fund to properly report revenues and expenses for construction of a regional consolidated jail. Also, transfers were made to supplement the criminal court fund for expenses. Capital outlay in the original budget for the Road Sales Tax No. 1 Sales Tax Fund was significantly lower than the amounts in the final budget due to a significant road improvement program.

Pensions

Changes of Benefit Terms

For PERS, FRS, ROVERS, LASERS, and LDARS, there were no changes of benefit terms for the year ended December 31, 2018.

Changes of Assumptions

PERS – For the actuarial valuation for the year ended December 31, 2017, the discount rate was reduced from 7.00% to 6.75%.

FRS – For the actuarial valuation for the year ended June 30, 2017, the discount rate was reduced from 7.40% to 7.30%. Inflation rate was reduced from 2.775% to 2.700%.

ROVERS - For the actuarial valuation for the year ended June 30, 2018, the discount rate was reduced from 6.75% to 6.50%. Inflation rate was reduced from 2.50% to 2.40%.

LDARS – For the actuarial valuation for the year ended June 30, 2018, the discount rate was reduced from 6.75% to 6.50%. Expected remaining service lives were reduced from 7 years to 6 years.

JEFFERSON DAVIS PARISH POLICE JURY, LOUISIANA

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

LASERS – For the actuarial valuation for the year ended June 30, 2018, the discount rate was reduced from 7.70% to 7.65%.

OPEB Plan

Changes of Benefit Terms

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

Changes of Assumptions

The discount rate changed from 2.92% as of December 31, 2017 to 2.52% as of December 31, 2018.

No assets are accumulated in a trust that meets the criteria of GASB No. 75, paragraph 4, to pay related benefits.

OTHER SUPPLEMENTAL SCHEDULES

JEFFERSON DAVIS PARISH POLICE JURY

Combining Balance Sheet – Nonmajor Governmental Funds

December 31, 2018

	Special Revenue							
	E-911 Communications District	Criminal Court Fund	Parish Road Fund	Court house and Jail Maintenance Fund	Sub Road Dist No. 1 Fund	Cooperative Extension Service	Fire District No. 1 Fund	
ASSETS								
Cash and cash equivalents	\$ 2,510,098	\$ 1,039	\$ 793	\$ 1,323,414	\$ 321,934	\$ 571,960	\$ 255,118	\$ 1,388,775
Investments	-	-	-	805,256	-	-	-	517,750
Receivables (net of allowances for uncollectibles)	56,307	65,351	36,176	103	63	21	-	11
Restricted cash and cash equivalents	-	-	-	-	-	-	-	-
Total assets	\$ 2,566,405	\$ 66,390	\$ 36,969	\$ 2,128,773	\$ 321,997	\$ 571,981	\$ 255,118	\$ 1,906,536
LIABILITIES								
Accounts, salaries, and other payables	\$ 27,700	\$ 101,798	\$ -	\$ 15,245	\$ 5,865	\$ 2,762	\$ 1,217	\$ 54,879
Due to other funds	-	-	-	-	-	85	-	-
Total liabilities	\$ 27,700	\$ 101,798	\$ -	\$ 15,245	\$ 5,865	\$ 2,847	\$ 1,217	\$ 54,879
DEFERRED INFLOWS OF RESOURCES								
Deferred revenues	-	-	-	78,861	21,541	25,845	11,558	45,899
FUND BALANCES								
Restricted for:								
Public safety	\$ 2,538,705	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 242,343	\$ 1,805,758
Public works	-	-	36,969	-	294,591	-	-	-
Health and welfare	-	-	-	-	-	543,289	-	-
Debt service	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-
Other general government	-	-	-	2,034,667	-	-	-	-
Unassigned	-	(35,408)	-	-	-	-	-	-
Total fund balances	2,538,705	(35,408)	36,969	2,034,667	294,591	543,289	242,343	1,805,758
Total liabilities, deferred inflows of resources, and fund balances	\$ 2,566,405	\$ 66,390	\$ 36,969	\$ 2,128,773	\$ 321,997	\$ 571,981	\$ 255,118	\$ 1,906,536

**SCHEDULE 16
(Continued)**

JEFFERSON DAVIS PARISH POLICE JURY

Combining Balance Sheet – Nonmajor Governmental Funds

December 31, 2018

	Special Revenue							
	Fire District No. 3 Fund	Fire District No. 4 Fund	Fire District No. 5 Fund	Fire District No. 6 Fund	Fire District No. 7 Fund	Special Ward Road & Bridge Div One Fund	Special Ward Road & Bridge Div Two Fund	Special Ward Road & Bridge Div Three Fund
ASSETS								
Cash and cash equivalents	\$ 273,231	\$ 59,896	\$ 268,908	\$ 84,727	\$ 44,469	\$ 1,933,447	\$ 4,925	\$ 643,093
Investments	133,052	-	-	-	-	-	-	-
Receivables (net of allowances for uncollectibles)	6,320	31	123	5,872	-	41	19	4,446
Restricted cash and cash equivalents	-	-	-	-	-	-	-	-
Total assets	<u>\$ 412,603</u>	<u>\$ 59,927</u>	<u>\$ 269,031</u>	<u>\$ 90,599</u>	<u>\$ 44,469</u>	<u>\$ 1,933,488</u>	<u>\$ 4,944</u>	<u>\$ 647,539</u>
LIABILITIES								
Accounts, salaries, and other payables	\$ 160,847	\$ 3,860	\$ 14,253	\$ 5,423	\$ 1,044	\$ 21,613	\$ 1,021	\$ 38,301
Due to other funds	-	60,000	-	686	-	-	13,000	-
Total liabilities	<u>160,847</u>	<u>63,860</u>	<u>14,253</u>	<u>6,109</u>	<u>1,044</u>	<u>28,273</u>	<u>14,021</u>	<u>38,301</u>
DEFERRED INFLOWS OF RESOURCES								
Deferred revenues	<u>33,556</u>	<u>17,653</u>	<u>34,948</u>	<u>22,062</u>	<u>3,587</u>	<u>62,347</u>	<u>10,151</u>	<u>52,822</u>
FUND BALANCES								
Restricted for:								
Public safety	218,200	-	219,830	62,428	39,838	-	-	-
Public works	-	-	-	-	-	1,842,868	-	556,416
Health and welfare	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-
Other general government	-	-	-	-	-	-	-	-
Unassigned	-	(21,586)	-	-	-	-	(19,228)	-
Total fund balances	<u>218,200</u>	<u>(21,586)</u>	<u>219,830</u>	<u>62,428</u>	<u>39,838</u>	<u>1,842,868</u>	<u>(19,228)</u>	<u>556,416</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 412,603</u>	<u>\$ 59,927</u>	<u>\$ 269,031</u>	<u>\$ 90,599</u>	<u>\$ 44,469</u>	<u>\$ 1,933,488</u>	<u>\$ 4,944</u>	<u>\$ 647,539</u>

JEFFERSON DAVIS PARISH POLICE JURY

SCHEDULE 16
(Continued)

Combining Balance Sheet – Nonmajor Governmental Funds

December 31, 2018

	Capital Projects					
	Fire District No. 1 Capital Project Fund	Fire District No. 4 Capital Project Fund	LCDBG Ike/Gustav Disaster Recovery	LCDBG Disaster Recovery LLT	FY 2017 CDBG Capital Project Fund	LCDBG Disaster Recovery Capital Improvements
ASSETS						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-
Receivables (net of allowances for uncollectibles)	-	-	-	-	-	-
Restricted cash and cash equivalents	401,101	-	78	53	2	67
Total assets	\$ 401,101	\$ -	\$ 78	\$ 53	\$ 2	\$ 67
LIABILITIES						
Accounts, salaries, and other payables	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contracts payable	1,150	-	-	-	13,480	-
Due to other funds	-	-	100	100	9,000	100
Total liabilities	1,150	-	100	100	22,480	100
DEFERRED INFLOWS OF RESOURCES						
Deferred revenues	-	-	-	-	-	-
FUND BALANCES						
Restricted for:						
Public safety	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Capital projects	399,951	-	-	-	-	-
Other general government	-	-	-	-	-	-
Unassigned	-	-	(22)	(47)	(22,478)	(33)
Total fund balances	\$ 399,951	\$ -	\$ (22)	\$ (47)	\$ (22,478)	\$ (33)
Total liabilities, deferred inflows of resources, and fund balances	\$ 401,101	\$ -	\$ 78	\$ 53	\$ 2	\$ 67

JEFFERSON DAVIS PARISH POLICE JURY

SCHEDULE 17
(Concluded)

Combining Balance Sheet – Nonmajor Governmental Funds

December 31, 2018

	Debt Service				Total Nonmajor Governmental Funds
	Road Sales Tax No. 1 Sinking Fund	Fire District No. 7 Sinking Fund	Fire District No. 4 Sinking Fund	Fire District No. 6 Sinking Fund	
ASSETS					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 9,685,827
Investments	-	-	-	-	1,456,058
Receivables (net of allowances for uncollectibles)	-	-	-	43	174,927
Restricted cash and cash equivalents	1,106,597	1,950	-	20,442	1,530,290
Total assets	\$ 1,106,597	\$ 1,950	\$ -	\$ 20,485	\$ 12,847,102
LIABILITIES					
Accounts, salaries, and other payables	\$ -	\$ -	\$ -	\$ -	\$ 455,828
Contracts payable	-	-	-	-	21,290
Due to other funds	-	-	-	-	83,071
Total liabilities	-	-	-	-	560,189
DEFERRED INFLOWS OF RESOURCES					
Deferred revenues	-	-	-	6,331	427,161
FUND BALANCES					
Restricted for:					
Public safety	-	-	-	-	5,127,102
Public works	-	-	-	-	2,730,844
Health and welfare	-	-	-	-	543,289
Debt service	1,106,597	1,950	-	14,154	1,122,701
Capital projects	-	-	-	-	399,951
Other general government	-	-	-	-	2,034,667
Unassigned	-	-	-	-	(98,802)
Total fund balances	1,106,597	1,950	-	14,154	11,859,752
Total liabilities, deferred inflows of resources, and fund balances	\$ 1,106,597	\$ 1,950	\$ -	\$ 20,485	\$ 12,847,102

JEFFERSON DAVIS PARISH POLICE JURY

SCHEDULE 17
(Continued)

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances – Nonmajor Governmental Funds

For the Year Ended December 31, 2018

	Special Revenue							
	E-911 Communication District	Criminal Court Fund	Parish Road Fund	Courthouse and Jail Maintenance Fund	Sub Road Dist No. 1 Fund	Cooperative Extension Service	Fire District No. 1 Fund	Fire District No. 2 Fund
REVENUES								
Local sources:								
Taxes:								
Ad valorem taxes	\$ -	\$ -	\$ -	\$ 557,665	\$ 245,555	\$ 207,235	\$ 83,916	\$ 468,391
Licenses and permits	-	-	10,350	-	-	-	-	-
Fees, charges, and commissions for services	333,155	-	-	-	-	-	-	1,200
Fines and forfeitures	-	701,156	-	-	-	-	-	-
Investment earnings	13,190	7	11	12,707	398	2,851	460	9,753
Other revenues	-	138	22,012	1,157	5,000	13	140	835
State sources:								
State parish transportation funds	-	-	411,721	-	-	-	-	-
State revenue sharing (net)	-	-	-	28,019	-	-	2,233	-
Other state funds	62,085	-	4,439	-	-	-	5,220	15,689
Federal sources								
	-	-	-	-	-	-	-	-
Total revenues	408,430	701,301	448,533	599,548	250,953	210,099	91,969	495,868
EXPENDITURES								
General government	-	1,394,830	-	355,744	-	-	-	-
Public safety	276,290	1,420	-	6,227	-	-	50,853	209,506
Public works	-	-	1,079,735	-	217,612	-	-	-
Health and welfare	-	-	-	-	-	165,580	-	-
Debt service	-	-	-	-	-	-	-	-
Capital outlay	275,000	-	-	4,986	-	-	2,250	50,906
Total expenditures	551,290	1,396,250	1,079,735	366,957	217,612	165,580	53,103	260,412
Excess (deficiency) of revenues over expenditures	(142,860)	(694,949)	(631,202)	232,591	33,341	44,519	38,866	235,456
OTHER FINANCING SOURCES (USES)								
Transfers in	-	713,000	616,000	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources and uses	-	713,000	616,000	-	-	-	-	-
Net change in fund balances	(142,860)	18,051	(15,202)	232,591	33,341	44,519	38,866	235,456
Fund balances – beginning	2,681,565	(53,459)	52,171	1,802,076	261,250	498,770	203,477	1,570,302
Fund balances – ending	\$ 2,538,705	\$ (35,408)	\$ 36,969	\$ 2,034,667	\$ 294,591	\$ 543,289	\$ 242,343	\$ 1,805,758

SCHEDULE 17
(Continued)

JEFFERSON DAVIS PARISH POLICE JURY
Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures and
and Changes in Fund Balances

For the Year Ended December 31, 2018

	Special Revenue							
	Fire District No. 3 Fund	Fire District No. 4 Fund	Fire District No. 5 Fund	Fire District No. 6 Fund	Fire District No. 7 Fund	Special Ward Road & Bridge Div One Fund	Special Ward Road & Bridge Div Two Fund	Special Ward Road & Bridge Div Three Fund
REVENUES								
Local sources:								
Taxes:								
Ad valorem taxes	\$ 422,817	\$ 190,851	\$ 444,791	\$ 168,038	\$ 15,578	\$ 646,168	\$ 102,140	\$ 571,363
Licenses and permits	-	-	-	-	-	-	-	-
Fees, charges, and commissions	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Investment earnings	2,691	606	408	173	25	1,287	351	1,287
Other revenues	629	7,010	1,512	29,267	-	1,026	126	20,056
State sources:								
State parish transportation funds	-	-	-	-	-	-	-	-
State revenue sharing (net)	-	-	-	-	-	-	-	13,715
Other state funds	9,317	7,827	8,572	24,893	-	-	-	-
Federal sources	2	-	-	-	-	-	-	2
Total revenues	<u>435,456</u>	<u>206,294</u>	<u>455,283</u>	<u>222,371</u>	<u>15,603</u>	<u>648,481</u>	<u>102,617</u>	<u>606,423</u>
EXPENDITURES								
General government	-	-	-	-	-	-	-	-
Public safety	200,352	78,597	302,312	239,931	16,946	-	-	-
Public works	-	-	-	-	-	470,025	131,757	453,430
Health and welfare	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Capital outlay	329,958	8,832	108,107	8,000	-	13,310	-	7,025
Total expenditures	<u>530,310</u>	<u>87,429</u>	<u>410,419</u>	<u>247,931</u>	<u>16,946</u>	<u>483,335</u>	<u>131,757</u>	<u>460,455</u>
Excess (deficiency) of revenues over expenditures	<u>(94,854)</u>	<u>118,865</u>	<u>44,864</u>	<u>(25,560)</u>	<u>(1,343)</u>	<u>165,146</u>	<u>(29,140)</u>	<u>145,968</u>
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	(219,343)	-	-	-	-	-	(40,440)
Total other financing sources and uses	<u>-</u>	<u>(219,343)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(40,440)</u>
Net change in fund balances	(94,854)	(100,478)	44,864	(25,560)	(1,343)	165,146	(29,140)	105,528
Fund balances – beginning	313,054	78,892	174,966	87,988	41,181	1,677,722	9,912	450,888
Fund balances – ending	<u>\$ 218,200</u>	<u>\$ (21,586)</u>	<u>\$ 219,830</u>	<u>\$ 62,428</u>	<u>\$ 39,838</u>	<u>\$ 1,842,868</u>	<u>\$ (19,228)</u>	<u>\$ 556,416</u>

JEFFERSON DAVIS PARISH POLICE JURY
 Nonmajor Governmental Funds

SCHEDULE 17
 (Continued)

Combining Statement of Revenues, Expenditures and
 and Changes in Fund Balances – Nonmajor Governmental Funds

For the Year Ended December 31, 2018

	Capital Projects					
	Fire District No. 1 Capital Project Fund	Fire District No. 4 Capital Project Fund	LCDBG Ike/Gustav Disaster Recovery	LCDBG Disaster Recovery LLT	FY 2017 CDBG Capital Project Fund	LCDBG Disaster Recovery Capital Improvements
REVENUES						
Local sources:						
Taxes:						
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Fees, charges, and commissions for services	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Investment earnings	-	132	-	-	-	-
Other revenues	-	-	-	-	-	-
State sources:						
State parish transportation funds	-	-	-	-	-	-
State revenue sharing (net)	-	-	-	-	-	-
Other state funds	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-
Total revenues	-	132	-	-	-	-
EXPENDITURES						
General government	-	-	-	-	-	-
Public safety	9,164	265	-	-	-	-
Public works	-	-	-	-	68	-
Health and welfare	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Capital outlay	885	294,428	-	-	62,920	-
Total expenditures	10,049	294,693	-	-	62,988	-
Excess (deficiency) of revenues over expenditures	(10,049)	(294,561)	-	-	(62,988)	-
OTHER FINANCING SOURCES (USES)						
Transfers in	-	178,088	-	-	40,510	-
Transfers out	-	-	-	-	-	-
Total other financing sources and uses	410,000	178,088	-	-	40,510	-
Net change in fund balances	399,951	(116,473)	-	-	(22,478)	-
Fund balances – beginning	-	116,473	(22)	(47)	-	(33)
Fund balances – ending	\$ 399,951	\$ -	\$ (22)	\$ (47)	\$ (22,478)	\$ (33)

JEFFERSON DAVIS PARISH POLICE JURY

SCHEDULE 17
(Concluded)Combining Statement of Revenues, Expenditures and
and Changes in Fund Balances – Nonmajor Governmental Funds

For the Year Ended December 31, 2018

	Debt Service				Total Nonmajor Governmental Funds
	Road Sales Tax No. 1 Sinking Fund	Fire District No. 7 Sinking Fund	Fire District No. 4 Sinking Fund	Fire District No. 6 Sinking Fund	
REVENUES					
Local sources:					
Taxes:					
Ad valorem taxes	\$ -	\$ -	\$ -	\$ 44,978	\$ 4,169,486
Licenses and permits	-	-	-	-	10,350
Fees, charges, and commissions for services	-	-	-	-	334,355
Fines and forfeitures	-	-	-	-	701,156
Investment earnings	-	-	-	21	46,358
Other revenues	-	-	-	-	88,921
State sources:					
State parish transportation funds	-	-	-	-	411,721
State revenue sharing (net)	-	-	-	-	43,967
Other state funds	-	-	-	-	138,042
Federal sources	-	-	-	-	4
Total revenues	-	-	-	44,999	5,944,360
EXPENDITURES					
General government	-	-	-	-	1,750,574
Public safety	-	-	-	1,758	1,393,621
Public works	4,322	-	-	-	2,356,949
Health and welfare	-	-	-	-	165,580
Debt service	1,414,413	-	41,255	45,144	1,500,812
Capital outlay	-	-	-	-	1,166,607
Total expenditures	1,418,735	-	41,255	46,902	8,334,143
Excess (deficiency) of revenues over expenditures	(1,418,735)	-	(41,255)	(1,903)	(2,389,783)
OTHER FINANCING SOURCES (USES)					
Transfers in	1,423,600	-	41,255	-	3,012,453
Transfers out	-	-	-	-	(259,783)
Total other financing sources and uses	1,423,600	-	41,255	-	3,162,670
Net change in fund balances	4,865	-	-	(1,903)	772,887
Fund balances – beginning	1,101,732	1,950	-	16,057	11,086,865
Fund balances – ending	\$ 1,106,597	\$ 1,950	\$ -	\$ 14,154	\$ 11,859,752

JEFFERSON DAVIS PARISH POLICE JURY

Schedule of Compensation Paid to Police Jurors

For the Year Ended December 31, 2018

SCHEDULE OF COMPENSATION PAID TO POLICE JURORS

The schedule of compensation paid to police jurors is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Compensation of the police jurors is included in the legislative expenditures of the General Fund. In accordance with Louisiana Revised Statute 33:1233, the Police Jury has elected the monthly payment method of compensation. Under this method, the president receives \$1,200 per month, and the other jurors receive \$800 per month.

Donald Woods, President	\$ 14,400
John P. Marceaux	9,600
Marcus Peterson	9,600
Bradley Eastman	9,600
Tom Kilpatrick	9,600
Melvin Adams	9,600
Steve Eastman	9,600
Wayne Fruge	9,600
Curt Guillory	9,600
Bryon Buller	9,600
Emerson Lafargue	9,600
Bill Wild	9,600
William Labouve	<u>9,600</u>
Total	<u>\$ 129,600</u>

JEFFERSON DAVIS PARISH POLICE JURY

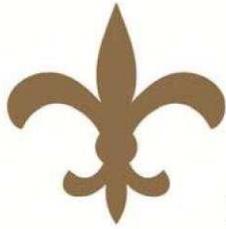
Schedule of Compensation, Benefits, and Other Payments to the Police Jury President

For the Year Ended December 31, 2018

Donald Woods
Police Jury President

Purpose	Amount
Salary	\$ 14,400
Benefits-insurance	-
Benefits-retirement	-
Benefits-dues	-
Car allowance	-
Vehicle provided by government	-
Per diem	-
Reimbursements	-
Travel	1,947
Registration fees	-
Conference travel	-
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Special Meals	-
	<hr/>
	<u>\$ 16,347</u>

OTHER REPORTS



J. Aaron Cooper, CPA, LLC

P.O. Box 918 • 106 West Nezpique Street • Jennings, Louisiana 70546

Member of the American Institute of Certified Public Accountants and the Society of Louisiana Certified Public Accountants.

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

To the Jefferson Davis Parish Police Jury
Jennings, Louisiana

I 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 Jefferson Davis 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 Jefferson Davis Parish Police Jury's primary government basic financial statements and have issued my report thereon dated June 30, 2019.

Internal Control Over Financial Reporting

In planning and performing my audit, of the financial statements I considered the Jefferson Davis 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 my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Jefferson Davis Parish Police Jury's internal control. Accordingly, I do not express an opinion on the effectiveness of the Jefferson Davis Parish Police Jury's internal control.

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

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be a material weakness. I did identify certain deficiencies in internal control described in the accompanying schedule of findings and questioned costs as items 2018-01 and 2018-02 that I consider to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Jefferson Davis Parish Police Jury's financial statements are free of material misstatement, I 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 my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 2018-03.

Jefferson Davis Parish Police Jury's Response to Findings

The Jefferson Davis Parish Police Jury's responses to the findings identified in my audit are described in the accompanying schedule of findings and questioned costs. Jefferson Davis Parish Police Jury's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, I express no opinion on it.

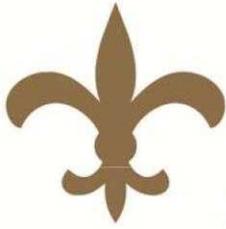
Purpose of this Report

The purpose of this report is solely to describe the scope of my 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.

This report is intended solely for the information and use of management, the finance committee, Police Jurors, others within the entity, the Legislative Auditor, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, under the provisions of Louisiana Revised Statutes 24:513 and 44:6, this report is a matter of public record and its distribution is not limited.

A handwritten signature in blue ink that reads "J. Aaron Coogan, CPA, LLC". The signature is written in a cursive style.

Jennings, Louisiana
June 30, 2019



J. Aaron Cooper, CPA, LLC

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

To the Jefferson Davis Parish Police Jury
Jennings, Louisiana

Report on Compliance for Each Major Federal Program

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

Management's Responsibility

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

Auditor's Responsibility

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

I believe that my audit provides a reasonable basis for my opinion on compliance for each major federal program. However, my audit does not provide a legal determination of the Jefferson Davis Parish Police Jury's compliance.

Opinion on each Major Program

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

Other Matters

The results of my auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2018-04. My opinion on each major federal program is not modified with respect to these matters.

The Jefferson Davis Parish Police Jury's response to the noncompliance findings identified in my audit is described in the accompanying schedule of findings and questioned costs. Jefferson Davis Parish Police Jury's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliances

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of my testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

This report is intended solely for the information and use of management, the finance committee, Police Jurors, others within the entity, the Legislative Auditor, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, under the provisions of Louisiana Revised Statutes 24:513 and 44:6, this report is a matter of public record and its distribution is not limited.

A handwritten signature in blue ink that reads "J. Aaron Cozart, CPA, LLC". The signature is written in a cursive style.

Jennings, Louisiana
June 30, 2019

JEFFERSON DAVIS PARISH POLICE JURY

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

Federal Grantor/ Pass-Through Grantor/ Program Name	Pass-Through Entity Identifying Number	Federal CFDA Number	Expenditures	Expenditures to Subrecipients
<u>United States Department of Housing and Urban Development</u>				
Section 8 Housing Choice Voucher Program*	LA 188VO	14.871	\$ 837,838	\$ -
Community Development Block Grant (Passed through Louisiana Office of Community Development)	B-06-DG-22-0002	14.228	-	-
Emergency Solutions Grant Program (Passed through Louisiana Housing Corporation)		14.231	-	-
<u>United States Department of Homeland Security</u>				
Hazard Mitigation Grant Program (Passed through Louisiana Governor's Office of Homeland Security and Emergency Preparedness)	FEMA-1603-DR-LA Project 0286	97.039	48,265	-
<u>United States Department of Transportation</u>				
Formula Grants for Rural Areas (Passed through Louisiana Department of Transportation and Development)	LA-18-X030 LA-2017-013-00	20.509	138,032	138,032
<u>Recovery Act Awards:</u>				
None				
Total expenditures of federal awards			<u>\$ 1,024,135</u>	<u>\$ 138,032</u>

*Denotes major program

JEFFERSON DAVIS PARISH POLICE JURY

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

NOTE A. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Jefferson Davis Parish Police Jury under programs of the federal government for the year ended December 31, 2018. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Police Jury, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Police Jury.

NOTE B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- (1) Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

JEFFERSON DAVIS PARISH POLICE JURY

Schedule of Findings and Questioned Costs

For the Year Ended December 31, 2018

SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the basic financial statements of the Jefferson Davis Parish Police Jury's primary government.
2. Three significant deficiencies disclosed during the audit of the financial statements are reported in the 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*. No material weaknesses are reported.
3. No instances of noncompliance material to the financial statements of the Jefferson Davis Parish Police Jury were disclosed during the audit.
4. One significant deficiency in internal control over major federal award programs were reported in the Report on Compliance for Each Major Program and Internal Control over Compliance Required by the Uniform Guidance. No material weaknesses are reported.
5. The auditor's report on compliance for the major federal award programs for the Jefferson Davis Parish Police Jury expresses an unqualified opinion on all major federal programs.
6. The audit disclosed no findings required to be reported in accordance with 2 CFR section 200.516(a).
7. The programs tested as major programs included:

<u>CFDA Number</u>	<u>Federal Grantor/ Pass-Through Grantor/ Program Name</u>
14.871	<u>United States Department of Housing and Urban Development</u> Section 8 Housing Choice Voucher Program

8. The threshold for distinguishing Types A and B programs was \$750,000.
9. The Jefferson Davis Parish Police Jury was determined to be a low-risk auditee.

JEFFERSON DAVIS PARISH POLICE JURY

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

FINDINGS-FINANCIAL STATEMENT AUDIT

Significant Deficiency

Internal Control

Finding 2018-01 – Internal Control over Fixed Asset Accounting System (Repeated since 2015)

Condition: Improvements were made in updating and reconciling the fixed asset system. However, further improvement is needed so that the fixed asset system is updated for the current year activity in a timely manner. Additionally, some corrections were necessary to reconcile the additions per the fixed asset system to the general ledger.

Criteria: The fixed asset system has to be maintained in order to provide accurate accounting information in a timely fashion.

Cause: Due to medical absences and personnel changes, the update of the fixed asset system did not begin early enough before the audit deadline to allow for a systematic approach to data entry. Additionally, the fixed asset system was not completely reconciled to the general ledger, causing errors to go undetected.

Effect: Inaccurate data in the fixed asset system will cause a misstatement in the financial statements. Additionally, delays in updating the system may result in the financial statements not being filed with the Legislative Auditor's Office by the state deadline.

Recommendation: The auditor recommends that the fixed asset system be updated when purchases are made and that the system is reconciled to the general ledger on a monthly basis.

Views of responsible official and planned corrective actions: Police Jury management concurs with the auditor finding, has hired additional personnel, and will implement his recommendation. Contact: Donald Woods, President.

Finding 2018-02 – Internal Control over receivables and payables

Condition: A review of cash receipt and cash disbursements revealed that Police Jury personnel failed to accurately list items for accrual.

Criteria: Police Jury management is responsible for establishing internal control policies and procedures that provide that all receivables and payables are accurately presented to ensure that financial statements are not misstated.

JEFFERSON DAVIS PARISH POLICE JURY

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

Cause: Police Jury personnel failed to accurately list items for accrual.

Effect: Failure to list all receivables and payables accurately for accrual could result in Police Jury financial statements to be misstated.

Recommendation: The auditor recommends that the Police Jury should implement policies and procedures requiring that personnel review subsequent cash receipts and cash disbursements to ensure that all receivables and payables are accurately listed for accrual.

Views of responsible official and planned corrective actions: Police Jury management concurs with the auditor finding and will implement procedures as recommended. Contact: Donald Woods, President.

Compliance

Finding 2018-03 Compliance – Influence on activities and decisions of component units

Condition: It appears that certain Police Jurors are trying to influence activities and decisions of component units of the police jury, such as fire districts and gravity drainage boards.

Criteria: Under state law, a Police Jury can only make decisions and take action via a public meeting with a quorum of members present. Any decisions must be made for the betterment of the parish AS A WHOLE. Individual Jurors are prohibited from directing or influencing individual districts within the parish (e.g., road districts, fire districts, gravity drainage boards, etc.).

Cause: It appears that these Jurors are not aware that they are prohibited from these activities.

Effect: These activities are not in compliance with state law.

Recommendation: The auditor recommends that the Police Jurors be instructed on relevant state law and desist from these activities.

Views of responsible official and planned corrective actions: Police Jury management concurs with the auditor finding and will implement procedures as recommended. Contact: Donald Woods, President.

Material Weakness

There were no material weaknesses in internal control or instances of material noncompliance noted during the audit.

JEFFERSON DAVIS PARISH POLICE JURY

Schedule of Findings and Questioned Costs (Concluded) For the Year Ended December 31, 2018

FINDINGS AND QUESTIONED COSTS-MAJOR FEDERAL AWARD PROGRAMS AUDIT

US Department of Housing and Urban Development

Program Name: Section 8 Housing Choice Voucher Program
CFDA # 14.871;
Grant Number: LA 188 VO

Compliance

Finding 2018-04 – Tenant income and expenses calculated incorrectly or not supported by proper documentation

Condition: Review of tenant files found that income and expenses for several tenants were not calculated correctly or lacked proper supporting documentation.

Criteria: Eligibility for the program requires family income and expenses to be calculated accurately and properly documented.

Cause: Previous section 8 personnel did not properly calculate tenant income and expenses or obtain proper supporting documentation.

Effect: The rent subsidy and utility allowances were calculated incorrectly which may result in the cost of assistance being disallowed.

Questioned Costs: Our review of tenant files indicated that due to the inaccurate income and expense calculations, housing and utility assistance payments were overpaid for 3 tenants totaling \$3,120.

Recommendation: The Police Jury should implement policies and procedures to ensure that tenant income and expense calculations are calculated correctly and have proper supporting documentation.

Views of responsible official and planned corrective actions: Police Jury management has hired a new section 8 coordinator. Management has also hired a consultant to review program files and give the new section 8 coordinator instruction and training on section 8 program requirements and documentation. Police Jury management will work to implement procedures as recommended. Contact: Donald Woods, President.

JEFFERSON DAVIS PARISH POLICE JURY

Corrective Action Plan For the Year Ended December 31, 2018

Internal Control

Finding 2018-01 – Internal Control over Fixed Asset Accounting System (Repeated since 2015)

Name of contact person: Donald Woods, President.

Corrective action: Police Jury management has hired additional personnel and will implement procedures to ensure that the fixed asset system will be updated when purchases are made and that the system is reconciled to the general ledger on a monthly basis.

Proposed completion date: Police Jury management will implement the above corrective action immediately.

Finding 2018-02 – Internal Control over receivables and payables

Name of contact person: Donald Woods, President.

Corrective action: Police Jury management will implement policies and procedures requiring that personnel review subsequent cash receipts and cash disbursements to ensure that all receivables and payables are accurately listed for accrual.

Proposed completion date: Police Jury management will implement the above corrective action immediately.

Compliance

Finding 2018-03 – Compliance – Influence on activities and decisions of component units

Name of contact person: Donald Woods, President.

Corrective action: Police Jurors will be instructed on relevant state law and desist from these activities.

Proposed completion date: Police Jury management will implement the above corrective action immediately.

JEFFERSON DAVIS PARISH POLICE JURY

Corrective Action Plan (Concluded) For the Year Ended December 31, 2018

Federal Awards

Finding 2018-04 – Tenant income and expenses calculated incorrectly or not supported by proper documentation

Name of contact person: Donald Woods, President.

Corrective action: Police Jury management has hired a new section 8 coordinator. Management has also hired a consultant to review program files and give the new section 8 coordinator instruction and training on section 8 program requirements and documentation. Police Jury management will implement policies and procedures to ensure that tenant income and expense calculations are calculated correctly and have proper supporting documentation.

Proposed completion date: Police Jury management will implement the above corrective action immediately.

JEFFERSON DAVIS PARISH POLICE JURY

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

FINDINGS-FINANCIAL STATEMENT AUDIT

Significant Deficiency

Internal Control

2017-01 – Internal Control over Fixed Asset Accounting System

Condition: Improvements were made in updating and reconciling the fixed asset system. However, further improvement is needed so that the fixed asset system is updated for the current year activity in a timely manner. Additionally, some corrections were necessary to reconcile the additions per the fixed asset system to the general ledger.

Criteria: The fixed asset system has to be maintained in order to provide accurate accounting information in a timely fashion.

Cause: Due to medical absences of personnel, the update of the fixed asset system did not begin early enough before the audit deadline to allow for a systematic approach to data entry. Additionally, the fixed asset system was not completely reconciled to the general ledger, causing errors to go undetected.

Effect: Inaccurate data in the fixed asset system will cause a misstatement in the financial statements. Additionally, delays in updating the system may result in the financial statements not being filed with the Legislative Auditor's Office by the state deadline.

Recommendation: The auditor recommends that the fixed asset system be updated when purchases are made and that the system is reconciled to the general ledger on a monthly basis.

Corrective action taken: Police Jury management has implemented policies and procedures requiring that the fixed asset system is updated when purchases are made and the system is reconciled to the general ledger on a monthly basis.

Compliance

Finding 2017-02 Compliance – Timely audit submission

Condition: Audited financial statements were not submitted within six months of year end.

Criteria: State law requires audited financial statements of governments to be submitted within six months of year end.

Cause: Information was not provided to auditor timely due to medical absences of personnel.

Effect: The Police Jury would not be in compliance with state law.

JEFFERSON DAVIS PARISH POLICE JURY

Schedule of Prior Year Findings (Continued) For the Year Ended December 31, 2018

Recommendation: The Police Jury should implement policies and procedures requiring that information is provided to the auditor in a timely manner.

Corrective action taken: Police Jury management has hired additional personnel and implemented policies and procedures requiring that information is provided to the auditor in a timely manner.

Finding 2017-03 Compliance – Ethics Training

Condition: A review of ethics training certificates revealed that several employees did not complete a minimum of one hour of governmental ethics training during the year ended December 31, 2017.

Criteria: State law requires that all public servants take one hour of training on the Code of Governmental Ethics annually.

Cause: Personnel did not complete minimum governmental ethics training as required.

Effect: Personnel did not comply with state law requiring that employees complete a minimum of one hour of governmental ethics training annually.

Recommendation: The Police Jury should implement policies and procedures to ensure that all employees are informed of ethics code requirements and monitor to ensure compliance.

Corrective action taken: Police Jury management has implemented policies and procedures to ensure that employees are informed of ethics code requirements and monitor to ensure compliance.

Federal Awards

US Department of Housing and Urban Development

Program Name: Section 8 Housing Choice Voucher Program
CFDA # 14.871;
Grant Number: LA 188 VO

Internal Control

Finding 2017-04 – Incomplete checklists

Condition: Review of tenant files indicated that several checklists used to document that procedures were completed and all pertinent information is included in tenant file were not completed or incomplete.

JEFFERSON DAVIS PARISH POLICE JURY

Schedule of Prior Year Findings (Continued) For the Year Ended December 31, 2018

Criteria: Checklists are required by the police jury to ensure that required program procedures are completed and all pertinent information is included in tenant files.

Cause: Section 8 personnel did not properly complete checklists.

Effect: Without proper use of checklists, program procedures may not be completed and all pertinent information may not be included in tenant files.

Questioned Costs: Unknown

Recommendation: The Police Jury should implement policies and procedures to ensure that all required checklists are completed to ensure proper internal controls over program requirements and documentation.

Corrective action taken: Police Jury management has hired a new section 8 coordinator. Management has also hired a consultant to review program files and give the new section 8 coordinator instruction and training on section 8 program requirements and documentation.

Compliance

Finding 2017-05 – Income verification not performed properly or incomplete

Condition: Review of tenant files found that income verification for several tenants was not performed properly or was incomplete.

Criteria: Eligibility for the program requires family income to be verified.

Cause: Section 8 personnel did not properly complete income verification.

Effect: The cost of assistance may be disallowed.

Questioned Costs: Unknown

Recommendation: The Police Jury should implement policies and procedures to ensure that income verification is performed properly and is complete.

Corrective action taken: Police Jury management has hired a new section 8 coordinator. Management has also hired a consultant to review program files and give the new section 8 coordinator instruction and training on section 8 program requirements and documentation. The new section 8 coordinator has been instructed to ensure that income verification is performed properly and is complete

JEFFERSON DAVIS PARISH POLICE JURY

Schedule of Prior Year Findings (Concluded) For the Year Ended December 31, 2018

Finding 2017-06 – Inconsistent signatures

Condition: Review of tenant files found that program documentation contained inconsistent signatures. We noted several instances where tenant signatures were not consistent from form to form.

Criteria: Eligibility for the program requires various forms be signed by the tenant, landlord, and section 8 personnel.

Cause: Some program documents may not have been properly signed by appropriate parties.

Effect: The cost of assistance may be disallowed.

Questioned Costs: Unknown

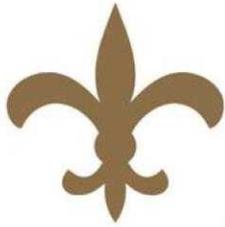
Recommendation: The Police Jury should implement policies and procedures to ensure that all program documentation is properly signed by all appropriate parties.

Corrective action taken: Police Jury management has hired a new section 8 coordinator. Management has also hired a consultant to review program files and give the new section 8 coordinator instruction and training on section 8 program requirements and documentation. The new section 8 coordinator has been instructed to ensure that program documentation is properly signed by all appropriate parties.

JEFFERSON DAVIS PARISH POLICE JURY
JENNINGS, LOUISIANA

**Statewide Agreed-Upon
Procedures Report**

For the Year Ended December 31, 2018



J. Aaron Cooper, CPA, LLC

P.O. Box 918 • 106 West Nezpique Street • Jennings, Louisiana 70546

Member of the American Institute of Certified Public Accountants and the Society of Louisiana Certified Public Accountants.

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Jefferson Davis Parish Police Jury
Jennings, Louisiana

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

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

The procedures and associated findings are as follows:

Written Policies and Procedures

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

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

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

<p><i>The Jefferson Davis Parish Police Jury maintains written policies for all areas except budgeting, addition of vendors to the vendor list, and debt service.</i></p>

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.
 - 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. *Alternately, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

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

The Police Jury meets monthly. No meetings without a quorum were noted. The minutes of the meetings did not mention monthly budget-to-actual comparisons; however, it was noted that budget-to-actual comparisons are made available in police jury meetings for police juror's review. The general fund did not have a negative ending unrestricted fund 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);
 - 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
 - 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.

Bank reconciliations for 5 accounts were tested. The reconciliations were all prepared within two months of the related statement closing date. Accounts tested did not contain evidence that management or police jurors who do not handle cash, post ledgers, or issue checks has reviewed the bank reconciliations. There were two instances of items that have been outstanding over 12 months from the statement closing date on one of the bank reconciliations. Bank reconciliations do not include any evidence on that management has researched the reconciling items. The items noted are under ongoing negotiations with the vendor and will be voided in subsequent year. It was also noted that the Police Jury does report outstanding checks to state unclaimed property once the holding period has been met.

Collections

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
 - a) Employees that are responsible for cash collections do not share cash drawers/registers.
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
 - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.
6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.
7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
 - a) Observe that receipts are sequentially pre-numbered.
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Trace the deposit slip total to the actual deposit per the bank statement.
 - d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).
 - e) Trace the actual deposit per the bank statement to the general ledger.

Deposit site and cash collection locations were obtained from management. I also obtained management's representation that the listing is complete. The Police Jury maintains one deposit site and two cash collection locations. Thus, the deposit site and cash location selected for testing was the Police Jury Annex office. The persons collecting cash are required to share the same drawer with another employee. On rare occasion, the same person collecting cash may also be responsible for preparing/making bank deposits and posting collection entries to the general ledger without another employee/official reconciling collection documentation to the deposit. Also, on rare occasion, the same person reconciling cash collections to the general ledger may be responsible for collecting cash, without another employee verifying the reconciliation. Two of the employees who are involved in cash collection are bonded. The other employees involved in cash collection are not bonded but are covered by an insurance policy for theft.

Sequential numbering is not utilized for all cash receipts. Deposits tested were able to be traced to actual deposit on bank statement and to the general ledger. Documentation indicated that deposits were made within one business day of receipt at the cash collection location.

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

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

- a) Observe that the disbursement matched the related original invoice/billing statement.
- b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Only one location exists for processing payments. Written policies and procedures regarding job descriptions and responsibilities exist and employees are knowledgeable of their assigned duties. At least two people are involved in the purchasing process. The person responsible for processing payments is not prohibited from adding vendors to the entity's purchasing/disbursement system. On occasion, the signatories do not directly mail the payments or give to an employee to mail who is not responsible for processing payments. A listing of disbursements was obtained from the secretary treasurer and 40 items were randomly selected for testing (excluding credit card transactions). Selected disbursements matched original invoice/billing statement. Six of the items tested did not include evidence of segregation of duties.

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

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
 - a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]]
 - b) Observe that finance charges and late fees were not assessed on the selected statements.
13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

I obtained a listing of all credit cards and 5 cards were randomly selected for testing. For each card, I randomly selected one monthly statement and performed the foregoing tests. I

noted that there was no evidence that the monthly statement for one of the cards were reviewed and approved, in writing, by someone other than the authorized card holder. It was noted by the secretary treasurer that the finance committee did review the statement after the fact. Late fees were assessed on one of the statements.

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

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
 - b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
 - d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

There were no exceptions noted in the previous year during testing of travel and travel-related reimbursements, therefore this section's procedures were not performed this year as per instruction from the Legislative Auditor.

Contracts

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).

- c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.
- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

There were no exceptions noted in the previous year during testing of contracts, therefore this section's procedures were not performed this year as per instruction from the Legislative Auditor.

Payroll and Personnel

- 16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
- 17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
 - a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
 - b) Observe that supervisors approved the attendance and leave of the selected employees/officials.
 - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
- 18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulative leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.
- 19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

I randomly selected 5 employees for payroll and personnel testing. Leave and attendance were documented for all employees selected and were approved by the appropriate supervisor. Leave accrued or taken during the pay period selected is reflected in the Police Jury's cumulative leave records. One employee received termination payments during the year. I was not able to agree hours of leave paid to the employee's cumulative leave records. The employee's pay rate agreed with the authorized pay rate in the employee's personnel file. It also appears that the employee was inadvertently paid for sick leave and should not have been. I obtained management's representation that the employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

Ethics

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

I used the previous sample of five employees selected from procedure No. 16 and obtained the certificates documenting completion of the one hour required ethics training for those employees. I noted that two of the employees selected did not have documentation showing signature verification that he or she has read the Police Jury's ethics policy during the year.

Debt Service

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

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

There were no exceptions noted in the previous year during testing of debt service, therefore this section's procedures were not performed this year as per instruction from the Legislative Auditor.

Other

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

There were no exceptions noted in the previous year during testing of other items, therefore this section's procedures were not performed this year as per instruction from the Legislative Auditor.

I was 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 control and compliance areas identified in the SAUPs. Accordingly, I do not express such an opinion or conclusion. Had I 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 control and compliance areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control and compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

J. Aaron Cozart, CPA, LLC

June 30, 2019