

VERNON PARISH POLICE JURY
ANNUAL FINANCIAL REPORT
DECEMBER 31, 2018

VERNON PARISH POLICE JURY
ANNUAL FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2018

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Vernon Parish Police Jury

James B. Tuck
President

Curtis L. Clay
Vice President

Rhonda M. Plummer
Parish Administrator/Treasurer

Belinda S. Diehl
Parish Secretary



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Management's Discussion and Analysis

The Management's Discussion and Analysis (MD&A) of the Vernon Parish Police Jury financial performance provides an overview of the Police Jury's financial activities for the year ended December 31, 2018, with comparative totals for the year ended December 31, 2017. The MD&A is designed to focus on the current year's activities, resulting changes and currently known facts.

Members:

District 1
James B. Tuck

District 2
Marvin Hilton

District 3
David Fox

District 4
Jackie Grimes

District 5
Reggie Johnson

District 6
Jerry Blair

District 7
Charnel Bailey

District 8
Melvin Haymon

District 9
David Brister

District 10
Curtis Clay

District 11
Bo Cryer

District 12
Kenny Haymon

FINANCIAL HIGHLIGHTS

The assets and deferred outflows (\$89,703,492) of the Vernon Parish Police Jury exceeded its liabilities and deferred inflows (\$35,182,843) at the close of the most recent fiscal year by \$54,520,649 (net position). The government's total net position decreased by \$1,130,109 from the previous year.

At December 31, 2018, the Vernon Parish Police Jury governmental funds reported combined ending fund balances of \$26,155,292, an increase of \$1,370,864 in comparison with the prior year's ending fund balance of \$24,784,428. The total fund balance in the general fund is \$6,026,585, an increase of \$1,632,513 from the prior year. The unassigned fund balance in the general fund of \$1,340,278 is available for spending at the government's discretion. Restricted fund balance in the general fund at year end is \$4,686,307.

Overview of the Financial Statements

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

Government-Wide Financial Statements.

The government-wide financial statements are designed to provide readers with a broad overview of the Vernon Parish Police Jury finances, in a manner similar to a private-sector business. These statements for the first time, combine governmental fund's current financial resources with capital assets and long-term debt obligations.

The statement of net position presents information on all of the Vernon Parish Police Jury assets, deferred outflows, liabilities, and deferred inflows, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Vernon Parish Police Jury is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. The focus on the statement of activities is on both the gross and net cost of various activities which are provided by the government's general tax and other revenues. This is intended to summarize information and simplify the user's analysis of cost of various governmental services.

The government-wide financial statements distinguish the different functions of the Vernon Parish Police Jury that is principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the Vernon Parish Police Jury include general government, public safety, highways and streets, sanitation, economic development, and culture and recreation. At this time, the Vernon Parish Police Jury does not have any business-type activities.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Traditional users of governmental financial statements will find the fund financial statements presentations more familiar. The focus now is on the major fund types rather than the non-major fund types. The Vernon Parish Police Jury, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

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

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

The Vernon Parish Police Jury maintains approximately 45 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, the Parish-wide Maintenance Fund, the Sales Tax Fund, the Sanitary Landfill Fund, and the Fire District #1 Fund. At December 31, 2018, these five funds are considered to be major funds of the Police Jury. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The Vernon Parish Police Jury adopts an annual appropriated budget for its general and special revenue funds. Budgetary comparison statements have been provided at the fund type level for the major funds to demonstrate legal compliance with these budgets.

The basic governmental fund financial statements can be found in the Basic Financial Statements Section of this financial report.

Capital Assets

General capital assets include land, improvements to land, easements, buildings, vehicles, machinery and equipment, infrastructure, and all other intangible assets that are used in operations and that have initial useful lives greater than one year and exceed the government's capitalization threshold of \$5,000. The parish has capitalized all purchased general capital assets.

Notes to the Financial Statements

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

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Vernon Parish Police Jury progress in funding its obligations. Required supplementary information can be found in the Required Supplementary section of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information on the major fund's budgets.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Vernon Parish Police Jury, assets exceeded liabilities by \$54,520,649 at the close of the most recent fiscal year.

A large portion of the Vernon Parish Police Jury net position reflects its investment in capital assets (land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The Vernon Parish Police Jury uses these capital assets to provide services to citizens, consequently, these assets are not available for future spending. Although the Police Jury's investment in its capital assets is reported net of related debt, it is not a spendable resource. The resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

A portion of the Vernon Parish Police Jury net position, net of related debt (\$51,533,982) represents an investment in capital assets and other resources that are subject to external restrictions on how they may be used. The following table presents the statement of net position in a condensed format and provides a comparison with the previous year.

	2018	2017 Restated
<u>ASSETS</u>		
Current and other assets	\$27,552,464	\$26,051,601
Noncurrent Assets	61,582,284	58,702,235
Total Assets	<u>\$89,134,748</u>	<u>\$84,753,836</u>
Deferred Outflows of Resources	<u>\$ 568,744</u>	<u>\$ 891,883</u>
<u>LIABILITIES</u>		
Current and other liabilities	\$ 2,059,356	\$ 1,929,357
Long-term liabilities	32,348,811	30,154,924
Total Liabilities	<u>\$34,408,167</u>	<u>\$32,084,281</u>
Deferred Inflows of Resources	<u>\$ 774,676</u>	<u>\$ 170,898</u>
<u>NET POSITION:</u>		
Invested in capital assets, net of related debt	\$51,533,982	\$50,409,950
Unrestricted	2,986,667	2,980,590
Total Net Position	<u>\$54,520,649</u>	<u>\$53,390,540</u>

The results of current year's operations for the Police Jury are reported on the Statement of Activities. The following table presents, for the year ended December 31, 2018, condensed financial information from that statement, with a comparison of activity for the year ended December 31, 2017.

	December 31,	
	2018	2017
<u>Revenues</u>		
Program revenues:		
Charges for services	\$ 627,837	\$ 569,152
Operating grants and contributions	2,043,035	1,918,592
Capital grants and contributions	1,102,800	610,207
General revenues:		
Ad valorem taxes	5,148,612	5,322,179
Sales and use taxes	9,199,422	8,677,015
Severance taxes	940,618	1,003,097
Licenses & Permits	272,619	357,421
Fines & Forfeitures	943,033	945,235
Interest	27,329	21,434
Sale of Assets	12,734	6,255
NEC Revenue	62,128	63,872
Miscellaneous	4,393,425	3,098,908
Total revenues	<u>\$24,773,592</u>	<u>\$ 22,593,367</u>
<u>Functions/Program Expenses</u>		
Current – general government:		
General government	\$ 7,401,927	\$ 6,718,836
Public safety	3,072,453	3,112,877
Public works	9,732,343	10,426,943
Health and welfare	1,117,267	1,112,613
Culture and recreation	1,914,852	1,877,916
Economic development and assistance	12,536	640,073
Debt service	392,105	357,955
Total expenses	<u>\$23,643,483</u>	<u>\$ 24,247,213</u>
Increase/(Decrease) in Net Position	<u>\$ 1,130,109</u>	<u>\$(1,653,846)</u>

Governmental Activities

Sales taxes received this year were \$9,199,422, an increase of \$522,407 over the previous year. Ad valorem taxes collected were \$5,148,612, a decrease of \$173,567. Operating Grants and Contributions were \$2,043,035, an increase of \$124,443. Capital Grants and Contributions were \$1,102,800, an increase of \$492,593.

Financial Analysis of the Government's Funds

As noted earlier, the Vernon Parish Police Jury uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the Vernon Parish Police Jury governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Vernon Parish Police Jury financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Vernon Parish Police Jury governmental funds reported combined ending fund balances of approximately \$26,155,292, an increase of \$1,370,864 from the previous year. Total fund balance for the general fund is \$6,026,585, an increase of \$1,632,513 from the previous year. The unassigned fund balance in the general fund of \$1,340,278 constitutes an amount which is available for spending at the government's discretion. The remaining fund balance in the general fund is restricted for employee health benefits.

Budgetary Highlights

The major funds of the Vernon Parish Police Jury includes the governmental funds presented on Statements C and E of the Police Jury's basic financial statements. Budgetary comparisons for these major funds are presented, as required supplemental information, on Schedules G-1 through G-5 of the Police Jury's basic financial statements.

The Police Jury's final budget in the General Fund was amended because federal grant revenues and proceeds of debt were more than originally budgeted.

In the General Fund, the actual revenues (budgeted basis) were \$9,267 more than the final budgeted amounts, and the actual expenses (budgeted basis) were \$25,443 more than the final budgeted amounts. These amounts were within the 5% allowable variance.

Capital Asset and Debt Administration

Capital Assets

The Vernon Parish Police Jury investment in capital assets for its governmental activities at December 31, 2018, amounts to \$61,228,430 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, and infrastructure added this year. Retroactive infrastructure has been included in these financial statements. Additional information on Vernon Parish Police Jury capital assets can be found in the Note section of this report. The following table shows capital assets, net of accumulated depreciation, for this year as compared to the previous year.

	2018	2017
Land	\$ 1,787,825	\$ 1,720,977
Construction-in-progress	2,398,108	1,225,023
Buildings and improvements	13,722,133	13,687,463
Machinery and equipment	7,315,130	6,984,810
Infrastructure	35,398,199	34,106,797
Library book collection	607,035	596,954
Totals	\$61,228,430	\$58,322,024

Debt Administration

At December 31, 2018, the Vernon Parish Police Jury had total debt and long-term liabilities outstanding of \$33,010,995. Of this amount, \$8,270,000 is comprised of general obligation bonds (debt which is legally restricted from exceeding 10 per cent of the assessed value of taxable property in the parish), capital leases of \$1,424,448, and other postemployment benefits of \$23,316,547. Additional information on the Vernon Parish Police Jury long-term debt can be found in the Notes section of this report.

Economic Factors and Next Year's Budgets and Rates

Vernon Parish is the third largest parish in Louisiana with a total land area of 1,328.5 square miles or 850,245 acres. The parish is heavily dependent upon the continued success and operation of the Fort Polk Joint Readiness Training facility. This facility currently employs approximately 4,700 employees. Other major employers of the parish are the Vernon Parish School Board (1,454 employees), Bayne Jones Hospital (401), Walmart, Byrd Hospital, the Police Jury (200+), and the Vernon Parish Sheriff's Office (145).

Requests for Information

This financial report is designed to provide a general overview of the Vernon Parish Police Jury finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Vernon Parish Police Jury, ATTN: Secretary/Treasurer, P.O. Box 1548, Leesville, Louisiana 71466.

T | C | B | T
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INDEPENDENT AUDITOR'S REPORT

To the President and Jurors
of the Vernon Parish Police Jury

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Basis for Adverse Opinion on Aggregate Discretely Presented Component Units

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

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

In our opinion, because of the significance of the matter described in the “Basis for Adverse Opinion on Aggregate Discretely 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 Vernon Parish Police Jury, the reporting entity, as of December 31, 2018, or the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinion – The Primary Government

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

Other Matters*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Budgetary Comparison Schedules, Schedule of Employer's Share of Net Pension Liability, Schedule of Employer Contributions, and Schedule of Changes in Net OPEB Liability and Related Ratios as listed in the Table of Contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is presented for purposes of additional analysis and is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

The Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer listed as required supplementary information in the Table of Contents is presented for purposes of additional analysis and is required by Louisiana Revised Statute R.S. 245:513 A.(3). This schedule is not a required part of the basic financial statements.

We have applied certain limited procedures to the Management's Discussion and Analysis in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on it because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Police Jury's basic financial statements. The Budgetary Comparison Schedules, Schedule of Employer's Share of Net Pension Liability, Schedule of Employer Contributions, Schedule of Changes in Net OPEB Liability and Related Ratios, and Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of the Vernon Parish Police Jury's primary government. The combining nonmajor fund financial statements, schedule of compensation paid to police jurors, and schedule of expenditures of federal awards are presented for purposes of additional analysis and are not a required part of the 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* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the basic financial statements.

The combining nonmajor fund financial statements, schedule of compensation paid to police jurors, and 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements, schedule of compensation paid to police jurors, schedule of expenditures of federal awards, and the financial data schedule are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards* (Uniform Guidance), we have also issued our report dated June 25, 2019, on our consideration of the Vernon Parish Police Jury's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Vernon Parish Police Jury's internal control over financial reporting and compliance.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Louisiana Legislative Auditor, we have issued a report, dated June 25, 2019, on the results of our statewide agreed-upon procedures performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards*. The purpose of that report is solely to describe the scope of testing performed on those control and compliance areas identified in the Louisiana Legislative Auditor's statewide agreed-upon procedures, and the results of that testing, and not to provide an opinion on control or compliance.

Thomas, Cunningham, Broadway & Todtenbier, CPAs

Thomas, Cunningham, Broadway & Todtenbier
Certified Public Accountants

June 25, 2019
Natchitoches, Louisiana

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE
FINANCIAL STATEMENTS

Vernon Parish Police Jury
Statement of Net Position
December 31, 2018

	Governmental <u>Activities</u>
Assets-	
Current Assets-	
Cash & Cash Equivalents	\$20,493,932
Revenue Receivables	<u>7,058,532</u>
Total Current Assets	\$27,552,464
Noncurrent Assets-	
Net Pension Asset	\$ 353,854
Capital Assets (net of accumulated depreciation)	<u>61,228,430</u>
Total Noncurrent Assets	\$61,582,284
Total Assets	\$89,134,748
Deferred Outflows of Resources	\$ <u>568,744</u>
Liabilities-	
Current Liabilities-	
Cash Overdraft	\$ 14,552
Accounts Payable	1,274,062
Accrued Payroll & Other Expenses	108,558
Current Portion of Long-Term Debt	<u>662,184</u>
Total Current Liabilities	\$ <u>2,059,356</u>
Long-term Liabilities-	
Long-Term Debt	\$ 9,032,264
OPEB Payable	<u>23,316,547</u>
Total Long-term Liabilities	\$32,348,811
Total Liabilities	\$34,408,167
Deferred Inflows of Resources	\$ <u>774,676</u>
Net Position-	
Net Investment in Capital Assets	\$51,533,982
Unrestricted	<u>2,986,667</u>
Total Net Position	\$54,520,649

See notes to financial statements.

Vernon Parish Police Jury
Statement of Activities
Year Ended December 31, 2018

<u>Activities</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position Governmental Activities</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Primary Government:					
Governmental Activities-					
General Government	\$ (7,401,927)	\$292,706	\$ 145,294	\$ 0	\$ (6,963,927)
Public Safety	(3,072,453)	154,266	416,618	0	(2,501,569)
Public Works	(9,732,343)	0	868,288	1,102,800	(7,761,255)
Health & Welfare	(1,117,267)	8,341	261,469	0	(847,457)
Recreation & Culture	(1,914,852)	172,524	351,366	0	(1,390,962)
Economic Development	(12,536)	0	0	0	(12,536)
Debt Services	<u>(392,105)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(392,105)</u>
 Total Governmental Activities	 <u>\$(23,643,483)</u>	 <u>\$627,837</u>	 <u>\$2,043,035</u>	 <u>\$1,102,800</u>	 <u>\$(19,869,811)</u>
 General Revenues:					
Taxes-					
Ad Valorem					\$ 5,148,612
Sales & Use					9,199,422
Severance					940,618
Licenses & Permits					272,619
Fines & Forfeitures					943,033
Interest					27,329
Sales of Assets					12,734
NEC Revenue					62,128
Miscellaneous					<u>4,393,425</u>
 Total General Revenues					 <u>\$ 20,999,920</u>
 Change in Net Position					 \$ 1,130,109
 Net Position January 1, 2018					
- Restated (See Note 17)					<u>53,390,540</u>
 Net Position December 31, 2018					 <u>\$ 54,520,649</u>

See notes to financial statements.

FUND FINANCIAL STATEMENTS

Vernon Parish Police Jury
Governmental Funds-Balance Sheet
December 31, 2018

	Major Funds						Total Governmental Funds
	General Fund	Parishwide Road Maintenance Fund	Sales Tax Fund	Sanitary Landfill Fund	Fire District #1 Fund	Nonmajor Funds	
<u>Special Revenue Funds</u>							
<u>Assets</u>							
Cash & Cash Equivalents	\$5,414,383	\$ 830,795	\$ 260,548	\$2,817,694	\$2,885,694	\$ 8,284,818	\$20,493,932
Revenue Receivables	726,950	353,368	773,996	420,307	10,117	4,773,794	7,058,532
Due from Other Funds	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>136,500</u>	<u>136,500</u>
Total Assets	<u>\$6,141,333</u>	<u>\$1,184,163</u>	<u>\$1,034,544</u>	<u>\$3,238,001</u>	<u>\$2,895,811</u>	<u>\$13,195,112</u>	<u>\$27,688,964</u>
<u>Liabilities</u>							
Cash Overdraft	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 14,552	\$ 14,552
Accounts Payable	0	25,514	42,831	420,405	131,952	653,360	1,274,062
Accrued Payroll & Other Exp.	3,010	85	0	0	0	105,463	108,558
Due to Other Funds	<u>111,738</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>24,762</u>	<u>136,500</u>
Total Liabilities	<u>\$ 114,748</u>	<u>\$ 25,599</u>	<u>\$ 42,831</u>	<u>\$ 420,405</u>	<u>\$ 131,952</u>	<u>\$ 798,137</u>	<u>\$ 1,533,672</u>
<u>Fund Balance</u>							
Fund Balances-							
Restricted	\$4,686,307	\$1,158,564	\$ 991,713	\$2,817,596	\$2,763,859	\$12,396,975	\$24,815,014
Unassigned	<u>1,340,278</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,340,278</u>
Total Fund Balance	<u>\$6,026,585</u>	<u>\$1,158,564</u>	<u>\$ 991,713</u>	<u>\$2,817,596</u>	<u>\$2,763,859</u>	<u>\$12,396,975</u>	<u>\$26,155,292</u>
Total Liabilities & Fund Balance	<u>\$6,141,333</u>	<u>\$1,184,163</u>	<u>\$1,034,544</u>	<u>\$3,238,001</u>	<u>\$2,895,811</u>	<u>\$13,195,112</u>	<u>\$27,688,964</u>

See notes to financial statements.

Vernon Parish Police Jury
Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
December 31, 2018

Total Governmental Fund Balances	\$ 26,155,292
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 funds-	
Capital Assets	122,367,926
Less, Accumulated Depreciation	(61,139,496)
Deferred Outflows of Resources used in Governmental Activities are not financial resources and, therefore, are not reported in the Governmental Fund Balance Sheet	
	568,744
Long-term Liabilities are not due and payable in the current period and are not reported in the funds-	
Long-Term Debt	(9,694,448)
Other Post-Employment Benefit Obligation	(23,316,547)
Net Pension Asset	353,854
Deferred Inflows of Resources are not due and payable in the current period and, therefore, are not reported in the Governmental Fund Balance Sheet	
	<u>(774,676)</u>
Total Net Position of Governmental Activities at December 31, 2018	<u>\$ 54,520,649</u>

See notes to financial statements.

Vernon Parish Police Jury
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
Year Ended December 31, 2018

	Major Funds						Total Governmental Funds
	General Fund	Parishwide Road Maintenance Fund	Special Revenue Funds Sales Tax Fund	Sanitary Landfill Fund	Fire District #1 Fund	Nonmajor Funds	
Revenues:							
Taxes-							
Ad Valorem	\$ 429,206	\$ 260,493	\$ 0	\$ 0	\$ 0	\$ 4,458,913	\$ 5,148,612
Sales & Use	0	0	8,957,272	0	0	242,150	9,199,422
Severance	940,618	0	0	0	0	0	940,618
License & Permits	271,619	1,000	0	0	0	0	272,619
Intergovernmental-							
Federal Grants	327,858	85,011	0	0	19,117	1,278,512	1,710,498
State Grants	29,236	49,140	0	0	0	1,183,242	1,261,618
Other Grants	16,575	0	0	0	0	157,145	173,720
Charges for Services	292,705	0	0	0	0	335,132	627,837
Fines & Forfeits	80,684	0	0	0	0	862,349	943,033
Miscellaneous	1,551,836	107,683	147	2,524,854	5,823	230,411	4,420,754
Total Revenues	<u>\$3,940,337</u>	<u>\$ 503,327</u>	<u>\$ 8,957,419</u>	<u>\$2,524,854</u>	<u>\$ 24,940</u>	<u>\$ 8,747,854</u>	<u>\$ 24,698,731</u>
Expenditures:							
Current-							
General Government	\$2,835,317	\$ 0	\$ 191,302	\$ 0	\$ 0	\$ 2,231,695	\$ 5,258,314
Public Safety	6,726	0	0	0	1,195,241	2,042,265	3,244,232
Public Works	755,149	2,373,976	0	5,301,785	0	3,524,059	11,954,969
Health & Welfare	109,714	0	0	0	0	919,857	1,029,571
Recreation & Culture	20,750	0	0	0	0	1,993,544	2,014,294
Economic Development	0	0	0	0	0	869,331	869,331
Debt Services	0	64,567	0	33,767	124,406	883,508	1,106,248
Total Expenditures	<u>\$3,727,656</u>	<u>\$ 2,438,543</u>	<u>\$ 191,302</u>	<u>\$ 5,335,552</u>	<u>\$ 1,319,647</u>	<u>\$12,464,259</u>	<u>\$ 25,476,959</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$ 212,681</u>	<u>\$(1,935,216)</u>	<u>\$ 8,766,117</u>	<u>\$(2,810,698)</u>	<u>\$(1,294,707)</u>	<u>\$(3,716,405)</u>	<u>\$ (778,228)</u>
Other Financing Sources (Uses):							
Operating Transfers In	\$ 555,089	\$ 2,244,493	\$ 0	\$ 5,624,988	\$ 1,406,247	\$ 3,363,666	\$ 13,194,483
Sale of Assets	1,736	15,000	0	0	0	16,048	32,784
Proceeds of Debt	1,550,000	95,246	0	0	0	471,062	2,116,308
Operating Transfers Out	(686,993)	0	(8,795,646)	(2,210,004)	0	(1,501,840)	(13,194,483)
Total Other Financing	<u>\$1,419,832</u>	<u>\$ 2,354,739</u>	<u>\$(8,795,646)</u>	<u>\$ 3,414,984</u>	<u>\$ 1,406,247</u>	<u>\$ 2,348,936</u>	<u>\$ 2,149,092</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	\$1,632,513	\$ 419,523	\$ (29,529)	\$ 604,286	\$ 111,540	\$ (1,367,469)	\$ 1,370,864
Fund Balances-Beginning of Year	4,394,072	739,041	1,021,242	2,213,310	2,652,319	13,764,444	24,784,428
Fund Balances-End of Year	<u>\$6,026,585</u>	<u>\$ 1,158,564</u>	<u>\$ 991,713</u>	<u>\$ 2,817,596</u>	<u>\$ 2,763,859</u>	<u>\$12,396,975</u>	<u>\$ 26,155,292</u>

See notes to financial statements.

Vernon Parish Police Jury
Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2018

Net Change in Fund Balances-Total Governmental Funds	\$ 1,370,864
Amounts reported for Governmental Activities in the Statement of Activities are different because:	
Governmental Funds report Capital Outlays as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives as depreciation expense. The cost of capital assets recorded in the current period is	6,583,293
Depreciation expense on Capital Assets is reported in the Government-wide financial statements, but does not require the use of current financial resources and is not reported in the Fund Fund Financial Statements. Current year depreciation expense is	(4,037,050)
Payments made on Long-term Debt are shown as expenditures in the Governmental Funds, but the payments reduce Long-term Liabilities in the Statement of Net Position:	
Long-Term Debt	714,143
Proceeds of Long-term Debt are shown as revenues in the Governmental Funds, but the debt increases Long-term Liabilities in the Statement of Net Position	(2,116,308)
Some revenues reported in the Statement of Activities do not provide current financial resources and these are not reported as revenues in governmental funds. Some expenses reported in the Statement of Activities do not require the use of current financial resources, and, therefore are not reported as expenditures in the governmental funds. These timing differences are summarized below:	
Other Post-Employment Benefit Obligation	(1,362,332)
Non-employer Pension Revenue	62,128
Pension Expense	(64,579)
The Net Effect of the disposition of Capital Assets is:	
Decrease in Capital Assets	(146,135)
Decrease in Accumulated Depreciation	<u>126,085</u>
Change in Net Position of Governmental Activities	<u>\$ 1,130,109</u>

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

Vernon Parish Police Jury
Notes to Financial Statements
December 31, 2018

Introduction

The Vernon Parish Police Jury is the governing authority for Vernon Parish, and is a political subdivision of the State of Louisiana. The Police Jury is governed by 12 jurors who serve four-year terms. The Police Jury, under the provisions of Louisiana Revised Statutes 33:1236-1344, is given the power to make regulations for their own government, to regulate the construction and maintenance of roads and bridges, to regulate the construction and maintenance of drainage systems, to regulate the sale of alcoholic beverages, and to provide for the health and welfare of the poor, disadvantaged, and unemployed in the parish. Funding to accomplish these tasks is provided by ad valorem taxes, sales taxes, beer and alcoholic beverage permits, state revenue sharing, and various other state and federal grants.

1. Summary of Significant Accounting Policies

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

A. Reporting Entity

As the governing authority of the Parish, for reporting purposes, the Vernon Parish Police Jury is the financial reporting entity for Vernon 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 Police Jury's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the Vernon Parish Police Jury for financial reporting purposes. The basic criteria 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 that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Police Jury.
2. Organizations for which the Police Jury does not appoint a voting majority but are fiscally dependent and
3. Organizations for which the reporting entity's financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Vernon Parish Police Jury
Notes to Financial Statements
December 31, 2018

Based on the previous criteria, the Police Jury has determined that the Vernon Parish Assessor, the Vernon Parish Clerk of Court, the Vernon Parish Sheriff, the West Louisiana Forestry Festival, Fire District No. 1, the Vernon Parish Arena District, the West Vernon Parish Waterworks District, the Ward 4 Water and Sewer Commission, the South Vernon Waterworks District, the Vernon Parish Tourism and Recreation Commission, the Vernon Parish Library, the Vernon Game and Fish Commission, the Pitkin Gas Utility District No. 1, the Vernon Parish Housing Authority, the Museum of West Louisiana, the Vernon Career Solutions Center (LWIA) are component units of the Vernon Parish Reporting entity.

Considered in the determination of potential component units was the Vernon Parish School Board, the District Attorney for the Thirtieth Judicial District, the Thirtieth Judicial District Court, and various municipalities in the parish. It was determined that these governmental entities are not component units of the Vernon Parish reporting entity because they have separately elected governing bodies, and are fiscally independent of the Vernon Parish Police Jury.

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 (Police Jury) financial statements are not a substitute for the reporting entity's financial statements. The accompanying primary government financial statements have been prepared in conformity with generally accepted accounting principles as applied to governmental units.

The Police Jury has chosen to issue financial statements of the primary government only; therefore, none of the previously listed component units (except as discussed in the following paragraph) that comprise the reporting entity are included in the accompanying financial statements. The accompanying primary government financial statements have been prepared in conformity with generally accepted accounting principles as applied to governmental units. These financial statements are not intended to and do not report on the reporting entity but rather are intended to reflect only the financial statements of the primary government.

The primary government financial statements include all funds and organizations for which the police jury maintains the accounting records as these organizations are considered a part of the primary government and includes the West Louisiana Forestry Festival, Fire District No. 1, the Vernon Parish Arena District, the Vernon Parish Tourism and Recreation Commission, and the Vernon Parish Library.

B. Government-Wide and Fund Financial Statements

The Government-Wide Financial Statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. The primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

Vernon Parish Police Jury
Notes to Financial Statements
December 31, 2018

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

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

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

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

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

The Police Jury reports the following major governmental funds:

General Fund-The General Fund is the Police Jury's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Special Revenue Funds-Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

The Police Jury's major special revenue funds are-

Vernon Parish Police Jury
Notes to Financial Statements
December 31, 2018

Parishwide Road Maintenance Fund-Used to account for the Police Jury's road, bridge, and drainage projects.

Sales Tax Fund-Used to account for the collection of a 1 ½% sales and use tax used to fund and retire bonds with the remaining balance used to finance the sanitary landfill, parish-wide road maintenance, and parish-wide fire protection facilities.

Sanitary Landfill-Used to account for the operations of the Parish's solid waste disposal.

Fire District #1 Fund-Used to account for operations of the parish-wide fire protection facilities.

D. Deposits and Investments

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

E. Capital Assets

Capital Assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental activities 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 \$5,000 or more for capitalizing capital assets.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed.

All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Roads, bridges, & infrastructure	50 years
Buildings & building improvements	40 years
Furniture & fixtures	5-7 years
Vehicles	5-7 years
Equipment	5-7 years

Vernon Parish Police Jury
Notes to Financial Statements
December 31, 2018

F. Interfund Transactions

There are several types of transactions that are reported in the financial statements as interfund items. Interfund transactions, which constitute reimbursements of a fund for expenditures initially made from that fund, which are properly applicable to another fund, are recorded as expenditures in the reimbursing fund, and as reductions of the expenditure in the fund that is being reimbursed. Nonrecurring or nonroutine transfers of equity between funds are treated as residual transfers and are reported as additions to or deductions from fund balance. All other transfers are treated as operating transfers and included in the results of operations of the funds.

The following are summaries of interfund receivables and payables, and interfund operating transfers:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 0	\$111,738
Special Revenue Funds-		
Public Buildings Maintenance	18,019	0
Courthouse/Jail Maintenance	0	18,019
Economic Development	111,738	0
Ward 2 Road Construction	4,649	0
Ward 1 Road Construction	0	4,649
Ward 1 Road Maintenance	2,094	0
Ward 2 Road Maintenance	<u>0</u>	<u>2,094</u>
Totals	<u>\$136,500</u>	<u>\$136,500</u>
	<u>Interfund Transfers In</u>	<u>Interfund Transfers Out</u>
General Fund	\$ 555,089	\$ 686,993
Special Revenue Funds-		
Parishwide Road Maintenance	2,244,493	0
Sales Tax Fund	0	8,795,646
Sanitary Landfill	5,624,988	2,210,004
Fire District #1	1,406,247	0
Public Buildings Maintenance	700,000	200,000
Courthouse/Jail Maintenance	636,199	78,242
Library	0	77,631
Tourism	248,670	0
Animal Shelter	182,453	0
Health Unit	0	213,759
Public Improvement Construction	9,880	0
Economic Development	200,000	15,000
Overlay/Road Construction	1,087,346	239,897
Parish Transportation Fund	0	387,346
District Road Maintenance/Construction	9,221	10,000
Hotel/Motel Tax	0	240,068
Federal/State Funds	<u>289,897</u>	<u>39,897</u>
Totals	<u>\$13,194,483</u>	<u>\$13,194,483</u>

Vernon Parish Police Jury
Notes to Financial Statements
December 31, 2018

Transfers are primarily used to move funds:

- From Sales Tax Fund to Sanitary Landfill, Parishwide Road Maintenance and Fire District #1 Funds to fund solid waste operations, road maintenance, and fire protection operations.
- From various funds to General Fund for 4% admin fee on sales and motel tax revenue.
- Other miscellaneous transfers to move operation monies to and from various funds.

G. Compensated Absences

Employees of the Vernon Parish Police Jury cannot carry leave forward from year to year. Therefore, there is no accrual made for compensated absences.

H. Long-Term Obligations

In the government-wide financial statements, long-term obligations are reported as liabilities in the Statement of Net Position.

I. Pensions

For purposes of measuring the Net Pension Liability, Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions, and pension expense, information about the fiduciary net position of the retirement systems and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by the retirement systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. See Note 8, for more information on the individual retirement systems.

J. Deferred Outflows/Inflows of Resources

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

K. Fund Balance

In the fund statements, governmental fund equity is classified as fund balance. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- a. Nonspendable fund balance - amounts that are not in a spendable form (such as prepaid expenses) or are required to be maintained intact;

Vernon Parish Police Jury
Notes to Financial Statements
December 31, 2018

- b. Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- c. Committed fund balance - amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- d. Assigned fund balance - amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- e. Unassigned fund balance - amounts that are available for any purpose. Only the General Fund would report positive amounts in unassigned fund balance.

The Police Jury has restricted fund balances of \$24,815,014 and unassigned fund balances of \$1,340,278. If applicable, the Police Jury would typically use restricted fund balances first, followed by committed resources and assigned resources as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first and to defer the use of these other classified funds.

L. Net Position

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

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

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

Vernon Parish Police Jury
Notes to Financial Statements
December 31, 2018

M. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported 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.

N. Sales Taxes

The Vernon Parish School Board is authorized to collect, within Vernon Parish, the following sales and use taxes for the benefit of the Vernon Parish Police Jury:

On December 6, 2014, the voters of the parish approved the renewal and rededication of a one (1%) percent sales and use tax. The tax is for a ten-year period, from April 1, 2016, and may be used to fund and retire bonds as provided by Louisiana Revised Statute 39:398. The proceeds of the 1% tax, after paying cost to collect and administer tax, are dedicated and used to pay the costs:

- 1) Collecting and disposing of solid waste for the entire parish, including operating and maintaining a parish recycling center/waste tipping center;
- 2) Retaining a dedicated reserve for solid waste purposes of at least six months budgeted costs;
- 3) The balance may be used for constructing, improving, maintaining, and/or operating public buildings, hard surface roads and bridges in the parish and acquiring equipment therefor.

On December 6, 2014, the voters of the parish approved the renewal of a one-half (½%) percent sales and use tax. The tax is for a ten-year period from April 1, 2016, and may be used to fund and retire bonds as provided by Louisiana Revised Statute 39:698. The proceeds of the ½% tax are to be used as follows:

- 1) Fifty percent of the proceeds of the tax (one-quarter of one percent) is used to construct, improve, and maintain public roads, highways, and bridges in the parish.
- 2) Fifty percent of the proceeds of the tax (one-quarter of one percent) is used to construct, acquire, improve, maintain and operate parish-wide fire protection facilities.

O. Hotel/Motel Tax

As provided by Louisiana Revised Statute 33:4574, the Police Jury has levied a three percent tax on the occupancy of all hotel/motel rooms and overnight camping facilities in the parish. Proceeds of the tax, less collection costs, are distributed to the Vernon Parish Tourist and Recreation Commission for promotion of tourism in Vernon Parish.

Vernon Parish Police Jury
Notes to Financial Statements
December 31, 2018

P. Impact of Recently Issued Accounting Principles

As of January 1, 2018, the Police Jury implemented Governmental Standards Board (GASB) Statement 75, *Actuarial Valuation of Other Post-employment Benefits – Amendment of GASB Statement 45*, which resulted in a cumulative change in accounting principle and also a restatement of net position. The net effect of the restatement was to decrease the net position of the Police Jury by \$488,524.

In June 2017, the GASB issued Statement 87, *Leases*, which requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. GASB Statement 87 is effective for reporting periods beginning after December 15, 2019, with early adoption permitted. The Police Jury has not implemented this Statement and has not determined the impact on its financial statements at this time.

2. Budgets and Budgetary Accounting

The Police Jury utilizes the following procedures in establishing the budgetary data reflected in the financial statements:

- (1) Prior to December 1, the Treasurer submits to the Police Jury a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- (2) A public hearing is then conducted, after proper official journal notification, to obtain public comments.
- (3) Prior to December 31, the budget is legally enacted through passage of an ordinance.
- (4) The budget ordinance is structured such that revenues are budgeted by source and appropriations are budgeted by department and by principal object of expenditure. Revisions to the budget as enacted require Police Jury action. Several such revisions were made during the year ended December 31, 2018.
- (5) The Police Jury utilizes formal budgetary integration as a management control device for the General Fund and Special Revenue Funds.
- (6) The basis of accounting applied to budgetary data presented is substantially consistent with the appropriate basis of accounting for each fund type for which an annual budget is prepared. Appropriations that are not expended lapse at year-end.

Vernon Parish Police Jury
Notes to Financial Statements
December 31, 2018

3. Cash and Cash Equivalents

At December 31, 2018, the Police Jury had cash and cash equivalents (book balances) totaling \$20,479,380 as follows:

Interest-bearing demand deposits	\$18,567,887
Time and certificates of deposit	1,910,618
Petty cash	<u>875</u>
Total	<u>\$20,479,380</u>

The cash and cash equivalents of the Police Jury are subject to the following risks:

Custodial Credit Risk. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Police Jury will not be able to recover its deposits. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the fiscal bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Police Jury that the fiscal agent bank has failed to pay deposited funds upon demand. Further, Louisiana Revised Statute 39:1224 states that securities held by a third party shall be deemed to be held in the Police Jury's name.

The Police Jury uses a master bank account for cash management purposes. At December 31, 2018, the Vernon Council on Aging Fund reported a negative cash balance in the master bank account of \$14,552.

At December 31, 2018, the Police Jury has \$21,402,887 in deposits (collected bank balances). These deposits are secured from risk by \$528,484 of federal deposit insurance and \$20,874,403 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

4. Receivables

The receivables of \$7,058,532 at December 31, 2018 are as follows:

<u>Class of Receivable</u>	<u>General Fund</u>	<u>Special Revenue Funds</u>
Taxes-		
Ad Valorem	\$397,348	\$4,170,997
Other Taxes	218,133	787,111
Other	<u>111,469</u>	<u>1,373,474</u>
Totals	<u>\$726,950</u>	<u>\$6,331,582</u>

Substantially all receivables are considered to be fully collectible, and no allowance for uncollectibles is used.

Vernon Parish Police Jury
Notes to Financial Statements
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5. Capital Assets

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

	01/01/2018			12/31/2018
	<u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u>
General Fund:				
Capital Assets; not depreciated-				
Land	\$ 1,720,977	\$ 66,848	\$ 0	\$ 1,787,825
Construction in Progress	1,605,234	791,967	0	2397,201
Capital Assets; depreciated-				
Buildings & Improvements	20,921,647	482,759	0	21,404,406
Office Equipment	229,431	29,463	0	258,894
Other Equipment	12,589,115	1,183,476	114,135	13,658,456
Furniture/Fixtures	1,701,449	52,750	0	1,754,199
Vehicles	8,356,573	115,644	32,000	8,440,217
Infrastructure	66,045,366	3,638,916	0	69,684,282
Library Books	<u>2,760,976</u>	<u>221,470</u>	<u>0</u>	<u>2,982,446</u>
Total Assets	<u>\$115,930,768</u>	<u>\$6,583,293</u>	<u>\$ 146,135</u>	<u>\$122,367,926</u>
Accumulated Depreciation-				
Buildings & Improvements	\$ 7,234,184	\$ 448,089	\$ 0	\$ 7,682,273
Office Equipment	187,361	11,671	0	199,032
Other Equipment	8,310,990	658,369	97,285	8,872,074
Furniture & Fixtures	1,307,455	78,278	0	1,385,733
Vehicles	6,085,951	281,739	28,800	6,338,890
Infrastructure	31,938,568	2,347,515	0	34,286,083
Library Books	<u>2,164,022</u>	<u>211,389</u>	<u>0</u>	<u>2,375,411</u>
Total Acc. Depreciation	<u>\$57,228,531</u>	<u>\$4,037,050</u>	<u>\$ 126,085</u>	<u>\$61,139,496</u>
Total Capital Assets, net	<u>\$58,702,237</u>	<u>\$2,546,243</u>	<u>\$ 20,050</u>	<u>\$61,228,430</u>

Depreciation expense of \$4,037,050 for the year ended December 31, 2018, was charged to the following governmental funds:

General Government	\$ 671,671
Public Safety	674,963
Public Works	2,347,515
Health & Welfare	131,512
Recreation & Culture	<u>211,389</u>
Total	<u>\$4,037,050</u>

Vernon Parish Police Jury
Notes to Financial Statements
December 31, 2018

6. Long-Term Debt

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

	<u>Balance</u> <u>1-1-18</u>	<u>Additions</u>	<u>Reduction</u>	<u>Balance</u> <u>12-31-18</u>
General Obligation Bonds-				
Series 2008	\$ 275,000	\$ 0	\$135,000	\$ 140,000
Series 2010	367,000	0	22,000	345,000
Series 2011	6,445,000	0	210,000	6,235,000
Series 2018	0	1,550,000	0	1,550,000
Capital Leases-				
Road Maintenance Equipment	580,961	566,308	221,714	925,555
Fire Protection Equipment	<u>624,322</u>	<u>0</u>	<u>125,429</u>	<u>498,893</u>
Totals	<u>\$8,292,283</u>	<u>\$2,116,308</u>	<u>\$714,143</u>	<u>\$9,694,448</u>

Bonds and capital lease liabilities at December 31, 2018 are comprised of the following:

1. General Obligation Bonds, Series 2008, with interest at the current rate of 3.72%, dated October 7, 2008, in the original amount of \$1,170,000. The bonds are backed by full faith and credit of Vernon Parish Police Jury. The Police Jury is bound under terms of the bond resolution to impose and collect a tax on all property in the Parish sufficient to pay the principal and interest. Bond funds were used to advance refunding of \$535,000 in bonds issued previously, which was completed in 2014. Scheduled principal and interest payments are due annually through March 1, 2019.
2. General Obligation Bonds, Series 2010, with interest at the current rate of 5.00%, dated November 1, 2010, in the original amount of \$500,000. An election was held on April 4, 2009, at which time authorized the Police Jury to issue bonds in the amount of \$8,000,000 in general obligation bonds. The bond proceeds are to be used for the purpose of constructing, improving, equipping and furnishing public buildings, which shall include the construction of a Parish Detention Center and administrative offices for the Sheriff, and to acquire the necessary land, equipment and furnishings therefore, acquiring a mobile library, and providing matching funds to improve the West Louisiana Museum. The bonds are secured by a special ad valorem tax to be imposed and collected annually in excess of all other taxes on all property included in Vernon Parish sufficient to repay the bonds. Scheduled principal and interest payments are due annually through March 1, 2030. The bonds are not callable until March 1, 2021.
3. General Obligation Bonds, Series 2011, with interest at the current rate of 4.00%, dated June 1, 2011, in the original amount of \$7,500,000. As noted in paragraph 2 above, an election was held on April 4, 2009, at which time the Police Jury was given the authority to issue up to \$8,000,000 in general obligation debt for the purposes described above.

Vernon Parish Police Jury
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\$500,000 of this debt was issued in 2010, leaving the \$7,500,000 issued in 2011. Scheduled principal and interest payments are due annually through March 1, 2036. The bonds are callable beginning March 1, 2022.

4. General Obligation Bonds, Series 2018, with interest at the current rate of 2.55% dated March 1, 2018, in the original amount of \$1,550,000. An election was held on October 14, 2017, at which time the Police Jury was given the authority to issue up to \$1,550,000 in general obligation debt for the purpose of constructing, improving, equipping and furnishing buildings and facilities owned by the Police Jury. The bonds are secured by a special ad valorem tax to be imposed and collected annually in excess of all other taxes on all property included in Vernon Parish sufficient to repay the bonds. Scheduled principal and interest payments are due annually through March 1, 2033. The bonds are callable beginning March 1, 2026.
5. The Police Jury has incurred various lease obligations for the acquisition of equipment which are paid from the Road District Maintenance and Fire District Funds. The original amounts and accumulated amortization of the capital leases are included as gross assets, accumulated depreciation, and depreciation expense in the accompanying financial statements.

The annual debt service requirements to maturity for bond obligations are as follows:

	<u>Year Ending December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
General Obligation Bonds	2019	\$ 467,000	\$ 308,245	\$ 775,245
	2020	341,000	294,268	635,268
	2021	354,000	282,481	636,481
	2022	372,000	270,206	642,206
	2023	386,000	257,282	643,282
	2024-2028	2,216,000	1,065,973	3,281,973
	2029-2033	2,664,000	600,874	3,264,874
	2034-2037	<u>1,470,000</u>	<u>101,243</u>	<u>1,571,243</u>
Totals		<u>\$8,270,000</u>	<u>\$3,180,572</u>	<u>\$11,450,572</u>

The annual debt service requirements to maturity for capital lease obligations are as follows:

	<u>Year Ending December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Capital Lease Obligations	2019	\$ 325,168	\$ 61,610	\$ 386,778
	2020	282,078	47,390	329,468
	2021	260,160	34,131	294,291
	2022	230,784	22,184	252,968
	2023	150,616	11,610	162,226
	2024-2028	<u>175,642</u>	<u>9,075</u>	<u>184,717</u>
Totals		<u>\$1,424,448</u>	<u>\$186,000</u>	<u>\$1,610,448</u>

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7. Lease Commitments

The Police Jury has entered into operating leases for maintenance yards used to store equipment and fuel for maintaining the parish's road system. These lease agreements may be terminated by either the lessor or the lessee by giving 30 days' written notice. Police Jury management does feel, however, that such leases will generally be renewed or replaced each year. Total rental expense under operating leases was approximately \$20,075 during 2018.

8. Employee Retirement Systems

Substantially all employees of the Police Jury are members of the Parochial Employees' Retirement System of Louisiana (PERS), District Attorneys' Retirement System, State of Louisiana (DARS), or the Registrar of Voters Employees' Retirement System of Louisiana (ROVERS). 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. General Information about the Plans

Parochial Employees' Retirement System of Louisiana (PERS)

Plan Description

The Police Jury contributes to PERS Plan B which is a cost-sharing multiple employer defined benefit pension plan established by Act 205 of the 1952 regular session of the Legislature of the State of Louisiana to provide retirement benefits to all employees of any parish in the state of Louisiana or any governing body or a parish which employs and pays persons serving the parish.

Act 765 of the year 1979, established by the Legislature of the State of Louisiana, revised PERS to create Plan A and Plan B to replace the "regular plan" and the "supplemental plan". Plan A was designated for employers out of Social Security. Plan B was designated for those employers that remained in Social Security on the revision date. PERS is governed by Louisiana Revised Statutes, Title 11, Section 1901 through 2025, specifically, and other general laws of the State of Louisiana. PERS issues an annual publicly available financial report that includes financial statements and required supplementary information for the System, which can be obtained at www.persla.org.

All permanent Police Jury 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 PERS.

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.

Vernon Parish Police Jury
Notes to Financial Statements
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Retirement

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

For employees hired prior to January 1, 2007:

1. At age 55 after 30 years of creditable service
2. At age 60 after 10 years of creditable service
3. At age 65 after 7 years of creditable service

For employees hired after January 1, 2007:

1. At age 55 after 30 years of creditable service
2. At age 62 after 10 years of creditable service
3. At age 67 after 7 years of creditable service

Generally, the monthly amount of the retirement allowance of any member of Plan B shall consist of an amount equal to 2% of the member's final average compensation multiplied by his/her years of creditable service. However, under certain conditions, as outlined in the statutes, the benefits are limited to specified amounts.

Survivor's Benefits

Plan B members need 10 years of service credit to be eligible for survivor benefits. Upon the death of any member of Plan B with 20 or more years of creditable service who is not eligible for normal retirement, the plan provides for an automatic Option 2 benefit for the surviving spouse when he/she reaches age 50 and until remarriage, if the remarriage occurs before age 55.

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

Deferred Retirement Option Plan

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

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

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

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

For individuals who become eligible to participate in DROP on or after January 1, 2004, all amounts which remain credited to the individual's subaccount after termination in DROP will be placed in liquid asset money market investments at the discretion of the Board of Trustees. These subaccounts may be credited with interest based on money market rates of return or, at the option of PERS, the funds may be credited to self-directed subaccounts. The participant in the self-directed portion of DROP must agree that the benefits payable to the participant are not the obligations of the state or PERS, and that any returns and other rights of DROP are the sole liability and responsibility of the participant and the designated provider to which contributions have been made.

Disability Benefits

For Plan B, a member shall be eligible to retire and receive a disability benefit if he/she was hired prior to January 1, 2007, and have 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 B shall be paid a disability benefit equal to the lesser of an amount equal to 2% of the member's final average compensation multiplied by his years of service, not to be less than 15, or an amount equal to what the member's normal benefit would be based on the member's current final compensation but assuming the member remained in continuous service until his earliest retirement age.

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 65 equal to 2% of the member's benefit paid on October 1, 1977, (or the member's retirement date, if later). Also, the Board may provide a cost of living increase up to 2.5% for retirees 62 and older. (LA R.S. 11:1937). Lastly, Act 270 of 2009 provided for further reduced actuarial payments to provide an annual 2.5% cost of living adjustment commencing at age 55.

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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 6.75% of member's compensation for Plan B. However, the actual rate for the fiscal year ending December 31, 2017 was 8.00% for Plan B.

According to state statute, PERS also receives $\frac{1}{4}$ of 1% of ad valorem taxes collected within the respective parishes, except for Orleans and East Baton Rouge parishes. PERS also receives revenue sharing funds each year as appropriated by the Legislature. Tax monies and revenue sharing monies are apportioned between Plan A and Plan B in proportion to the member's compensation. These additional sources of income are used as additional employer contributions and are considered support from non-employer contributing entities, but are not considered special funding situations. The non-employer contribution was \$44,366.

The Police Jury's contractually required composite contribution rate for the year ended December 31, 2018 was 7.50% 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 Police Jury were \$258,661 for the year ended December 31, 2018.

District Attorneys' Retirement System, State of Louisiana (DARS)

Plan Description

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

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

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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

Members who joined DARS 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 DARS 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.

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 3% (3.5% 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 15 years) or projected continued service to age 60.

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

Vernon Parish Police Jury
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spouse, the surviving minor children under 18 or disabled children are paid 80% of the member's accrued retirement benefit divided into equal shares. If a member has no surviving spouse or children, his accumulated contributions and interest are paid to his designated beneficiary. In lieu of periodic payments, the surviving spouse or children may receive a refund of the member's accumulated contributions with interest.

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

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 \$60 per month) and all retired members and widows who are 65 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, DARS must meet certain criteria detailed in the statute related to funding status and interest earnings.

Deferred Retirement Option Plan

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

The Back-DROP benefit is based upon the Back-DROP period selected and the final average compensation prior to the period selected. The Back-DROP period is the lesser of 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 a 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 36 months in lieu of terminating employment and accepting a service benefit. During participation in the DROP, employer contributions were payable and employee contributions were reduced to ½ of 1%. 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

Vernon Parish Police Jury
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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.

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, DARS 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. These additional sources of income are used as additional employer contributions and are considered support from non-employer contributing entities, but are not considered special funding situations. The non-employer contribution was \$13,108.

The Police Jury's contractually required composite contribution rate for the year ended December 31, 2018 was 1.25% 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 \$583 for the year ended December 31, 2018.

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

Plan Description

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

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

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Benefits Provided

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

Retirement

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

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

Disability Benefits

Disability benefits are provided to active contributing members with at least 10 years of service established in ROVERS and who have been officially certified as disabled by the State Medical Disability Board. The disabled member who has attained the age of 60 years shall be entitled to a regular retirement allowance. The disabled member who has not yet attained age 60 shall be entitled to a disability benefit equal to the lesser of 3% of his average final compensation multiplied by the number of creditable years of service (not to be less than 15 years) or 3.33% of average final compensation multiplied by the years of service assuming continued service to age 60. 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

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eligible to retire, automatic Option 2 benefits are payable to the surviving spouse. These benefits are based on the retirement benefits accrued at the member's date of death with Option 2 factors used as if the member had continued in service to earliest normal retirement age. If a member has no surviving spouse and the member has five or more years of creditable service, the surviving minor children under 18 or disabled children shall be paid 80% of the accrued retirement benefit in equal shares until the age of majority or for the duration of the handicap for a handicapped child. Upon the death of any former member with 10 or more years of service, automatic Option 2 benefits are payable to the surviving spouse. In lieu of periodic payments, the surviving spouse or children may receive a refund of the member's accumulated contributions.

Deferred Retirement Option Plan

In lieu of terminating employment and accepting a service retirement allowance, any member with 10 or more years of service at age 60, 20 or more years of service at age 55, or 30 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 ROVERS 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 ROVERS has been terminated for at least one full year.

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

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 60 and have been retired at least one year. Funding criteria for granting cost of living adjustments is dependent on the funded ratio.

Contributions

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

Vernon Parish Police Jury
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In accordance with state statute, ROVERS 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 in the amount of \$4,654 are recognized as revenue and excluded from pension expense for the year ended December 31, 2018.

The Police Jury's contractually required composite contribution rate for the year ended December 31, 2018 was 17.00% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any Unfunded Actuarial Accrued Liability. Contributions to the pension plan from the Police Jury were \$3,744 for the year ended December 31, 2018.

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

At December 31, 2018 and 2017, the Police Jury reported a total of (\$353,854) for its proportionate shares of the Net Pension (Asset) Liabilities of the Plans.

Plan	Measurement Date	
	December 31, 2017	December 31, 2016
PERS	\$(439,585)	\$490,472
	June 30, 2018	June 30, 2017
DARS	48,263	44,839
ROVERS	37,468	35,301
Total	\$(353,854)	\$570,612

The Net Pension (Asset) Liabilities were measured as of December 31, 2017 for PERS and June 30, 2018 for DARS and ROVERS, and the total pension liability used to calculate the Net Pension (Asset) Liabilities were determined by an actuarial valuation as of those dates. The Police Jury's proportion of the Net Pension Liabilities was based on a projection of the Police Jury's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. At the measurement dates, the Police Jury's proportions of each were as follows:

Plan	Proportionate Share	
	December 31, 2017	December 31, 2016
PERS	3.493750%	3.775556%
	June 30, 2018	June 30, 2017
DARS	.149982%	.166243%
ROVERS	.158734%	.160815%
Total	3.802466%	4.102614%

For the year ended December 31, 2018 and 2017, the Police Jury recognized pension expense including employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions as follows:

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Plan	Measurement Date	
	December 31, 2017	December 31, 2016
PERS	\$459,951	\$458,609
DARS	June 30, 2018	
	14,915	15,517
ROVERS	8,020	6,284
Total	\$482,886	\$480,410

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

	PERS		DARS		ROVERS		Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 228,929	\$ 259	\$ 7,009	\$ -	\$ 5,717	\$ 259	\$ 241,655
Changes in Assumptions	\$ 258,639	\$ -	\$ 29,206	\$ 3,182	\$ 6,137	\$ 564	\$ 293,982	\$ 3,746
Net Difference between projected and actual earnings on pension plan	\$ -	\$ 517,372	\$ 4,041	\$ -	\$ 2,251	\$ -	\$ 6,292	\$ 517,372
Changes in employer's proportion of beg NPL	\$ 2,040	\$ 4,607	\$ 3,639	\$ 5,516	\$ 65	\$ 944	\$ 5,744	\$ 11,067
Differences between employer and proportionate share of contributions	\$ 904	\$ 271	\$ 448	\$ 525	\$ -	\$ 40	\$ 1,352	\$ 836
Subsequent Measurement Contributions	\$ 258,661	\$ -	\$ 582	\$ -	\$ 1,872	\$ -	\$ 261,115	\$ -
Total	\$ 520,244	\$ 751,179	\$ 38,175	\$ 16,232	\$ 10,325	\$ 7,265	\$ 568,744	\$ 774,676

The deferred outflows of resources related to pensions resulting from Police Jury contributions subsequent to the measurement date in the amount of \$261,115, will be recognized as a reduction of the Net Pension Liabilities in the year December 31, 2018. Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year ended <u>December 31:</u>	
2019	\$ (13,934)
2020	(66,640)
2021	(193,880)
2022	(198,133)
2023	<u>5,540</u>
Total	<u>\$ (467,047)</u>

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Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liabilities for the valuation dates of December 31, 2017 for PERS and June 30, 2018 for DARS and ROVERS are as follows:

<u>Assumptions</u>	<u>PERS</u>	<u>DARS</u>	<u>ROVERS</u>
Actuarial cost method	Entry age normal cost	Entry age normal cost	Entry age normal cost
Expected remaining service lives	4 years	6 years	5 years
Investment rate of return	6.750%	6.500%	6.500%
Inflation rate	2.500%	2.500%	2.400%
Salary increases	5.250%	5.500%	6.000%

Mortality rates for PERS were based on RP-2000 Employee Sex Distinct Mortality Table was selected for employees. RP-2000 Healthy Annuitant Sex Distinct Tables were selected for annuitants and beneficiaries. RP-2000 Disabled Lives Mortality Table was selected for disabled annuitants. The mortality rate assumptions were based on the results of an experience study, for the period January 1, 2010 through December 31, 2014.

Mortality rates for DARS were based on RP-2000 Combined Healthy with White Collar Adjustment Sex Distinct Mortality Tables (setback 1 year for females) projected to 2032 using scale Assistance with were selected for employees, annuitants and beneficiaries. RP-2000 Disabled Lives Table (setback 5 years for males and set back 3 years for females) for disabled annuitants. The mortality rate assumptions were set based upon an experience study performed on plan data for the period of July 1, 2009 through June 30, 2014.

Mortality rates for ROVERS were based on RP-2000 Combined Healthy Table for active members, healthy annuitants and beneficiaries. RP-2000 Disabled Lives Table for disabled annuitants. The mortality rate assumptions were based upon an experience study performed by the prior actuary on plan data for the period of July 1, 2009 through June 30, 2014.

The long-term expected rate of return on PERS 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 major asset class.

The long-term expected rate of return on DARS and ROVERS 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.

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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 and an adjustment for the effect of rebalancing/diversification.

Best estimates of arithmetic real rates of return for each major asset class included in pensions target asset allocation as of December 31, 2017 for PERS and June 30, 2018 for DARS and ROVERS are summarized in the following table:

Asset Class	PERS		DARS		ROVERS	
	Target Asset Allocation	Long-Term Expected Portfolio <u>Real Rate of Return</u>	Target Asset Allocation	Long-Term Expected Portfolio <u>Real Rate of Return</u>	Target Asset Allocation	Long-Term Expected Portfolio <u>Real Rate of Return</u>
Equity	52%	3.57%	61.72%	10.82%	60.0%	4.70%
Fixed Income	35%	1.24%	28.95%	6.36%	22.5%	0.66%
Alternative	11%	0.69%	8.85%	10.50%	10.0%	0.63%
Other	2%	0.12%	0.48%	0.50%	7.5%	0.34%
Totals	100%	5.62%	100.00%	6.95%	100.0%	6.33%
Inflation		2.00%		2.50%		2.50%
Expected Nominal Return		7.62%		9.45%		8.83%

The discount rate used to measure the total pension liability was 6.75% for PERS, 6.50% for DARS, and 6.50% for ROVERS. 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-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, PERS, DARS, and ROVERS fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

	1.0% Decrease	Current Discount Rate	1.0% Increase
PERS	\$936,683	\$(439,585)	\$(1,600,516)
DARS	\$129,945	\$ 48,263	\$ (21,227)
ROVERS	\$ 57,465	\$ 37,468	\$ 20,315

Vernon Parish Police Jury
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Pension Plan Fiduciary Net Position

Detailed information about the pension plans' fiduciary net positions are available in the separately issued financial statements of the Plans.

9. Ad Valorem Taxes

The Police Jury levies taxes on real and business personal property located within the boundaries of Vernon Parish. Property taxes are levied by the Police Jury on property values assessed by the Vernon Parish Tax Assessor and approved by the State of Louisiana Tax Commission.

The Vernon Parish Sheriff's Office bills and collects property taxes for the Police Jury. Collections are remitted to the Police Jury monthly.

Property Tax Calendar

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

The Police Jury is permitted to levy taxes up to 10% of the assessed property valuation for each specified purpose, or, in the aggregate for all purposes 25% of the assessed valuation for the payment of principal and interest on long-term debt after the approval by the voters of the Parish. Property taxes are recorded as receivables and revenues in the year assessed.

Assessed values are established by the Vernon Parish Tax Assessor each year on a uniform basis at the following ratios to fair market value:

10% land	15% machinery
10% residential improvements	15% commercial improvements
15% industrial improvements	25% public service properties, excluding land

A revaluation of all property is required to be completed no less than every four years. The last revaluation was completed for the roll of January 1, 2016. Total assessed value was \$195,096,930 in 2018. Louisiana state law exempts the first \$7,500 of assessed value of a taxpayer's primary residence from parish property taxes. This homestead exemption was a total of \$54,749,391 of the assessed value in 2018.

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The distribution of the Police Jury's levy (tax rate per \$1,000 assessed value) to its funds was as follows for 2018:

<u>Fund</u>	<u>Millage</u>
General Fund (City of Leesville excepted)	3.26
General Fund (City of Leesville)	1.63
Courthouse & Jail Maintenance	5.94
C&J, Judicial Building, Parish Government Building	2.26

<u>Fund</u>	<u>Millage</u>
Health Unit Fund	3.24
Parish Library Operation & Maintenance	7.90
Parish Wide Road Maintenance	5.84
Road District No. 1, Ward 1 Maintenance	5.27
Road District No. 1, Ward 1 Construction	2.09
Road District No. 2, Ward 2 Maintenance	13.26
Road District No. 2, Ward 2 Construction	2.04
Road District No. 3, Ward 3 Maintenance	11.89
Road District No. 3, Ward 3 Construction	4.77
Road District No. 4, Ward 4 Maintenance	5.60
Road District No. 4, Ward 4 Construction	2.25
Road District No. 5, Ward 5 Maintenance	9.23
Road District No. 5, Ward 5 Construction	3.70
Road District No. 6, Ward 6 Maintenance	15.75
Road District No. 6, Ward 6 Construction	2.10
Road District No. 7, Ward 7 Maintenance	7.38
Road District No. 7, Ward 7 Construction	2.95
Road District No. 8, Ward 8 Maintenance & Construction	18.62
Public Buildings Sinking Fund	4.25
Vernon Council on Aging	1.04

Total ad valorem tax revenues recognized by the Police Jury were \$5,148,612 for the year ended December 31, 2018.

Vernon Parish Police Jury
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The following are the principal taxpayers for the Parish:

<u>Taxpayer</u>	<u>Assessed Valuation</u>	<u>Percentage of Total Assessed Valuation</u>
Cleco Corporation	\$ 5,012,610	3%
Tenneco, Inc.	3,274,070	2%
Regency	3,243,280	2%
Zarvona Energy, LLC	2,865,560	1%
Beauregard Electric Co.	2,943,530	2%
Southwestern Electric Power Company	2,362,250	1%
Energy Transfer Crude Oil	2,416,560	1%
Leesville Real Estate Holdings	2,244,940	1%
Bell South Telecommunications	1,716,710	1%
SOLA Energy Resources, LLC	<u>1,442,780</u>	<u>1%</u>
	<u>\$27,522,290</u>	<u>15%</u>

10. Risk Management

The Police Jury is exposed to various risks of loss related to torts; theft, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by the purchase of commercial insurance on building and business property, automobile liability, worker's compensation. The Police Jury assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

11. Pending Litigation and Contingent Liabilities

At December 31, 2018, the Police Jury was a named defendant in a lawsuit which has been resolved, with no liability to the Police Jury. The Police Jury is aware of two additional matters of pending or threatened litigation and/or claims. If such claims should materialize, the Police Jury will vigorously defend its position and does not feel that it has any substantial risk of a negative outcome. Any potential liability accruing against the Police Jury as a result of such claims, over and above insurance coverage limits, is expected to be immaterial to its financial position; therefore, no provision has been made in the financial statements. The Police Jury is partially self-insured for employee medical insurance with a \$45,000 stop loss deductible and an aggregate excess limit of \$1,000,000.

12. Employee Health Insurance Plan

The Employee Health Insurance Plan was established to account for the partial self-funding of the Police Jury's health insurance benefit plan. The plan is funded by both employee and Police Jury contributions and is administered through a service agreement with Blue Cross Blue Shield of Louisiana. The agreement is subject to annual renewal provisions. The Police Jury assumes liability for claims up to the individual stop loss limitation of \$45,000. Claims in excess of coverage are insured through the purchase of stop loss insurance. Monthly payments of service fees and plan

Vernon Parish Police Jury
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December 31, 2018

contributions to the Plan are recorded as expenditures from the operating funds. Under the administrative services agreement, monthly payments of service fees and claims processed are paid to Blue Cross and Blue Shield of Louisiana, who administers the plan funds. At December 31, 2018, due to the immaterial amount of estimated unpaid medical claims of \$74,229, the Police Jury has not recorded any liability relating to these cost estimates.

13. Schedule of Compensation Paid to Jurors

James B. Tuck	\$ 14,400
Marvin V. Hilton	14,400
Alton David Fox	14,400
Jackie L. Grimes	14,400
Reginald D. Johnson	14,400
Jerry W. Blair	14,400
Charnel J. Bailey	14,400
Melvin R. Haymon	14,400
David B. Brister	14,400
Curtis L. Clay	14,400
Joseph E. Cryer	14,400
Kenny R. Haymon	<u>14,400</u>
Total	<u>\$172,800</u>

14. 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. Since the Police Jury's General Fund supports the Criminal Court Fund, no such transfer is made by the Vernon Parish Police Jury.

15. Post-Employment Benefits

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

Benefits Provided – Health insurance benefits are provided to eligible retirees and spouses. The Police Jury pays 80% of the health insurance contribution rate for eligible employees who retire with less than 30 years. The payment is 100% for eligible Police Jurors and for Police Jury employees with 30 or more years of service at retirement. The contribution covers medical, dental, vision, and life insurance benefits for the retiree and spouse and is payable for the life of the retired employee and spouse. All employees who retire directly from the Police Jury and meet the eligibility criteria may participate.

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

Inactive employees or spouses currently receiving benefit payments	21
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	104
	125

Total OPEB Liability

The Police Jury's total OPEB liability of \$23,316,547 was measured as of December 31, 2018 and was determined by an actuarial valuation as of that date.

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

Inflation	3.0%
Salary scale	3.5%
4.1%, (1.1% real rate of return plus inflation)	
Healthcare cost trend rates	Level 5.0%

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

Mortality rates were based on the RPH-2014 Total Table projection MP-2018.

The assumptions are based on the 2017 PERS valuation report, however the plan has not had a formal actuarial experience study performed.

Changes in the Total OPEB Liability

Balance at January 1, 2018		\$21,954,215
Changes for the year:		
Service cost	\$ 831,183	
Interest	926,105	
Differences between expected and actual experience	0	
Benefit payments and net transfers	(394,956)	
Net changes		1,362,332
Balance at December 31, 2018		\$23,316,547

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Sensitivity of the total OPEB liability to changes in the discount rate – The following presents the total OPEB liability of the Police Jury, as well as what the Police Jury’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.1%) or 1-percentage-point higher (5.1%) than the current discount rate:

	1.0% Decrease (3.1%)	Current Discount Rate (4.1%)	1.0% Increase (5.1%)
Total OPEB liability	\$27,724,450	\$23,316,547	\$19,824,368

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates – The following presents the total OPEB liability of the Police Jury, as well as what the Police Jury’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (4.0%) or 1-percentage-point higher (6.0%) than the current healthcare trend rates:

	1.0% Decrease (4.0%)	Current Trend (5.0%)	1.0% Increase (6.0%)
Total OPEB liability	\$19,377,061	\$23,316,547	\$28,419,654

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

For the year ended December 31, 2018, the Police Jury recognized OPEB expense of \$1,757,288. At December 31, 2018, the Police Jury reported no deferred outflows of resources and no deferred inflows of resources related to OPEB.

16. Landfill

The Vernon Parish Police Jury operates a Type III (Construction and Demolition Debris and Woodwaste) landfill. The facility, consisting of approximately 50 acres, was originally opened in 1986 and has a remaining estimated useful life of approximately 15 years. State and federal laws and regulations require that the Police Jury place a final cover on its landfill when closed and perform certain maintenance and monitoring functions at the landfill site for three years after closure.

Annual closure costs to fill and cover each cell is minimal because the volume of material removed to open each cell normally exceeds the volume of material required to cover the cell on closure. Additionally, the cost of the final pre-closure cover and the post-closure monitoring costs for three years after closure are estimated at \$72,343. However, the actual cost of closure and post-closure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations.

As of December 31, 2018, the Police Jury, due to the immaterial amount of the estimated closure and post-closure care costs, has not recorded any liability relating to these cost estimates, which liability equates to approximately \$3,945 for the current period.

Vernon Parish Police Jury
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17. Prior Period Adjustment

During the year, the Police Jury determined that capital assets were incorrectly stated in the prior year financial statements due to failure to include the costs of one construction project in process. The expenses were correctly stated in the fund financial statements; however, the costs were inadvertently omitted from the government-wide statements. Also, as stated in Note P, implementation of GASB Statement 75 resulted in a cumulative change in accounting principle and a restatement of net position.

The following schedule reconciles December 31, 2017 net position as restated as a result of the correction of the error and implementation of GASB 75 as described above:

	<u>Governmental Activities</u>
Net position, previously reported	\$53,498,853
Prior period adjustment:	
Change in accounting principle	(488,524)
Correction of error	<u>380,211</u>
Net position, as restated	<u>\$53,390,540</u>

18. Subsequent Events

Management has evaluated events through June 25, 2019, the date which the financial statements were available for issue. There were no items to be reported as subsequent events.

OTHER REQUIRED SUPPLEMENTAL INFORMATION

Vernon Parish Police Jury
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance-
Budget (GAAP Basis) and Actual
Year Ended December 31, 2018

	Original Budget	Final Budget	Actual Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Favorable (Unfavorable)
			Actual	Adjustments to Budgetary Basis		
Revenues:						
Taxes	\$1,461,000	\$1,443,869	\$1,369,824	\$ 88,151	\$1,457,975	\$ 14,106
Licenses & Permits	321,500	312,059	271,619	40,398	312,017	(42)
Intergovernmental-						
Federal Grants	100,000	267,671	327,858	(60,187)	267,671	0
State Grants	29,500	29,000	29,236	0	29,236	236
Local Funds	16,575	16,575	16,575	0	16,575	0
Charges for Services	280,970	271,133	292,705	(28,201)	264,504	(6,629)
Fines & Forfeitures	40,600	77,000	80,684	0	80,684	3,684
Interest & Miscellaneous	<u>1,674,155</u>	<u>1,552,798</u>	<u>1,551,836</u>	<u>1,126</u>	<u>1,550,710</u>	<u>(2,088)</u>
Total Revenues	<u>\$3,924,300</u>	<u>\$3,970,105</u>	<u>\$3,940,337</u>	<u>\$ 39,035</u>	<u>\$3,979,372</u>	<u>\$ 9,267</u>
Expenditures:						
General Government-						
Legislative	\$ 601,943	\$ 571,423	\$ 571,423	\$ 0	\$ 571,423	\$ 0
Judicial	502,290	507,631	507,781	0	507,781	(150)
Elections	28,057	28,510	28,510	0	28,510	0
Finance & Administration	1,838,555	1,706,502	1,727,603	84	1,737,687	(21,185)
Other	0	0	0	0	0	0
Public Safety	6,044	6,327	6,726	(400)	6,326	1
Public Works	835,890	750,565	755,149	0	755,149	(4,584)
Health & Welfare	106,587	109,765	109,714	0	109,714	51
Culture & Recreation	22,314	21,174	20,750	0	20,750	424
Economic Development	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>\$3,941,680</u>	<u>\$3,701,897</u>	<u>\$3,727,656</u>	<u>\$ (316)</u>	<u>\$3,727,340</u>	<u>\$(25,443)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$ (17,380)</u>	<u>\$ 268,208</u>	<u>\$ 212,681</u>	<u>\$ 39,351</u>	<u>\$ 252,032</u>	<u>\$(16,176)</u>
Other Financing Sources (Uses):						
Operating Transfers In	\$ 465,000	\$ 538,973	\$ 555,089	\$ 84	\$ 555,173	\$ 16,200
Sale of Assets	0	1,736	1,736	0	1,736	0
Proceeds of Debt	0	1,550,000	1,550,000	0	1,550,000	0
Operating Transfers Out	<u>(3,350)</u>	<u>(686,994)</u>	<u>(686,993)</u>	<u>0</u>	<u>(686,993)</u>	<u>1</u>
Total Other Financing	<u>\$ 461,650</u>	<u>\$1,403,715</u>	<u>\$1,419,832</u>	<u>\$ 84</u>	<u>\$1,419,916</u>	<u>\$ 16,201</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	<u>\$ 444,270</u>	<u>\$1,671,923</u>	<u>\$1,632,513</u>	<u>\$ 39,435</u>	<u>\$1,671,948</u>	<u>\$ 25</u>
Fund Balance-Beginning of Year	<u>4,394,072</u>	<u>4,394,072</u>	<u>4,394,072</u>	<u>0</u>	<u>4,394,072</u>	<u>0</u>
Fund Balance-End of Year	<u>\$4,838,342</u>	<u>\$6,065,995</u>	<u>\$6,026,585</u>	<u>\$ 39,435</u>	<u>\$6,066,020</u>	<u>\$ 25</u>

See independent auditor's report and notes to the financial statements.

Vernon Parish Police Jury
Parishwide Road Maintenance Fund
Statement of Revenues, Expenditures and Changes in Fund Balance-
Budget (GAAP Basis) and Actual
Year Ended December 31, 2018

	Original Budget	Final Budget	Actual Amounts		Variance with Final Budget Favorable (Unfavorable)	
			Actual	Adjustments to Budgetary Basis		
Revenues:						
Taxes-						
Ad Valorem Taxes	\$ 320,000	\$ 335,000	\$ 260,493	\$ 83,806	\$ 344,299	\$ 9,299
Intergovernmental-						
Federal Grants	100,000	124,444	85,011	39,433	124,444	0
State Grants	50,000	49,140	49,140	0	49,140	0
License & Permits	0	0	1,000	0	1,000	1,000
Interest & Miscellaneous	<u>40,191</u>	<u>105,928</u>	<u>107,683</u>	<u>(36)</u>	<u>107,647</u>	<u>1,719</u>
Total Revenues	<u>\$ 510,191</u>	<u>\$ 614,512</u>	<u>\$ 503,327</u>	<u>\$ 123,203</u>	<u>\$ 626,530</u>	<u>\$ 12,018</u>
Expenditures:						
Public Works	\$ 2,456,579	\$ 2,276,003	\$ 2,373,976	\$ (95,950)	\$ 2,278,026	\$ (2,023)
Debt Services	<u>36,128</u>	<u>45,033</u>	<u>64,567</u>	<u>(20,020)</u>	<u>44,547</u>	<u>486</u>
Total Expenditures	<u>\$ 2,492,707</u>	<u>\$ 2,321,036</u>	<u>\$ 2,438,543</u>	<u>\$ (115,970)</u>	<u>\$ 2,322,573</u>	<u>\$ (1,537)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$(1,982,516)</u>	<u>\$(1,706,524)</u>	<u>\$(1,935,216)</u>	<u>\$ 239,173</u>	<u>\$(1,696,043)</u>	<u>\$ 10,481</u>
Other Financing Sources (Uses):						
Operating Transfers In	\$ 2,253,010	\$ 2,198,246	\$ 2,244,493	\$ (10,000)	\$ 2,234,493	\$ 36,247
Sale of Assets	0	25,000	15,000	10,000	25,000	0
Proceeds of Debt	0	0	95,246	(95,246)	0	0
Operating Transfers Out	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Other Financing	<u>\$ 2,253,010</u>	<u>\$ 2,223,246</u>	<u>\$ 2,354,739</u>	<u>\$ (95,246)</u>	<u>\$ 2,259,493</u>	<u>\$ 36,247</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	\$ 270,494	\$ 516,722	\$ 419,523	\$ 143,927	\$ 563,450	\$ 46,728
Fund Balance-Beginning of Year	<u>739,041</u>	<u>739,041</u>	<u>739,041</u>	<u>0</u>	<u>739,041</u>	<u>0</u>
Fund Balance-End of Year	<u>\$ 1,009,535</u>	<u>\$ 1,255,763</u>	<u>\$ 1,158,564</u>	<u>\$ 143,927</u>	<u>\$ 1,302,491</u>	<u>\$ 46,728</u>

See independent auditor's report and notes to the financial statements.

Vernon Parish Police Jury
Sales Tax Fund
Statement of Revenues, Expenditures and Changes in Fund Balance-
Budget (GAAP Basis) and Actual
Year Ended December 31, 2018

	Original Budget	Final Budget	Actual Amounts		Variance with Final Budget Favorable (Unfavorable)	
			Actual	Adjustments to Budgetary Basis		
Revenues:						
Taxes-						
Sales & Use Tax	\$ 8,500,000	\$ 8,900,000	\$ 8,957,272	\$ (3,247)	\$ 8,954,025	\$ 54,025
Interest & Miscellaneous	127	136	147	(11)	136	0
Total Revenues	<u>\$ 8,500,127</u>	<u>\$ 8,900,136</u>	<u>\$ 8,957,419</u>	<u>\$ (3,258)</u>	<u>\$ 8,954,161</u>	<u>\$ 54,025</u>
Expenditures:						
General Government-						
Finance & Administration	\$ 155,155	\$ 149,655	\$ 191,302	\$(42,801)	\$ 148,501	\$ 1,154
Excess (Deficiency) of Revenues over Expenditures	<u>\$ 8,344,972</u>	<u>\$ 8,750,481</u>	<u>\$ 8,766,117</u>	<u>\$ 39,543</u>	<u>\$ 8,805,660</u>	<u>\$ 55,179</u>
Other Financing Uses:						
Operating Transfers To-						
4% Admin to General Fund	\$ (341,000)	\$ (350,000)	\$ (358,164)	\$ 0	\$ (358,164)	\$ (8,164)
PWM Road Maintenance	(1,310,000)	(1,370,000)	(1,406,247)	0	(1,406,247)	(36,247)
Sanitary Landfill	(5,240,000)	(5,500,000)	(5,624,988)	0	(5,624,988)	(124,988)
Fire District #1	(1,310,000)	(1,370,000)	(1,406,247)	0	(1,406,247)	(36,247)
Total Other Financing	<u>\$(8,201,000)</u>	<u>\$(8,590,000)</u>	<u>\$(8,795,646)</u>	<u>\$ 0</u>	<u>\$(8,795,646)</u>	<u>\$(205,646)</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	\$ 143,972	\$ 160,481	\$ (29,529)	\$ 39,543	\$ 10,014	\$(150,467)
Fund Balance-Beginning of Year	<u>1,021,242</u>	<u>1,021,242</u>	<u>1,021,242</u>	<u>0</u>	<u>1,021,242</u>	<u>0</u>
Fund Balance-End of Year	<u>\$ 1,165,214</u>	<u>\$ 1,181,723</u>	<u>\$ 991,713</u>	<u>\$ 39,543</u>	<u>\$ 1,031,256</u>	<u>\$(150,467)</u>

See independent auditor's report and notes to the financial statements.

Vernon Parish Police Jury
Sanitary Landfill Fund
Statement of Revenues, Expenditures and Changes in Fund Balance-
Budget (GAAP Basis) and Actual
Year Ended December 31, 2018

	Original Budget	Final Budget	Actual Amounts		Variance with Final Budget Favorable (Unfavorable)	
			Actual	Adjustments to Budgetary Basis		
Revenues:						
Interest & Miscellaneous	\$ 2,473,396	\$ 2,516,614	\$ 2,524,854	\$ (8,365)	\$ 2,516,489	\$ (125)
Expenditures:						
Public Works	\$ 3,855,942	\$ 5,257,115	\$ 5,301,785	\$ (8,209)	\$ 5,293,576	\$ (36,461)
Debt Services	33,767	33,767	33,767	0	33,767	0
Total Expenditures	\$ 3,889,709	\$ 5,290,882	\$ 5,335,552	\$ (8,209)	\$ 5,327,343	\$ (36,461)
Excess (Deficiency) of Revenues over Expenditures	\$ (1,416,313)	\$ (2,774,268)	\$ (2,810,698)	\$ (156)	\$ (2,810,854)	\$ (36,586)
Other Financing Sources (Uses):						
Operating Transfers In	\$ 5,307,653	\$ 5,500,000	\$ 5,624,988	\$ 0	\$ 5,624,988	\$ 124,988
Operating Transfers Out	(2,210,004)	(2,210,004)	(2,210,004)	0	(2,210,004)	0
Total Other Financing	\$ 3,097,649	\$ 3,289,996	\$ 3,414,984	\$ 0	\$ 3,414,984	\$ 124,988
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	\$ 1,681,336	\$ 515,728	\$ 604,286	\$ (156)	\$ 604,130	\$ 88,402
Fund Balance-Beginning of Year	2,213,310	2,213,310	2,213,310	0	2,213,310	0
Fund Balance-End of Year	\$ 3,894,646	\$ 2,729,038	\$ 2,817,596	\$ (156)	\$ 2,817,440	\$ 88,402

See independent auditor's report and notes to the financial statements.

Vernon Parish Police Jury
Fire District #1 Fund
Statement of Revenues, Expenditures and Changes in Fund Balance-
Budget (GAAP Basis) and Actual
Year Ended December 31, 2018

	Original Budget	Final Budget	Actual Amounts		Variance with Final Budget Favorable (Unfavorable)
			Actual	Adjustments to Budgetary Basis	
Revenues:					
Intergovernmental-					
Federal Grants	\$ 0	\$ 0	\$ 19,117	\$ (19,117)	\$ 0
State Grants	5,500	9,000	0	9,000	0
Interest & Miscellaneous	<u>2,004</u>	<u>5,786</u>	<u>5,823</u>	<u>(126)</u>	<u>(89)</u>
Total Revenues	<u>\$ 7,504</u>	<u>\$ 14,786</u>	<u>\$ 24,940</u>	<u>\$ (10,243)</u>	<u>\$ (89)</u>
Expenditures:					
Public Safety	\$ 1,080,683	\$ 1,131,690	\$ 1,195,241	\$ (74,941)	\$ 11,390
Debt Services	<u>130,000</u>	<u>108,456</u>	<u>124,406</u>	<u>(20,361)</u>	<u>4,411</u>
Total Expenditures	<u>\$ 1,120,683</u>	<u>\$ 1,240,146</u>	<u>\$ 1,319,647</u>	<u>\$ (95,302)</u>	<u>\$ 15,801</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$(1,203,179)</u>	<u>\$(1,225,360)</u>	<u>\$(1,294,707)</u>	<u>\$ 85,059</u>	<u>\$ 15,712</u>
Other Financing Sources (Uses):					
Operating Transfers In	\$ 1,329,936	\$ 1,375,000	\$ 1,406,247	\$ 0	\$ 31,247
Sale of Assets	300	0	0	0	0
Proceeds of Debt	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Other Financing	<u>\$ 1,330,236</u>	<u>\$ 1,375,000</u>	<u>\$ 1,406,247</u>	<u>\$ 0</u>	<u>\$ 31,247</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	\$ 127,057	\$ 149,640	\$ 111,540	\$ 85,059	\$ 46,959
Fund Balance-Beginning of Year	<u>2,652,319</u>	<u>2,652,319</u>	<u>2,652,319</u>	<u>0</u>	<u>0</u>
Fund Balance-End of Year	<u>\$ 2,779,376</u>	<u>\$ 2,801,959</u>	<u>\$ 2,763,859</u>	<u>\$ 85,059</u>	<u>\$ 46,959</u>

See independent auditor's report and notes to the financial statements.

Vernon Parish Police Jury
Schedule of Employer's Share of Net Pension Liability
For the Year Ended December 31, 2018

<u>Year</u>	<u>Employer's Proportion of the Net Pension Liability (Asset)</u>	<u>Employer's Proportionate Share of the Net Pension Liability (Asset)</u>	<u>Employer's Covered Employee Payroll</u>	<u>Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll</u>	<u>Plan Fiduciary Net Pension as a Percentage of the Total Pension Liability</u>
Parochial Employees Retirement System (PERS)					
2015	4.29595%	\$ 11,931	\$4,027,389	0.30%	99.89%
2016	4.19018%	\$ 746,042	\$3,761,182	19.84%	95.52%
2017	3.77555%	\$ 490,472	\$3,542,929	13.84%	95.50%
2018	3.49375%	\$(439,585)	\$3,448,812	-12.75%	104.02%
District Attorney Retirement System (DARS)					
2015	0.15903%	\$ 8,568	\$ 93,250	9%	98.56%
2016	0.12842%	\$ 24,581	\$ 93,250	26%	95.09%
2017	0.16624%	\$ 44,839	\$ 93,250	48%	93.57%
2018	0.14998%	\$ 48,263	\$ 93,250	52%	92.92%
Registrar of Voter's Employees' Retirement System (ROVERS)					
2015	0.16236%	\$ 39,763	\$ 22,026	181%	76.86%
2016	0.16035%	\$ 45,500	\$ 22,026	207%	73.98%
2017	0.16082%	\$ 35,301	\$ 22,026	160%	80.51%
2018	0.15873%	\$ 37,468	\$ 22,026	170%	80.57%

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

Vernon Parish Police Jury
Schedule of Employer's Contributions
For the Year Ended December 31, 2018

<u>Year</u>	<u>Contractually Required Contributions</u>	<u>Contributions in Relation to Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Payroll</u>	<u>Contributions as a Percentage of Covered Employee Payroll</u>
Parochial Employees' Retirement System (PERS)					
2015	\$362,466	\$362,466	\$0	\$4,027,389	9.00%
2016	\$300,894	\$300,894	\$0	\$3,761,182	8.00%
2017	\$283,434	\$283,434	\$0	\$3,542,929	8.00%
2018	\$258,661	\$258,661	\$0	\$3,448,812	7.50%
District Attorney's Retirement System (DARS)					
2015	\$ 4,896	\$ 4,896	\$0	\$ 93,250	7.00%
2016	\$ 1,632	\$ 1,632	\$0	\$ 93,250	1.75%
2017	\$ 0	\$ 0	\$0	\$ 93,250	0.00%
2018	\$ 583	\$ 583	\$0	\$ 93,250	0.63%
Registrar of Voter's Employees' Retirement System (ROVERS)					
2015	\$ 5,149	\$ 5,149	\$0	\$ 22,026	23.38%
2016	\$ 4,681	\$ 4,681	\$0	\$ 22,026	21.25%
2017	\$ 4,075	\$ 4,075	\$0	\$ 22,026	18.50%
2018	\$ 3,744	\$ 3,744	\$0	\$ 22,026	17.00%

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

Vernon Parish Police Jury
Required Supplemental Information
Schedule of Changes in Net OPEB Liability and Related Ratios
For the Year Ended December 31, 2018

Total OPEB liability	
Service cost	\$ 831,183
Interest	926,105
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes of assumptions	-
Benefit Payments	<u>(394,956)</u>
Net Change in total OPEB liability	\$ 1,362,332
Total OPEB liability - beginning	<u>21,954,215</u>
Total OPEB liability - ending	<u><u>\$ 23,316,547</u></u>
Covered-employee payroll	<u><u>\$ 3,136,141</u></u>
Net OPEB liability as a percentage of covered-employee payroll	743.48%

Notes to Schedule:

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

Changes of Assumptions. There were no changes of assumptions for the year ended December 31, 2018.

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

Vernon Parish Police Jury
Schedule of Compensation, Benefits and Other Payments to
Agency Head or Chief Executive Officer
For the Year Ended December 31, 2018

Agency Head Name: James B. Tuck, Police Jury President

<u>Purpose</u>	<u>Amount</u>
Salary	\$14,400
Benefits-Insurance	10,480
Benefits-Retirement	1,080
Benefits-Other (Social Security/Medicare)	1,102
Car allowance	0
Vehicle provided by government	0
Cell phone	0
Dues	0
Vehicle rental	0
Per Diem	143
Transportation-Mileage	488
Reimbursements (office)	0
Travel	0
Registration fees	0
Conference travel	0
Lodging	475
Unvouchered expenses	0
Special meals	0
Other	<u>0</u>
Total	<u>\$28,168</u>

OTHER SUPPLEMENTAL SCHEDULES

Vernon Parish Police Jury
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2018

	Special Revenue Funds				
	Probation Office	Public Buildings Maintenance	Courthouse & Jail Maintenance	Criminal Court	Special Witness Fee
<u>Assets</u>					
Cash	\$43,419	\$279,981	\$ 650,360	\$16,957	\$59,584
Revenue Receivables	10,986	0	1,001,529	9,959	0
Due from Other Funds	<u>0</u>	<u>18,019</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Assets	<u>\$54,405</u>	<u>\$298,000</u>	<u>\$1,651,889</u>	<u>\$26,916</u>	<u>\$59,584</u>
<u>Liabilities</u>					
Cash Overdraft	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Accounts Payable	0	9,486	12,227	2,154	250
Accrued Payroll & Other Expenses	0	0	0	0	0
Due to Other Funds	<u>0</u>	<u>0</u>	<u>18,019</u>	<u>0</u>	<u>0</u>
Total Liabilities	<u>\$ 0</u>	<u>\$ 9,486</u>	<u>\$ 30,246</u>	<u>\$ 2,154</u>	<u>\$ 250</u>
<u>Fund Balance</u>					
Restricted	\$54,405	\$288,514	\$1,621,643	\$24,762	\$59,334
Unassigned	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Fund Balance	<u>\$54,405</u>	<u>\$288,514</u>	<u>\$1,621,643</u>	<u>\$24,762</u>	<u>\$59,334</u>
Total Liabilities & Fund Balance	<u>\$54,405</u>	<u>\$298,000</u>	<u>\$1,651,889</u>	<u>\$26,916</u>	<u>\$59,334</u>

See independent auditor's report and notes to financial statements.

Special Revenue Funds

West LA Forestry Festival	Library	Tourism	Animal Shelter	Health Unit	Public Improvement Construction	Road District Maintenance
\$40,573	\$1,386,881	\$60,075	\$2,606	\$1,403,118	\$12,986	\$ 320,591
0	964,984	15,750	0	395,726	0	739,551
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,094</u>
<u>\$40,573</u>	<u>\$2,351,865</u>	<u>\$75,825</u>	<u>\$2,606</u>	<u>\$1,798,844</u>	<u>\$12,986</u>	<u>\$1,062,236</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
381	1,297	17,534	45	5,256	0	1,255
0	0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,094</u>
<u>\$ 381</u>	<u>\$ 1,297</u>	<u>\$17,534</u>	<u>\$ 45</u>	<u>\$ 5,256</u>	<u>\$ 0</u>	<u>\$ 3,349</u>
\$40,192	\$2,350,568	\$58,291	\$2,561	\$1,793,588	\$12,986	\$1,058,887
0	0	0	0	0	0	0
<u>\$40,192</u>	<u>\$2,350,568</u>	<u>\$58,291</u>	<u>\$2,561</u>	<u>\$1,793,588</u>	<u>\$12,986</u>	<u>\$1,058,887</u>
<u>\$40,573</u>	<u>\$2,351,865</u>	<u>\$75,825</u>	<u>\$2,606</u>	<u>\$1,798,844</u>	<u>\$12,986</u>	<u>\$1,062,236</u>

Vernon Parish Police Jury
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2018

	Special Revenue Funds			
	Road District Construction	Economic Development	Overlay/ Road Construction	Parish Transportation Act
<u>Assets</u>				
Cash	\$717,787	\$286,634	\$253,240	\$312,961
Revenue Receivables	250,290	0	0	44,202
Due from Other Funds	<u>4,649</u>	<u>111,738</u>	<u>0</u>	<u>0</u>
Total Assets	<u>\$972,726</u>	<u>\$398,372</u>	<u>\$253,240</u>	<u>\$357,163</u>
<u>Liabilities</u>				
Cash Overdraft	\$ 0	\$ 0	\$	\$ 0
Accounts Payable	242	0	41,158	0
Accrued Payroll & Other Expenses	0	0	0	0
Due to Other Funds	<u>4,649</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities	<u>\$ 4,891</u>	<u>\$ 0</u>	<u>\$ 41,158</u>	<u>\$ 0</u>
<u>Fund Balance</u>				
Restricted	\$967,835	\$398,372	\$212,082	\$357,163
Unassigned	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Fund Balance	<u>\$967,835</u>	<u>\$398,372</u>	<u>\$212,082</u>	<u>\$357,163</u>
Total Liabilities & Fund Balance	<u>\$972,726</u>	<u>\$398,372</u>	<u>\$253,240</u>	<u>\$357,163</u>

See independent auditor's report and notes to financial statements.

Special Revenue Funds						
Hotel/ Motel Tax	Federal/ State Funds	Vernon Council on Aging	Vernon Community Action Council	Drug Court Grant	Arena District	Fire Insurance
\$ 122	\$206,626	\$ 0	\$ 0	\$ 432	\$181,219	\$1,401,619
13,115	96,281	160,089	7,837	6,978	9,170	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$13,237</u>	<u>\$302,907</u>	<u>\$160,089</u>	<u>\$7,837</u>	<u>\$7,410</u>	<u>\$190,389</u>	<u>\$1,401,619</u>
\$ 0	\$ 0	\$ 14,552	\$ 0	\$ 0	\$ 0	\$ 0
0	25,406	0	7,837	574	0	0
0	0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$ 0</u>	<u>\$ 25,406</u>	<u>\$ 14,552</u>	<u>\$7,837</u>	<u>\$ 574</u>	<u>\$ 0</u>	<u>\$ 0</u>
\$13,237	\$277,501	\$145,537	\$ 0	\$6,836	\$190,389	\$1,401,619
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$13,237</u>	<u>\$277,501</u>	<u>\$145,537</u>	<u>\$ 0</u>	<u>\$6,836</u>	<u>\$190,389</u>	<u>\$1,401,619</u>
<u>\$13,237</u>	<u>\$302,907</u>	<u>\$160,089</u>	<u>\$7,837</u>	<u>\$7,410</u>	<u>\$190,389</u>	<u>\$1,401,619</u>

Vernon Parish Police Jury
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2018

	<u>Special Revenue Funds</u>		<u>Debt Service Funds</u>		Total Nonmajor Governmental Funds
	<u>D-CDBG</u>	<u>LCDBG</u>	<u>Road Improvement (Sinking Fund)</u>	<u>Public Buildings Debt Service</u>	
<u>Assets</u>					
Cash	\$ 8	\$84	\$3	\$ 646,952	\$ 8,284,818
Revenue Receivables	528,258	0	0	519,089	4,773,794
Due from Other Funds	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>136,500</u>
Total Assets	<u>\$528,266</u>	<u>\$84</u>	<u>\$3</u>	<u>\$1,166,041</u>	<u>\$13,195,112</u>
<u>Liabilities</u>					
Cash Overdraft	\$ 0	\$ 0	\$0	\$ 0	\$ 14,552
Accounts Payable	528,258			0	653,360
Accrued Payroll & Other Expenses	0	0	0	105,463	105,463
Due to Other Funds	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>24,762</u>
Total Liabilities	<u>\$528,258</u>	<u>\$ 0</u>	<u>\$0</u>	<u>\$ 105,463</u>	<u>\$ 798,137</u>
Fund Balance					
Restricted	\$ 8	\$84	\$3	\$1,060,578	\$12,396,975
Unassigned	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Fund Balance	<u>\$ 8</u>	<u>\$84</u>	<u>\$3</u>	<u>\$1,060,578</u>	<u>\$12,396,975</u>
Total Liabilities & Fund Balance	<u>\$528,266</u>	<u>\$84</u>	<u>\$3</u>	<u>\$1,166,041</u>	<u>\$13,195,112</u>

Vernon Parish Police Jury
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
Year Ended December 31, 2018

	Special Revenue Funds				
	Probation Office	Public Buildings Maintenance	Courthouse & Jail Maintenance	Criminal Court	Special Witness Fee
Revenues:					
Taxes-					
Ad Valorem	\$ 0	\$ 0	\$1,108,919	\$ 0	\$ 0
Sales & Use Tax	0	0	0	0	0
Licenses & Permits	0	0	0	0	0
Intergovernmental-					
Federal Grants	0	0	0	0	0
State Grants	0	0	78,232	0	0
Other Grants	0	0	0	0	0
Charges for Services	154,266	0	0	0	0
Fines & Forfeits	0	0	0	818,619	43,730
Interest & Miscellaneous	<u>126</u>	<u>18,949</u>	<u>3,261</u>	<u>0</u>	<u>20</u>
Total Revenues	<u>\$154,392</u>	<u>\$ 18,949</u>	<u>\$1,190,412</u>	<u>\$818,619</u>	<u>\$43,750</u>
Expenditures:					
Current-					
General Government	\$751,750	\$ 291,755	\$ 0	\$828,100	\$ 8,932
Public Safety	0	2,921	1,901,273	0	0
Public Works	0	129,718	0	0	0
Health & Welfare	0	113,278	0	0	0
Recreation & Culture	0	46,743	0	0	0
Economic Development	0	28,382	0	0	0
Debt Services	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>\$751,750</u>	<u>\$ 612,797</u>	<u>\$1,901,273</u>	<u>\$828,100</u>	<u>\$ 8,932</u>
Excess (Deficiency) of Revenues over Expenditures	\$(597,358)	\$(593,848)	\$ (710,861)	\$ (9,481)	\$34,818
Other Financing Sources (Uses):					
Operating Transfers In	\$ 0	\$ 700,000	\$ 636,199	\$ 0	\$ 0
Sale of Assets	0	0	0	0	0
Proceeds of Debt	0	0	0	0	0
Operating Transfers Out	<u>0</u>	<u>(200,000)</u>	<u>(78,242)</u>	<u>0</u>	<u>0</u>
Total Other Financing	<u>\$ 0</u>	<u>\$ 500,000</u>	<u>\$ 557,957</u>	<u>\$ 0</u>	<u>\$ 0</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	\$(597,358)	\$ (93,848)	\$ (152,904)	\$ (9,481)	\$34,818
Fund Balances (Deficit)-					
Beginning of Year	<u>651,763</u>	<u>382,362</u>	<u>1,774,547</u>	<u>34,243</u>	<u>24,516</u>
Fund Balances (Deficit)-					
End of Year	<u>\$ 54,405</u>	<u>\$ 288,514</u>	<u>\$1,621,643</u>	<u>\$ 24,762</u>	<u>\$59,334</u>

See independent auditor's report and notes to financial statements.

Special Revenue Funds						
West LA Forestry Festival	Library	Tourism	Animal Shelter	Health Unit	Public Improvement Construction	Road District Maintenance
\$ 0	\$1,068,392	\$ 0	\$ 0	\$ 438,130	\$ 0	\$ 852,469
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	81,611
0	75,431	76,417	0	30,873	0	75,881
0	3,545	150,000	0	0	0	0
123,187	24,059	19,818	8,341	0	0	0
0	0	0	0	0	0	0
<u>27</u>	<u>27,429</u>	<u>125</u>	<u>21</u>	<u>12,894</u>	<u>5</u>	<u>4,284</u>
<u>\$123,214</u>	<u>\$1,198,856</u>	<u>\$ 246,360</u>	<u>\$ 8,362</u>	<u>\$ 481,897</u>	<u>\$ 5</u>	<u>\$1,014,245</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	0	0	0	0	0	0
0	0	0	0	0	0	849,447
0	0	0	197,668	336,691	0	0
169,408	1,222,639	529,065	0	0	1,181	0
0	0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>109,652</u>
<u>\$169,408</u>	<u>\$1,222,639</u>	<u>\$ 529,065</u>	<u>\$ 197,668</u>	<u>\$ 336,691</u>	<u>\$ 1,181</u>	<u>\$ 959,099</u>
<u>\$(46,194)</u>	<u>\$(23,783)</u>	<u>\$(282,705)</u>	<u>\$(189,306)</u>	<u>\$ 145,206</u>	<u>\$(1,176)</u>	<u>\$ 55,146</u>
\$ 0	\$ 0	\$ 248,670	\$ 182,453	\$ 0	\$ 9,880	\$ 8,699
0	0	0	0	0	0	15,802
0	0	0	0	0	0	28,264
<u>0</u>	<u>(77,631)</u>	<u>0</u>	<u>0</u>	<u>(213,759)</u>	<u>0</u>	<u>(10,000)</u>
<u>\$ 0</u>	<u>\$(77,631)</u>	<u>\$ 248,670</u>	<u>\$ 182,453</u>	<u>\$(213,759)</u>	<u>\$ 9,880</u>	<u>\$ 42,765</u>
<u>\$(46,194)</u>	<u>\$(101,414)</u>	<u>\$(34,035)</u>	<u>\$(6,853)</u>	<u>\$(68,553)</u>	<u>\$ 8,704</u>	<u>\$ 97,911</u>
<u>86,386</u>	<u>2,451,982</u>	<u>92,326</u>	<u>9,414</u>	<u>1,862,141</u>	<u>4,282</u>	<u>960,976</u>
<u>\$ 40,192</u>	<u>\$2,350,568</u>	<u>\$ 58,291</u>	<u>\$ 2,561</u>	<u>\$1,793,588</u>	<u>\$ 12,986</u>	<u>\$1,058,887</u>

Vernon Parish Police Jury
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
Year Ended December 31, 2018

	Special Revenue Funds			
	<u>Road District Construction</u>	<u>Economic Development</u>	<u>Overlay/ Road Construction</u>	<u>Parish Transportation Act</u>
Revenues:				
Taxes-				
Ad Valorem	\$ 275,586	\$ 0	\$ 0	\$ 0
Sales & Use Tax	0	0	0	0
Licenses & Permits	0	0	0	0
Intergovernmental-				
Federal Grants	33,334	0	0	0
State Grants	23,287	0	0	520,028
Other Grants	0	0	0	0
Charges for Services	0	0	0	0
Fines & Forfeits	0	0	0	0
Interest & Miscellaneous	<u>460</u>	<u>87</u>	<u>1,929</u>	<u>502</u>
Total Revenues	<u>\$ 332,667</u>	<u>\$ 87</u>	<u>\$ 1,929</u>	<u>\$520,530</u>
Expenditures:				
Current-				
General Government	\$ 0	\$ 0	\$ 0	\$ 0
Public Safety	0	0	0	0
Public Works	451,767	0	1,437,451	655,676
Health & Welfare	0	0	0	0
Recreation & Culture	0	0	0	0
Economic Development	0	82,824	0	0
Debt Services	<u>46,693</u>	<u>0</u>	<u>21,761</u>	<u>0</u>
Total Expenditures	<u>\$ 498,460</u>	<u>\$ 82,824</u>	<u>\$ 1,459,212</u>	<u>\$655,676</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$(165,793)</u>	<u>\$(82,737)</u>	<u>\$(1,457,283)</u>	<u>\$(135,146)</u>
Other Financing Sources (Uses):				
Operating Transfers In	\$ 522	\$200,000	\$ 1,087,346	\$ 0
Sale of Assets	246	0	0	0
Proceeds of Debt	254,373	0	188,425	0
Operating Transfers Out	<u>0</u>	<u>(15,000)</u>	<u>(239,897)</u>	<u>(387,346)</u>
Total Other Financing	<u>\$ 255,141</u>	<u>\$185,000</u>	<u>\$ 1,035,874</u>	<u>\$ (387,346)</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	\$ 89,348	\$102,263	\$ (421,409)	\$(522,492)
Fund Balances (Deficit)-				
Beginning of Year	<u>878,487</u>	<u>296,109</u>	<u>633,491</u>	<u>879,655</u>
Fund Balances (Deficit)-				
End of Year	<u>\$ 967,835</u>	<u>\$398,372</u>	<u>\$ 212,082</u>	<u>\$ 357,163</u>

See independent auditor's report and notes to financial statements.

Special Revenue Funds

<u>Hotel/ Motel Tax</u>	<u>Federal/ State Funds</u>	<u>Vernon Council on Aging</u>	<u>Vernon Community Action Council</u>	<u>Drug Court Grant</u>	<u>Arena District</u>	<u>Fire Insurance</u>
\$ 0	\$ 0	\$140,649	\$ 0	\$ 0	\$ 0	\$ 0
242,150	0	0	0	0	0	0
0	0	0	0	0	0	0
0	92,682	183,378	37,288	92,094	0	0
0	36,592	9,930	0	0	45,971	210,600
0	3,600	0	0	0	0	0
0	0	0	0	0	5,461	0
0	0	0	0	0	0	0
0	159,148	0	0	0	87	690
<u>\$ 242,150</u>	<u>\$292,022</u>	<u>\$333,957</u>	<u>\$37,288</u>	<u>\$92,094</u>	<u>\$ 51,519</u>	<u>\$ 211,290</u>
\$ 0	\$350,358	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	0	0	0	90,049	0	48,022
0	0	0	0	0	0	0
0	0	233,378	38,842	0	0	0
3,655	0	0	0	0	20,853	0
0	0	0	0	0	0	0
0	0	0	0	0	0	25,190
<u>\$ 3,655</u>	<u>\$350,358</u>	<u>\$233,378</u>	<u>\$38,842</u>	<u>\$90,049</u>	<u>\$ 20,853</u>	<u>\$ 73,212</u>
<u>\$ 238,495</u>	<u>\$(58,336)</u>	<u>\$100,579</u>	<u>\$(1,554)</u>	<u>\$ 2,045</u>	<u>\$ 30,666</u>	<u>\$ 138,078</u>
\$ 0	\$289,897	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
(240,068)	(39,897)	0	0	0	0	0
<u>\$(240,068)</u>	<u>\$250,000</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
\$ (1,573)	\$191,664	\$100,579	\$(1,554)	\$ 2,045	\$ 30,666	\$ 138,078
<u>14,810</u>	<u>85,837</u>	<u>44,958</u>	<u>1,554</u>	<u>4,791</u>	<u>159,723</u>	<u>1,263,541</u>
<u>\$ 13,237</u>	<u>\$277,501</u>	<u>\$145,537</u>	<u>\$ 0</u>	<u>\$ 6,836</u>	<u>\$190,389</u>	<u>\$1,401,619</u>

Continued next page.

Vernon Parish Police Jury
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
Year Ended December 31, 2018

	<u>Special Revenue Funds</u>		<u>Debt Service Funds</u>		Total Nonmajor Governmental Funds
	<u>D-CDBG</u>	<u>LCDBG</u>	<u>Road Improvement (Sinking Fund)</u>	<u>Public Buildings Debt Service</u>	
Revenues:					
Taxes-					
Ad Valorem	\$ 0	\$ 0	\$0	\$ 574,768	\$ 4,458,913
Sales & Use Tax	0	0	0	0	242,150
Licenses & Permits	0	0	0	0	0
Intergovernmental-					
Federal Grants	758,125	0	0	0	1,278,512
State Grants	0	0	0	0	1,183,242
Other Grants	0	0	0	0	157,145
Charges for Services	0	0	0	0	335,132
Fines & Forfeits	0	0	0	0	862,349
Interest & Miscellaneous	0	0	0	367	230,411
Total Revenues	<u>\$758,125</u>	<u>\$ 0</u>	<u>\$0</u>	<u>\$ 575,135</u>	<u>\$ 8,747,854</u>
Expenditures:					
Current-					
General Government	\$ 0	\$ 0	\$0	\$ 800	\$ 2,231,695
Public Safety	0	0	0	0	2,042,265
Public Work	0	0	0	0	3,524,059
Health & Welfare	0	0	0	0	919,857
Recreation & Culture	0	0	0	0	1,993,544
Economic Development	758,125	0	0	0	869,331
Debt Services	0	0	0	680,212	883,508
Total Expenditures	<u>\$758,125</u>	<u>\$ 0</u>	<u>\$0</u>	<u>\$ 680,212</u>	<u>\$12,464,259</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$0</u>	<u>\$ (105,877)</u>	<u>\$ (3,716,405)</u>
Other Financing Sources (Uses):					
Operating Transfers In	\$ 0	\$ 0	\$0	\$ 0	\$ 3,363,666
Sale of Assets	0	0	0	0	16,048
Proceeds of Debt	0	0	0	0	471,062
Operating Transfers Out	0	0	0	0	(1,501,840)
Total Other Financing	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$0</u>	<u>\$ 0</u>	<u>\$ 2,348,936</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	\$ 0	\$ 0	\$0	\$ (105,877)	\$ (1,367,469)
Fund Balances (Deficit)-					
Beginning of Year	8	84	3	1,166,455	13,764,444
Fund Balances (Deficit)- End of Year	<u>\$ 8</u>	<u>\$84</u>	<u>\$3</u>	<u>\$1,060,578</u>	<u>\$12,396,975</u>

See independent auditor's report and notes to financial statements.

Vernon Parish Police Jury
Combining Balance Sheet
Nonmajor Governmental Funds – Special Revenue Funds – Road District Maintenance Funds
Year Ended December 31, 2018

	No. 1	No. 2	No. 3	No. 4	No. 5	No. 6	No. 7	No. 8	Total
<u>Assets</u>									
Cash and Cash Equivalents	\$ 92,519	\$ 52,083	\$ 8,451	\$ 83,742	\$ 52,104	\$ 2,774	\$ 20,121	\$ 8,797	\$ 320,591
Revenue Receivables	107,205	142,768	122,097	71,369	90,914	55,216	105,404	44,578	739,551
Due from Other Funds	2,094	0	0	0	0	0	0	0	2,094
Total Assets	<u>\$201,818</u>	<u>\$194,851</u>	<u>\$130,548</u>	<u>\$155,111</u>	<u>\$143,018</u>	<u>\$57,990</u>	<u>\$125,525</u>	<u>\$53,375</u>	<u>\$1,062,236</u>
<u>Liabilities</u>									
Cash Overdraft	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Accounts Payable	0	737	0	0	0	0	0	518	1,255
Accrued Payroll & Other Exp.	0	0	0	0	0	0	0	0	0
Due to Other Funds	0	2,094	0	0	0	0	0	0	2,094
Total Liabilities	<u>\$ 0</u>	<u>\$ 2,831</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 518</u>	<u>\$ 3,349</u>
<u>Fund Balance</u>									
Restricted	\$201,818	\$192,020	\$130,548	\$155,111	\$143,018	\$57,990	\$125,525	\$52,857	\$1,058,887
Unassigned	0	0	0	0	0	0	0	0	0
Total Fund Balance	<u>\$201,818</u>	<u>\$192,020</u>	<u>\$130,548</u>	<u>\$155,111</u>	<u>\$143,018</u>	<u>\$57,990</u>	<u>\$125,525</u>	<u>\$52,857</u>	<u>\$1,058,887</u>
Total Liabilities & Fund Balance	<u>\$201,818</u>	<u>\$194,851</u>	<u>\$130,548</u>	<u>\$155,111</u>	<u>\$143,018</u>	<u>\$57,990</u>	<u>\$125,525</u>	<u>\$53,375</u>	<u>\$1,062,236</u>

See independent auditor's report and notes to financial statements.

Vernon Parish Police Jury
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds – Special Revenue Funds – Road District Maintenance Funds
Year Ended December 31, 2018

	No. 1	No. 2	No. 3	No. 4	No. 5	No. 6	No. 7	No. 8	Total
Revenues:									
Taxes-Ad Valorem	\$159,278	\$158,279	\$126,732	\$ 80,295	\$106,050	\$57,714	\$115,923	\$48,198	\$ 852,469
Sales & Use Tax	0	0	0	0	0	0	0	0	0
Licenses & Permits	0	0	0	0	0	0	0	0	0
Intergovernmental-									
Federal Grants	0	0	0	4,598	60,921	0	13,793	2,299	81,611
State Grants	10,677	25,011	7,885	4,050	4,679	5,354	12,821	5,404	75,881
Other Grants	0	0	0	0	0	0	0	0	0
Charges for Services	0	0	0	0	0	0	0	0	0
Fines & Forfeits	0	0	0	0	0	0	0	0	0
Interest & Miscellaneous	274	356	338	199	624	326	2,159	8	4,284
Total Revenues	\$170,229	\$183,646	\$134,955	\$ 89,142	\$172,274	\$63,394	\$144,696	\$55,909	\$1,014,245
Expenditures:									
Current-									
General Government	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Public Safety	0	0	0	0	0	0	0	0	0
Public Works	122,708	152,071	116,472	89,258	127,511	49,612	142,824	48,991	849,447
Health & Welfare	0	0	0	0	0	0	0	0	0
Recreation & Culture	0	0	0	0	0	0	0	0	0
Economic Development	0	0	0	0	0	0	0	0	0
Debt Services	10,345	22,491	30,444	9,126	0	7,477	26,461	3,308	109,652
Total Expenditures	\$133,053	\$174,562	\$146,916	\$ 98,384	\$127,511	\$57,089	\$169,285	\$52,299	\$ 959,099
Excess (Deficiency) of Revenues over Expenditures	\$ 37,176	\$ 9,084	\$(11,961)	\$ (9,242)	\$ 44,763	\$ 6,305	\$(24,589)	\$ 3,610	\$ 55,146
Other Financing Sources(Uses):									
Operating Transfers In	\$ 2,441	\$ (3,236)	\$ 0	\$ 72	\$ 954	\$ 0	\$ 1,960	\$ 36	\$ 8,699
Sale of Assets	2,452	7,664	2,731	2,156	0	433	191	175	15,802
Proceeds of Debt	0	0	0	16,958	0	0	11,306	0	28,264
Operating Transfers Out	(3,200)	0	(3,800)	(3,000)	0	0	0	0	(10,000)
Total Other Financing	\$ 1,693	\$ 10,900	\$ (1,069)	\$ 16,186	\$ 954	\$ 433	\$ 13,457	\$ 211	\$ 42,765
Excess (Deficiency) of Revenues & Other Sources over Expenditures and Other Uses	\$ 38,869	\$ 19,984	\$(13,030)	\$ 6,944	\$ 45,717	\$ 6,738	\$(11,132)	\$ 3,821	\$ 97,911
Fund Balance (Deficit)-									
Beginning of Year	162,949	172,036	143,578	148,167	97,301	51,252	136,657	49,036	960,976
Fund Balance (Deficit)- End of Year	\$201,818	\$192,020	\$130,548	\$155,111	\$143,018	\$57,990	\$125,525	\$52,857	\$1,058,887

See independent auditor's report and notes to financial statements.

Vernon Parish Police Jury
Combining Balance Sheet
Nonmajor Governmental Funds – Special Revenue Funds – Road District Construction Funds
Year Ended December 31, 2018

	No. 1	No. 2	No. 3	No. 4	No. 5	No. 6	No. 7	No. 8	Total
<u>Assets</u>									
Cash and Cash Equivalents	\$169,230	\$43,251	\$ 76,865	\$167,393	\$108,313	\$ 3,528	\$123,102	\$ 26,105	\$717,787
Revenue Receivables	42,516	21,964	48,982	28,676	36,444	7,362	42,133	22,213	250,290
Due from Other Funds	0	4,649	0	0	0	0	0	0	4,649
Total Assets	<u>\$211,746</u>	<u>\$69,864</u>	<u>\$125,847</u>	<u>\$196,069</u>	<u>\$144,757</u>	<u>\$10,890</u>	<u>\$165,235</u>	<u>\$48,318</u>	<u>\$972,726</u>
<u>Liabilities</u>									
Cash Overdraft	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Accounts Payable	0	0	0	0	0	0	242	0	242
Accrued Payroll & Other Exp.	0	0	0	0	0	0	0	0	0
Due to Other Funds	4,649	0	0	0	0	0	0	0	4,649
Total Liabilities	<u>\$ 4,649</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 242</u>	<u>\$ 0</u>	<u>\$ 4,891</u>
<u>Fund Balance</u>									
Restricted	\$207,097	\$69,864	\$125,847	\$196,069	\$144,757	\$10,890	\$164,993	\$48,318	\$967,835
Unassigned	0	0	0	0	0	0	0	0	0
Total Fund Balance	<u>\$207,097</u>	<u>\$69,864</u>	<u>\$125,847</u>	<u>\$196,069</u>	<u>\$144,757</u>	<u>\$10,890</u>	<u>\$164,993</u>	<u>\$48,318</u>	<u>\$937,835</u>
Total Liabilities & Fund Balance	<u>\$211,746</u>	<u>\$69,864</u>	<u>\$125,847</u>	<u>\$196,069</u>	<u>\$144,757</u>	<u>\$10,890</u>	<u>\$165,235</u>	<u>\$48,318</u>	<u>\$972,726</u>

See independent auditor's report and notes to financial statements.

Vernon Parish Police Jury
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds – Special Revenue Funds – Road District Construction Funds
Year Ended December 31, 2018

	No. 1	No. 2	No. 3	No. 4	No. 5	No. 6	No. 7	No. 8	Total
Revenues:									
Taxes-Ad Valorem	\$ 47,564	\$ 24,350	\$ 50,842	\$ 32,260	\$ 42,512	\$ 7,695	\$ 46,340	\$ 24,023	\$ 275,586
Sales & Use Tax	0	0	0	0	0	0	0	0	0
Licenses & Permits	0	0	0	0	0	0	0	0	0
Intergovernmental-									
Federal Grants	0	0	0	2,299	25,288	0	4,598	1,149	33,334
State Grants	4,232	3,847	3,163	1,625	1,876	713	5,129	2,702	23,287
Other Grants	0	0	0	0	0	0	0	0	0
Charges for Services	0	0	0	0	0	0	0	0	0
Fines & Forfeits	0	0	0	0	0	0	0	0	0
Interest & Miscellaneous	95	36	49	138	49	4	67	22	460
Total Revenues	<u>\$ 51,891</u>	<u>\$ 28,233</u>	<u>\$ 54,054</u>	<u>\$ 36,322</u>	<u>\$ 69,725</u>	<u>\$ 8,412</u>	<u>\$ 56,134</u>	<u>\$ 27,896</u>	<u>\$ 332,667</u>
Expenditures:									
Current-									
General Government	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Public Safety	0	0	0	0	0	0	0	0	0
Public Works	21,160	174,081	137,103	15,984	22,260	4,813	24,698	51,668	451,767
Health & Welfare	0	0	0	0	0	0	0	0	0
Recreation & Culture	0	0	0	0	0	0	0	0	0
Economic Development	0	0	0	0	0	0	0	0	0
Debt Services	1,102	8,143	19,476	4,863	0	1,782	9,343	1,984	46,693
Total Expenditures	<u>\$ 22,262</u>	<u>\$ 182,224</u>	<u>\$ 156,579</u>	<u>\$ 20,847</u>	<u>\$ 22,260</u>	<u>\$ 6,595</u>	<u>\$ 34,041</u>	<u>\$ 53,652</u>	<u>\$ 498,460</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$ 29,629</u>	<u>\$(153,991)</u>	<u>\$(102,525)</u>	<u>\$ 15,475</u>	<u>\$ 47,465</u>	<u>\$ 1,817</u>	<u>\$ 22,093</u>	<u>\$(25,756)</u>	<u>\$(165,793)</u>
Other Financing Sources(Uses):									
Operating Transfers In	\$ 0	\$ 0	\$ 0	\$ 36	\$ 396	\$ 0	\$ 72	\$ 18	\$ 522
Sale of Assets	59	23	0	0	0	58	0	106	246
Proceeds of Debt	0	141,319	101,749	7,066	0	0	4,239	0	254,373
Operating Transfers Out	0	0	0	0	0	0	0	0	0
Total Other Financing	<u>\$ 59</u>	<u>\$ 141,342</u>	<u>\$ 101,749</u>	<u>\$ 7,102</u>	<u>\$ 396</u>	<u>\$ 58</u>	<u>\$ 4,311</u>	<u>\$ 124</u>	<u>\$ 255,141</u>
Excess (Deficiency) of Revenues & Other Sources over Expenditures and Other Uses	<u>\$ 29,688</u>	<u>\$(12,649)</u>	<u>\$ (776)</u>	<u>\$ 22,577</u>	<u>\$ 47,861</u>	<u>\$ 1,875</u>	<u>\$ 26,404</u>	<u>\$(25,632)</u>	<u>\$ 89,348</u>
Fund Balance (Deficit)-Beginning of Year	<u>177,409</u>	<u>82,513</u>	<u>126,623</u>	<u>173,492</u>	<u>96,896</u>	<u>9,015</u>	<u>138,589</u>	<u>73,950</u>	<u>878,487</u>
Fund Balance (Deficit)-End of Year	<u>\$207,097</u>	<u>\$ 69,864</u>	<u>\$ 125,847</u>	<u>\$196,069</u>	<u>\$144,757</u>	<u>\$10,890</u>	<u>\$164,993</u>	<u>\$ 48,318</u>	<u>\$ 967,835</u>

See independent auditor's report and notes to financial statements.

Vernon Parish Police Jury
Supplementary Schedule of Expenditures of Federal Awards
Year Ended December 31, 2018

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Grant ID Number</u>	<u>Federal Revenues</u>	<u>Federal Expenditures</u>
US Department of Agriculture:				
Passed through LA Department of Treasury:				
Schools and Roads – Grants to States	10.665	NFR	\$ 199,956	\$ 199,956
Passed through LA Department of Agriculture & Forestry:				
Volunteer Fire Assistance	10.664	-	<u>19,117</u>	<u>19,117</u>
Total US Department of Agriculture			<u>\$ 219,073</u>	<u>\$ 219,073</u>
US Department of Housing & Urban Development:				
Passed through the LA Division of Administration:				
Disaster Recovery Community Block Grant	14.228	58BED17201	\$ 758,125	\$ 758,125
Passed through LA Department of Children & Family Services:				
Emergency Shelter Grant	14.231	ESGP	<u>37,288</u>	<u>37,288</u>
Total US Department of Housing & Urban Development			<u>\$ 795,413</u>	<u>\$ 795,413</u>
US Department of Health & Human Services:				
Passed through LA Department of Social Services:				
Temporary Assistance to Needy Families	93.558	-	<u>\$ 92,094</u>	<u>\$ 92,094</u>
US Department of Homeland Security:				
Passed through LA Office of Homeland Security and Emergency Preparedness:				
Disaster Grants – Public Assistance	97.036	FEMA-1607	\$ 211,801	\$ 211,801
Hazard Mitigation Grant	97.039	FEMA	<u>92,681</u>	<u>92,681</u>
Total US Department of Homeland Security			<u>\$ 304,482</u>	<u>\$ 304,482</u>
US Department of Transportation:				
Passed through LA Department of Transportation:				
Formula Grants for Rural Areas & Tribal Transit	20.509	-	<u>\$ 183,378</u>	<u>\$ 183,378</u>
US Department of the Interior:				
Passed through the LA Department of Treasury:				
Payments-in-lieu of Taxes	15.000	-	<u>\$ 116,058</u>	<u>\$ 116,058</u>
Total Federal Financial Assistance			<u>\$1,710,498</u>	<u>\$1,710,498</u>

See independent auditor's report and notes to the financial statements.

Vernon Parish Police Jury
Notes to the Schedule of Expenditures of Federal Awards
Year Ended December 31, 2018

NOTE A – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (SEFA) includes the federal grant activity of the Police Jury under programs of the federal government for the year ended December 31, 2018. The information in this SEFA 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 SEFA 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

Expenditures reported on the SEFA are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and/or OMB Circular A-122, *Cost Principles for Non-profit Organizations*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE C – INDIRECT COST RATE

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

See independent auditor's report and notes to the financial statements.

OTHER REPORTS

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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 Jury Members
of the Vernon Parish Police Jury

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the *Louisiana Governmental Audit Guide*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Vernon Parish Police Jury's basic financial statements and have issued our report thereon dated June 25, 2019.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Vernon Parish Police Jury's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited. Under Louisiana Revised Statute 25:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Thomas, Cunningham, Broadway & Todtenbier, CPA's

Thomas, Cunningham, Broadway & Todtenbier
Certified Public Accountants

June 25, 2019
Natchitoches, Louisiana

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

To the President and Council Members of the
Vernon Parish Police Jury

Report on Compliance for Each Major Federal Program

We have audited the Vernon 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 Vernon Parish Police Jury's major federal programs for the year ended December 31, 2018. The Vernon Parish Police Jury's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Vernon Parish Police Jury's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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)*, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Vernon Parish Police Jury's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

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

Report on Internal Control over Compliance

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

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

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

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

Thomas, Cunningham, Broadway & Todtenbier, CPAs

Thomas, Cunningham, Broadway & Todtenbier
Certified Public Accountants

June 25, 2019
Natchitoches, Louisiana

Vernon Parish Police Jury
Schedule of Findings and Questioned Costs
Year Ended December 31, 2018

I. SUMMARY OF AUDIT RESULTS

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

1. Since the Police Jury did not present all of its component units, an adverse opinion was issued for the Vernon Parish Police Jury as a reporting entity; however, an unmodified opinion was issued on the primary government financial statements of the Vernon Parish Police Jury as of and for the year ended December 31, 2018.
2. The audit did not disclose any instances of material weaknesses in internal control.
3. The audit did not disclose any instances of noncompliance that are required to be reported under *Government Auditing Standards*.
4. The audit did not disclose any instances of material weakness in internal control over major programs.
5. An unmodified opinion was issued on compliance for major programs.
6. The following program was major for the year ended December 31, 2018:
 - o Disaster Recovery – Community Block Grant (CFDA #14.228)
7. \$750,000 was the threshold used to distinguish Type A from Type B programs.
8. The Vernon Parish Police Jury does qualify as a low risk auditee.

II. FINDINGS IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS AND THE UNIFORM GUIDANCE*

None.

III. PRIOR YEAR AUDIT FINDINGS

2017-001 *Local Government Budget Act*

Condition – For the year ended December 31, 2017, actual revenues were less than amended budgeted revenues by more than 5% in the Sanitary Landfill fund.

Status – This finding was cleared in the current year.

2017-002 *Late Submission of Report*

Condition – For the year ended December 31, 2017, the Police Jury did not submit the annual audit within six (6) months after the close of their fiscal year.

Status – This finding was cleared in the current year.

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**INDEPENDENT ACCOUNTANT’S REPORT ON APPLYING
STATEWIDE AGREED-UPON PROCEDURES**

To the Jury Members of
Vernon Parish Police Jury

We have performed the procedures enumerated below, which were specified and agreed to by the Jury Members of Vernon Parish Police Jury and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA’s Statewide Agreed-Upon Procedures (SAUPs) for the fiscal year ended December 31, 2018. The Police Jury is responsible for those C/C areas identified in the SAUPs.

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

Our procedures and associated findings are enumerated below.

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):
 - ***Budgeting***, including preparing, adopting, monitoring, and amending the budget
 - ***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.
 - ***Disbursements***, including processing, reviewing, and approving
 - ***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.

- **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
- **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- **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).
- **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- **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. Note: Ethics requirements are not applicable to nonprofits.
- **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

EXCEPTION: Written policies and procedures were obtained and observed in the prior year for all financial/business functions listed, with the exception of contracting and debt service. The Jury has no written policy for debt service, but follows state law with regard to debt issuance approval, reserve and debt service requirements. The exception for lack of written policy on contracting is repeated.

MANAGEMENT'S RESPONSE: The Police Jury is in the process of implementing new software for several business functions, which will require updating to current policies and procedures. The functions related to contracting will be included in the new written policies.

Board (or Finance Committee, if applicable)

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:
 - 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.
 - 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.

- 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.

RESULTS: No exceptions were noted in this category in the prior year, therefore no procedures were required in the current year. The prior year general fund unrestricted fund balance was not negative.

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

RESULTS: No exceptions were noted as a result of these procedures.

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 procedure, 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:

- Employees that are responsible for cash collections do not share cash drawers/registers.
 - 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.
 - 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.
 - 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). Obtain supporting documentation for each of the 10 deposits and:
- Observe that receipts are sequentially pre-numbered.
 - Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - Trace the deposit slip total to the actual deposit per the bank statement.
 - 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).
 - Trace the actual deposit per the bank statement to the general ledger.

EXCEPTION: We found that cash drawers are shared by employees at the Library, Animal Shelter, Highway Department, and Administrative Office. We also noted that two deposits were made within 4 business days of receipt in the Employee Benefits bank account.

MANAGEMENT'S RESPONSE:

(1) The Police Jury does not feel that it is feasible or cost-effective at this time to have more than one cash drawer at each of the various collection sites. Controls over cash collection are closely monitored and deposits are reconciled to receipts daily by more than one individual. We believe the controls that we have in place mitigate the risk of having only one cash drawer. (2) Reimbursements from employees for health insurance premiums are received by check and closely monitored. These receipts are nominal and will be deposited within 24 hours of receipt if feasible, but will not exceed one week from date of receipt to deposit date. The Police Jury feels that this is a reasonable time frame for these types of collections.

Non-Payroll Disbursements (excluding 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:
 - At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - At least two employees are involved in processing and approving payments to vendors.
 - 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.
 - 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:
 - Observe that the disbursement matched the related original invoice/billing statement.
 - Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

RESULTS: No exceptions were noted in this category in the prior year; therefore, no procedures were required during the current year.

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, select one monthly bank statement), obtain supporting documentation, and:

- 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.
 - 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).

RESULTS: No exceptions were noted as a result of these procedures during the current year.

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:
- 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).
 - If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - 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).
 - Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

RESULTS: No exceptions were noted in this category in the prior year; therefore, no procedures were required during the current year.

Contracts

15. Obtain from management a listing of all agreement/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. 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:

- Observe that the contract was bid in accordance with Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
- Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
- If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.
- 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.

RESULTS: No exceptions were noted in this category in the prior year; therefore, no procedures were required during the current year.

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:
 - 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.)
 - Observe that supervisors approved the attendance and leave of the selected employees/officials.
 - 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/official's 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.

RESULTS: No exceptions were noted as a result of these procedures.

Ethics (excluding nonprofits)

20. Using the 5 randomly selected employees/officials from procedure #16 under “Payroll and Personnel” above, obtain ethics documentation from management, and:
- Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
 - 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.

RESULTS: We noted no exceptions as a result of these procedures during the current period.

Debt Service (excluding nonprofits)

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.

RESULTS: No exceptions were noted as a result of these procedures related to the bonds issued during the current fiscal period.

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.

Per discussion with the management, there were no funds or assets misappropriated during the period.

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

We viewed the notice required by R.S. 24:523.1 posted on the Police Jury’s premises and website.

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively on the Statewide Agreed-Upon Procedures. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of Vernon Parish Police Jury and the Louisiana Legislative Auditor, and is not intended to be, and should not be, used by anyone other than the specified parties.

Respectfully,

Thomas, Cunningham, Broadway & Todtenbier, CPA's

Thomas, Cunningham, Broadway & Todtenbier
Certified Public Accountants

June 25, 2019
Natchitoches, Louisiana