

**Webster Parish Police Jury
Minden, Louisiana**

**Annual Financial Report
As of and for the Year Ended December 31, 2018**

Webster Parish Police Jury

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Webster Parish Police Jury

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Independent Auditor's Report

Police Jurors
Webster Parish Police Jury
Minden, Louisiana

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 Webster Parish Police Jury, Minden, Louisiana, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the basic financial statements of the Police Jury's primary government as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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 *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Basis for Adverse Opinion on the Aggregate Discretely Presented Component Units

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

Adverse Opinion

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

Unmodified Opinions

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

Other Matters

Required Supplementary Information

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

Supplementary and 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 Police Jury’s primary government. The accompanying supplementary information, as listed in the table of contents, and schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards*, and the other information, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying supplementary information, as listed in the table of contents, and schedule of expenditures of federal awards as required by Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards*, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information, as listed in the table of contents, and schedule of expenditures of federal awards as required by Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards* is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The accompanying other information, as listed in the table of contents, has not been subjected to the auditing procedures applied in the audit of the primary government's basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2019 on our consideration of the 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 solely 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 the effectiveness of the Police Jury's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Police Jury's internal control over financial reporting and compliance.


ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
June 30, 2019

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Minden, Louisiana**

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Minden, Louisiana**

REQUIRED SUPPLEMENTARY INFORMATION

**Management's Discussion
And Analysis (MD&A)**

**Webster Parish Police Jury
Management's Discussion and Analysis (MD&A)
December 31, 2018**

Our discussion and analysis of Webster Parish Police Jury's financial performance provides an overview of the Police Jury's financial activities for the year ended December 31, 2018.

FINANCIAL HIGHLIGHTS Our financial statements provide these insights into the results of this year's operations:

- The assets and deferred outflows of resources of the Police Jury exceeded its liabilities and deferred inflows of resources at the close of 2018 by \$22,090,826. Of this amount, the Police Jury reported \$(399,366) in unrestricted net position; which means if the Police Jury had to pay off all of its bills today including all of its non-capital liabilities such as compensated absences, there would be deficit of \$399,366.
- The Police Jury's net position decreased by \$816,740, or 3.2% compared to 2017.
- The Police Jury's total general and program revenues were \$13,600,265 in 2018 which is an increase of \$160,168 over 2017. Although there was a slight decrease in ad valorem tax assessments due to a decrease in the taxable value of property in the parish, we received additional grant funding in 2018 which used to fund homeland security expenses and repairs to the roads/bridges which were damaged from the flood in 2016.
- During the year ended December 31, 2018, the Police Jury had total expenses of \$14,417,005, which includes depreciation expense. Expenses for 2017 totaled \$13,740,277. Expenses increased in 2018 by \$676,728 due to additional expenses in 2018 to require roads for damage from the 2016 flood, as well as expenses resulting from the complete and equipping of the new library in Springhill and complete of the library maintenance building located in Minden.

NEW GASB STANDARDS In fiscal year 2018, the Police Jury adopted the following statement of financial accounting standards issued by the Governmental Accounting Standards Board:

- *Statement No. 75 – Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, issued by the Government Accounting Standards Board. This Statement addresses accounting and financial reporting of OPEB that is provided to the employees of state and local governmental employers and establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit OPEB, this Statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to the actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about defined benefit OPEB also are addressed. This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB.

The adoption of Statement No. 75 has no impact on the Police Jury's governmental fund financial statements, which continue to report expenditures on a pay-as-you-go basis. However, the adoption has resulted in the restatement of the Police Jury's 2017 government-wide financial statements to reflect the reporting of total OPEB liability in accordance with the provisions of the Statement. Net position as of January 1, 2018 was decreased by \$3,005,303 reflecting the cumulative retrospective effect of adoption.

Webster Parish Police Jury
Management's Discussion and Analysis (MD&A)
December 31, 2018

- *Statement No. 85 – Omnibus 2017*, issued by the Government Accounting Standards Board. This Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to fair value measurement, and application, and postemployment benefits for both pensions and other postemployment benefits (OPEB).

- *Statement No. 86 – Certain Debt Extinguishment Issues*, issued by the Government Accounting Standards Board. This Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources, resources other than the proceeds of refunding debt, are placed in an irrevocable trust.

The adoption of Statements No. 85 and 86 had no impact on the government-wide or the governmental fund financial statements, but provide for additional guidance, clarification and/or additional disclosures in the notes to the financial statements.

USING THIS ANNUAL REPORT The Police Jury's annual report consist of a series of financial statements that show information for the Police Jury as a whole, and its funds. The Statement of Net Position and the Statement of Activities provide information about the activities of the Police Jury as a whole and present a longer-term view of the Police Jury's finances. Our fund financial statements are included later in this report. For our governmental activities, these statements tell how we financed our services in the short-term as well as what remains for future spending. Fund statements also may give you some insights into the Police Jury's overall financial health. Fund financial statements also report the Police Jury's operations in more detail than the government-wide financial statements by providing information about the Police Jury's most significant funds - General Fund, Sales Tax Fund, Library Fund, Special 2.5 Mill Tax Fund, and Solid Waste Fund.

**Webster Parish Police Jury
Management's Discussion and Analysis (MD&A)
December 31, 2018**

Required Supplementary Information

Management's Discussion & Analysis (MD&A)

Basic Financial Statements

**Government-wide
Financial Statements**



**Fund
Financial Statements**

Notes to the Financial Statements

Required Supplementary Information

**Schedule of Changes in the Total OPEB Liability and Related Ratios
Schedule of Employer's Proportionate Share of the Net Pension Liability
Schedule of Employer Contributions to Pension Plans
Budgetary Information for Major Funds**

Supplementary Information

**Nonmajor Funds Combining Statements
Schedule of Compensation Paid Police Jurors
Schedule of Compensation, Benefits and Other Payments to Agency Head**

**Other Reports Required By Government Auditing Standards
And Uniform Guidance**

Other Information

Our auditor has provided assurance in the independent auditor's report, located immediately preceding this Management's Discussion and Analysis, that the Basic Financial Statements, after considering the fact that certain component units are not included, are fairly stated. Varying degrees of assurance is being provided by the auditor regarding the Required Supplementary Information (RSI) and the Supplementary Information. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each part of this report. Separate financial statements may be obtained from the component units.

**Webster Parish Police Jury
Management's Discussion and Analysis (MD&A)
December 31, 2018**

Reporting the Police Jury as a Whole

The Statement of Net Position and the Statement of Activities One of the most important questions asked about the Police Jury is, "Is the Police Jury as a whole better off or worse off financially as a result of the year's activities?" The Statement of Net Position and the Statement of Activities, which appear first in the Police Jury's financial statements, report information on the Police Jury as a whole and its activities in a way that helps you answer this question. We prepare these statements to include all assets, liabilities, and deferred inflows/outflows of resources, using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Police Jury's net position - the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources, as reported in the Statement of Net Position as one way to measure the Police Jury's financial health, or financial position. Over time, increases or decreases in the Police Jury's net position - as reported in the Statement of Activities - are one indicator of whether its financial health is improving or deteriorating. The relationship between revenues and expenses is the Police Jury's operating results. However, the Police Jury's goal is to provide services to our citizens, not to generate profits as commercial entities do. One must consider many other nonfinancial factors, such as the quality of health and welfare services provided to parish citizens and the condition of roads, bridges, and drainage systems to assess the overall health of the Police Jury.

The Statement of Net Position and Statement of Activities report the following activity for the Police Jury:

Governmental activities - All of the Police Jury's services are reported here, including public works and health and welfare services. Property taxes, sales taxes, and state and federal grants finance most of these activities.

Reporting the Police Jury's Most Significant Funds

Fund Financial Statements The Police Jury's fund financial statements provide detailed information about the most significant funds - not the Police Jury as a whole. Some funds are required to be established by State law and by bond covenants. However, the Police Jury establishes many other funds to help it control and manage money for particular purposes (like the Criminal Court fund) or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money. The Police Jury's governmental funds use the following accounting approach:

Governmental funds - All of the Police Jury's services are reported in governmental funds. Governmental fund reporting focuses on showing how money flows into and out of funds and the balances left at year-end that are available for spending. They are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Police Jury's operations and the services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Police Jury's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in reconciliations on Statements D and F.

Webster Parish Police Jury
Management's Discussion and Analysis (MD&A)
December 31, 2018

THE POLICE JURY AS A WHOLE The Police Jury's net position was \$22,090,826 at December 31, 2018. Of this amount, \$(399,366) was unrestricted. Restricted net position is reported separately to show legal constraints from debt covenants and enabling legislation that limit the Police Jury's ability to use that net position for day-to-day operations. Our analysis below of the primary government focuses on the net position (Table 1) and change in net position (Table 2) of the Police Jury's governmental activities.

Table 1
Net Position
December 31,

	Governmental Activities	
	<u>2018</u>	<u>2017</u>
Other assets	\$ 14,510,242	\$ 14,780,775
Capital assets	<u>16,070,679</u>	<u>15,701,339</u>
Total assets	<u>30,580,921</u>	<u>30,482,114</u>
Deferred outflows of resources	<u>862,883</u>	<u>1,456,276</u>
Other liabilities	621,918	366,763
Long-term liabilities	<u>7,582,425</u>	<u>5,509,716</u>
Total liabilities	<u>8,204,343</u>	<u>5,876,479</u>
Deferred inflows of resources	<u>1,148,635</u>	<u>198,178</u>
Net position		
Net investment in capital assets	14,397,065	14,306,611
Restricted	8,093,127	8,723,974
Unrestricted	<u>(399,366)</u>	<u>2,833,148</u>
Total net position	<u>\$ 22,090,826</u>	<u>\$ 25,863,733</u>

The \$(399,366) in unrestricted net position of governmental activities represents the accumulated results of all past years' operations. It means that, if we had to pay off all of our bills today including all of our noncapital liabilities (compensated absences for example), we would have a deficit of \$399,366.

Webster Parish Police Jury
Management's Discussion and Analysis (MD&A)
December 31, 2018

The results of this year's operations for the primary government as a whole are reported in the Statement of Activities. Table 2 takes the information from that Statement and rearranges them slightly so you can see our total revenues for the year.

Table 2
Changes in Net Position
For the Years Ended December 31,

Revenues:	2018	2017	Increase (Decrease)
Program revenues:			
Charges for services	\$ 260,025	\$ 355,159	\$ (95,134)
Operating grants & contributions	1,239,238	871,860	367,378
Capital grants & contributions	212,574	245,582	(33,008)
General revenues:			
Ad valorem taxes	5,450,582	5,611,923	(161,341)
Sales taxes	3,131,663	3,088,953	42,710
Severance tax	1,201,319	1,177,335	23,984
Other revenues	2,104,864	2,089,285	15,579
Total revenues	13,600,265	13,440,097	160,168
Functions/Program Expenses:			
General government	4,073,907	3,947,866	126,041
Public safety	2,289,429	2,421,689	(132,260)
Public works	3,293,475	3,026,714	266,761
Health & welfare	1,267,039	1,145,174	121,865
Culture & recreation	3,448,108	3,129,061	319,047
Economic development and assistance	8,173	28,263	(20,090)
Interest on long-term debt	36,874	41,510	(4,636)
Total expenses	14,417,005	13,740,277	676,728
Increase (decrease) in net position	\$ (816,740)	\$ (300,180)	\$ (516,560)

Governmental Activities As reported in the Statement of Activities, the cost of all of our governmental activities this year was \$14,417,005. However, the amount that our taxpayers ultimately financed for these activities through Police Jury taxes was only \$12,705,168 because some of the cost was paid by those who benefited from the programs \$260,025 or by other governments and organizations who subsidized certain programs with grants and contributions \$1,451,812.

**Webster Parish Police Jury
Management's Discussion and Analysis (MD&A)
December 31, 2018**

In the table below, we have presented the cost of each of the Police Jury's six largest functions - Judicial, Finance and administrative, Public safety, Public works, Health and welfare and Culture and recreation, as well as each program's *net* cost (total cost less revenues generated by the activities). As discussed above, net cost shows the financial burden that was placed on the Police Jury's taxpayers by each of these functions. Providing this information allows our citizens to consider the cost of each function in comparison to the benefits they believe are provided by that function.

**Years Ended December 31,
Governmental Activities**

	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
	2018	2018	2017	2017
Judicial	\$ 1,903,687	\$ 1,672,438	\$ 1,824,208	\$ 1,501,801
Finance & administrative	1,433,136	1,426,122	1,395,514	1,208,858
Public safety	2,289,429	2,181,117	2,421,689	2,362,419
Public works	3,293,475	2,373,663	3,026,714	2,476,723
Health & welfare	1,267,039	905,936	1,145,174	893,092
Culture & recreation	3,448,108	3,419,332	3,129,061	3,075,470
All others	782,131	726,560	797,917	749,313
Totals	<u>\$14,417,005</u>	<u>\$12,705,168</u>	<u>\$13,740,277</u>	<u>\$12,267,676</u>

THE POLICE JURY'S FUNDS As we noted earlier, the Police Jury uses funds to help it control and manage money for particular purposes. Looking at funds helps you consider whether the Police Jury is being accountable for the resources taxpayers and others provide to it but may also give you more insight into the Police Jury's overall financial health.

As the Police Jury completed this year, our governmental funds reported a combined fund balance of \$13,202,099 which is a decrease of \$918,615 from last year. The primary reasons for this difference is as follows:

Our General fund is our principal operating fund. The fund balance in the general fund increased \$221,748 to \$3,854,907. This increase is due mainly to the elimination of non-mandated line item expenses.

The Sales Tax fund accounts for funds used for the purpose of blacktopping and sealing parish roads. This fund showed an increase of \$47,686 to \$800,083. This increase is due mainly to a slight increase in sales tax revenue over prior year.

The Library fund accounts for funds used for maintenance and operation of the parish library. This fund showed a decrease of \$360,848 to \$4,193,802. The decrease is due mainly to building projects at Parish Branch locations and the maintenance building at the Main Branch.

The Special 2.5 Mill Tax fund accounts for the operation and maintenance of the parish courthouse and health unit financed by a special annual property tax levy. This fund showed a decrease of \$83,940 to \$583,508. The decrease is due mainly to Courthouse building repair and replacements from the 2017 water damage including a new courtroom.

**Webster Parish Police Jury
Management's Discussion and Analysis (MD&A)
December 31, 2018**

The Solid Waste fund accounts for the receipt of tipping fees for use of the landfill and the operation of the solid waste landfill. This fund showed a decrease of \$226,386 to \$1,293,518. The decrease is due mainly to increased DEQ tonnage permit for 2017 and 2018 paid in 2018 as well as funds transferred to the General Fund. Additionally, the Solid Waste fund reported a prior period adjustment of \$49,136 due to permit fees for the first half of 2018 were paid in 2017.

The Nonmajor Governmental funds are comprised of the capital project fund, debt service fund and special revenue funds (Parish Road, Road District A, Road District B, Special Library, DA Asset Forfeiture, Criminal Court, and Court Reporter). The combined funds showed a decrease of \$516,875 to \$2,476,281. The decrease was mainly due to renovations of the new Mack Memorial Library and regularly scheduled debt service as well as reduction in court finds and costs compared to Criminal Court expenses and Special Road Projects.

FUND BUDGETARY HIGHLIGHTS Over the course of the year, the Police Jury revises its budget as it attempts to deal with unexpected changes in revenues and expenditures. (A schedule showing the Police Jury's original and final budget amounts compared with amounts actually paid and received is provided later in this report).

General Fund There were quarterly revisions made to the 2018 General fund original budget. The final budgeted amounts available for appropriations as well as charges to appropriations were increased from the original budgeted amount by \$435,474 mainly due to increased State funding, transfers and refunds.

The actual amounts available for appropriations were more than the final budget by \$1,327,978. This was due to actual beginning fund balance, underfunded Criminal Court Costs, costs of operations of the 26th JDC, which resulted in transfer of funds to cover costs. The final budgeted charges to appropriations exceeded actual by \$2,524,243, because possible landfill costs of \$2,000,000 and \$300,000 for contingency. The Police Jury budgets each year to cover potential landfill costs. In addition, transfers were more than actual transfers to other funds by \$200,000.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets At December 31, 2018, the Police Jury had \$16,070,679 invested in a broad range of capital assets, including land, construction in progress, buildings, furniture and equipment and infrastructure assets such as roads and bridges. This amount represents a net increase (including additions, deductions, and depreciation) of \$369,340 or 2.35% from last year. The major additions for 2018 were Library Maintenance Building, Mack Memorial Library and Courthouse Annex.

**Webster Parish Police Jury
Management's Discussion and Analysis (MD&A)
December 31, 2018**

Capital Assets at Year-end

	Governmental Activities	
	2018	2017
Land	\$ 1,365,640	\$ 1,365,640
Construction in progress	243,630	1,648,830
Buildings and improvements	17,190,313	15,772,099
Infrastructure	2,715,830	2,715,830
Furniture, equipment & vehicles	6,890,415	6,269,141
Library books and information materials	1,578,349	1,535,908
Total cost of capital assets	<u>29,984,177</u>	<u>29,307,448</u>
Less: accumulated depreciation	<u>(13,913,498)</u>	<u>(13,606,109)</u>
Total Net capital assets	<u><u>\$ 16,070,679</u></u>	<u><u>\$ 15,701,339</u></u>

For further information on capital assets, see Note 6 of the Notes to the Financial Statements.

Debt Administration At December 31, 2018, the Police Jury had the following debt obligations.

Outstanding Debt, at Year-end

	Governmental Activities	
	2018	2017
Limited tax certificate of indebtedness (backed by the Police Jury)	<u>\$ 1,600,000</u>	<u>\$ 1,805,000</u>
Total debt	<u><u>\$ 1,600,000</u></u>	<u><u>\$ 1,805,000</u></u>

Other obligations include accrued vacation pay and other post-employment benefits. The Police Jury reported a net pension asset for fiscal year end December 31, 2018. We present more detailed information about our long-term liabilities in Note 10 of Notes to the Financial Statements. See Note 8 for additional information regarding the pension plan.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES Our elected and appointed officials and citizens consider many factors when setting the Police Jury's 2019 year budget and tax rates. One of the most important factors affecting the budget is our ad valorem and sales tax collections. We have budgeted no change in ad valorem and sales tax collections from 2018 to 2019. Approximately 26% of total budgeted revenue is from ad valorem and sales taxes for the fiscal year 2019.

CONTACTING THE POLICE JURY'S FINANCIAL MANAGEMENT Our financial report is designed to provide our citizens, taxpayers, parents, students, and investors and creditors with a general overview of the Police Jury's finances and to show the Police Jury's accountability for the money it receives. If you have questions about this report or wish to request additional financial information, contact Ronda Carnahan, Secretary-Treasurer, at the Webster Parish Police Jury, P. O. Box 389, Minden, Louisiana, 71058-0389, telephone number 318-377-7564.

BASIC FINANCIAL STATEMENTS

**Government-wide
Financial Statements (GWFS)**

WEBSTER PARISH POLICE JURY

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

	Statement A
	PRIMARY GOVERNMENT GOVERNMENTAL ACTIVITIES
ASSETS	
Cash and equivalents	\$ 3,547,553
Investments	3,786,981
Receivables	6,303,190
Prepaid items	486,415
Net pension asset	386,103
Capital assets not being depreciated	1,609,270
Capital assets, net of accumulated depreciation	<u>14,461,409</u>
TOTAL ASSETS	<u>30,580,921</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	<u>862,883</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>862,883</u>
LIABILITIES	
Accounts payable vendors	282,126
Accrued payroll liabilities	199,829
Interest payable	12,053
Due to other governments	127,910
Long-term liabilities:	
Due within one year	505,155
Due in more than one year	<u>7,077,270</u>
TOTAL LIABILITIES	<u>8,204,343</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred Inflows related to pensions	<u>1,148,635</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>1,148,635</u>
NET POSITION	
Net investment in capital assets	14,397,065
Restricted for:	
Solid waste collection, road and jail	742,239
Library	4,737,727
Road	1,960,976
Courthouse and health unit	617,266
DA salaries and benefits	5,881
Criminal court	12,523
Court reporter	16,515
Unrestricted	<u>(399,366)</u>
TOTAL NET POSITION	<u><u>\$ 22,090,826</u></u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

WEBSTER PARISH POLICE JURY
Statement of Activities
For the Year Ended December 31, 2018

Statement B

<u>FUNCTIONS/PROGRAMS</u>	<u>PROGRAM REVENUES</u>			<u>PRIMARY GOVERNMENTAL ACTIVITIES NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION</u>
	<u>EXPENSES</u>	<u>CHARGES FOR SERVICES</u>	<u>OPERATING GRANTS AND CONTRIBUTIONS</u>	
<i>Primary Government: Governmental Activities:</i>				
General Government:				
Legislative	\$ 236,777	\$ -	\$ -	\$ -
Judicial	1,903,687	231,249	-	-
Elections	55,414	-	-	-
Finance and administrative	1,433,136	-	-	7,014
Other general government:	444,893	-	55,571	-
Public safety	2,289,429	-	108,312	-
Public works	3,293,475	-	714,252	205,560
Health and welfare	1,267,039	-	361,103	-
Culture and recreation	3,448,108	28,776	-	-
Economic development and assistance	8,173	-	-	-
Interest on long-term debt	36,874	-	-	-
	<u>\$ 14,417,005</u>	<u>\$ 260,025</u>	<u>\$ 1,239,238</u>	<u>\$ 212,574</u>
Total governmental activities				<u>(12,705,168)</u>
General revenues:				
Taxes:				
Property taxes, levied for general purposes				5,450,582
Sales taxes, levied for general purposes				3,131,663
State revenue sharing				247,131
Severance tax				1,201,319
Grants and contributions not restricted to specific programs				373,292
Fees, charges and commissions				220,724
Licenses and permits				402,416
Interest and investment earnings				222,127
Miscellaneous				639,174
				<u>11,888,428</u>
				(816,740)
Change in net assets				(816,740)
Net position - beginning, as originally stated				25,863,733
Prior period adjustment				<u>(2,956,167)</u>
Net position - beginning, restated				<u>22,907,566</u>
Net position - ending				<u>\$ 22,090,826</u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

Webster Parish Police Jury

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BASIC FINANCIAL STATEMENTS

Fund Financial Statements (FFS)

WEBSTER PARISH POLICE JURY

**GOVERNMENTAL FUNDS
Balance Sheet
December 31, 2018**

	<u>GENERAL</u>	<u>SALES TAX</u>	<u>LIBRARY</u>
ASSETS			
Cash and cash equivalents	\$ 172,544	\$ 474,392	\$ 625,575
Investments	2,234,059	-	801,846
Receivables	1,453,323	293,011	3,028,447
Prepaid items	307,939	57,844	88,374
TOTAL ASSETS	<u>4,167,865</u>	<u>825,247</u>	<u>4,544,242</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Accounts and other payables	100,799	25,164	58,791
Accrued payroll liabilities	32,663	-	113,310
Due to other governments	127,910	-	-
TOTAL LIABILITIES	<u>261,372</u>	<u>25,164</u>	<u>172,101</u>
Deferred Inflows of Resources:			
Unavailable revenue - property taxes	51,586	-	178,339
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>51,586</u>	<u>-</u>	<u>178,339</u>
Fund balances:			
Nonspendable - prepaid items	307,939	57,844	88,374
Restricted	-	742,239	4,105,428
Committed	2,000,000	-	-
Unassigned	1,546,968	-	-
TOTAL FUND BALANCES	<u>3,854,907</u>	<u>800,083</u>	<u>4,193,802</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 4,167,865</u>	<u>\$ 825,247</u>	<u>\$ 4,544,242</u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

Statement C

SPECIAL 2.5 MILL TAX	SOLID WASTE	NONMAJOR GOVERNMENTAL	TOTAL
\$ 141	\$ 812,904	\$ 1,461,997	\$ 3,547,553
-	499,979	251,097	3,786,981
677,804	10,834	839,771	6,303,190
6,128	5,589	20,541	486,415
<u>684,073</u>	<u>1,329,306</u>	<u>2,573,406</u>	<u>14,124,139</u>
35,337	35,788	26,247	282,126
25,342	-	28,514	199,829
-	-	-	127,910
<u>60,679</u>	<u>35,788</u>	<u>54,761</u>	<u>609,865</u>
<u>39,886</u>	-	<u>42,364</u>	<u>312,175</u>
<u>39,886</u>	-	<u>42,364</u>	<u>312,175</u>
6,128	5,589	20,541	486,415
577,380	-	2,455,740	7,880,787
-	1,287,929	-	3,287,929
-	-	-	1,546,968
<u>583,508</u>	<u>1,293,518</u>	<u>2,476,281</u>	<u>13,202,099</u>
<u>\$ 684,073</u>	<u>\$ 1,329,306</u>	<u>\$ 2,573,406</u>	<u>\$ 14,124,139</u>

Webster Parish Police Jury

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WEBSTER PARISH POLICE JURY

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

Statement D

Total fund balances - governmental funds	\$	13,202,099
Balance as of December 31, 2018 for net pension assets		386,103

The cost of capital assets (land, buildings, furniture and equipment and infrastructure) purchased or constructed is reported as an expenditure in governmental funds. The Statement of Net Position includes those capital assets among the assets of the Police Jury as a whole. The cost of those capital assets is allocated over their estimated useful lives (as depreciation expense) to the various programs reported as governmental activities in the Statement of Activities. Because depreciation expense does not affect financial resources, it is not reported in governmental funds.

Costs of capital assets	\$	29,984,177	
Accumulated depreciation		<u>(13,913,498)</u>	16,070,679

Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as deferred inflows of resources - unavailable revenue in the governmental funds.		312,175
--	--	---------

Deferred outflows of resources are not available to pay current period expenditures and, therefore, are not reported in the governmental funds.		862,883
---	--	---------

Deferred inflows of resources are not due and payable in the current period and accordingly are not reported in the governmental funds.		(1,148,635)
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Long-term liabilities applicable to the Police Jury's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities - both current and long term - are reported in the Statement of Net Position.

Balances at December 31, 2018 are:
 Long-term liabilities and related items

Accrued interest payable	(12,053)
Limited tax debt payable	(1,600,000)
Compensated absences payable	(299,759)
OPEB liability	(5,561,058)
Capital Lease	<u>(121,608)</u>

(7,594,478)

Net position of governmental activities	\$	<u><u>22,090,826</u></u>
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THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

WEBSTER PARISH POLICE JURY
GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures and Changes
in Fund Balances
For the Year Ended December 31, 2018

	<u>GENERAL</u>	<u>SALES TAX</u>	<u>LIBRARY</u>
REVENUES			
Local sources:			
Taxes:			
Ad Valorem	\$ 897,814	\$ -	\$ 3,116,224
Sales and use	-	3,131,663	-
Licenses and permits	402,416	-	-
Intergovernmental revenues:			
Federal grants	731,689	-	-
State funds:			
Parish transportation funds	-	-	-
State revenue sharing	67,512	-	68,591
Severance taxes	1,201,319	-	-
Other	394,074	-	-
Fees, charges, and commissions for services	30,005	-	-
Fines and forfeitures	-	-	28,776
Use of money and property	38,875	2,442	13,093
Other revenues	401,729	101,785	21,642
	<u>4,165,433</u>	<u>3,235,890</u>	<u>3,248,326</u>
TOTAL REVENUES			
EXPENDITURES			
Current:			
General government:			
Legislative	219,185	-	-
Judicial	719,789	-	-
Elections	45,412	-	-
Finance and administrative	1,175,699	-	-
Other general government	401,806	-	-
Public safety	418,862	1,747,844	-
Public works	38,110	1,264,677	-
Health and welfare	465,569	-	-
Culture and recreation	21,575	-	2,826,162
Economic development and assistance	8,173	-	-
Capital outlay	44,505	198,071	539,535
Debt service:			
Principal retirement	-	-	-
Interest and bank charges	-	-	-
	<u>3,558,685</u>	<u>3,210,592</u>	<u>3,365,697</u>
TOTAL EXPENDITURES			
EXCESS (DEFICIENCY) OF REVENUES			
OVER EXPENDITURES			
	<u>\$ 606,748</u>	<u>\$ 25,298</u>	<u>\$ (117,371)</u>

Statement E

<u>SPECIAL 2.5 MILL TAX</u>	<u>SOLID WASTE</u>	<u>NONMAJOR GOVERNMENTAL</u>	<u>TOTAL</u>
\$ 696,962	\$ -	\$ 783,439	\$ 5,494,439
-	-	-	3,131,663
-	-	-	402,416
-	-	205,560	937,249
-	-	486,767	486,767
54,787	-	56,241	247,131
-	-	-	1,201,319
7,014	-	-	401,088
4,046	-	186,673	220,724
-	-	231,249	260,025
1,480	154,619	11,618	222,127
-	12,152	204,147	741,455
<u>764,289</u>	<u>166,771</u>	<u>2,165,694</u>	<u>13,746,403</u>
-	-	-	219,185
-	-	1,083,381	1,803,170
-	-	-	45,412
-	-	-	1,175,699
36,355	-	-	438,161
-	-	-	2,166,706
-	193,157	1,452,247	2,948,191
733,853	-	-	1,199,422
-	-	33,993	2,881,730
-	-	-	8,173
128,021	-	769,614	1,679,746
-	-	320,093	320,093
-	-	38,419	38,419
<u>898,229</u>	<u>193,157</u>	<u>3,697,747</u>	<u>14,924,107</u>
\$ (133,940)	\$ (26,386)	\$ (1,532,053)	\$ (1,177,704)

(CONTINUED)

WEBSTER PARISH POLICE JURY
GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures and Changes
in Fund Balances
For the Year Ended December 31, 2018

	<u>GENERAL</u>	<u>SALES TAX</u>	<u>LIBRARY</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	\$ 200,000	\$ -	\$ -
Transfers out	(585,000)	-	(243,477)
Proceeds from capital lease	-	-	-
Sale of surplus property	-	22,388	-
	<u>(385,000)</u>	<u>22,388</u>	<u>(243,477)</u>
TOTAL OTHER FINANCING SOURCES (USES)			
NET CHANGE IN FUND BALANCES	221,748	47,686	(360,848)
FUND BALANCES - BEGINNING, AS ORIGINALLY STATED	3,633,159	752,397	4,554,650
PRIOR PERIOD ADJUSTMENT	-	-	-
FUND BALANCES - BEGINNING, RESTATED	<u>3,633,159</u>	<u>752,397</u>	<u>4,554,650</u>
FUND BALANCES - ENDING	<u>\$ 3,854,907</u>	<u>\$ 800,083</u>	<u>\$ 4,193,802</u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

Statement E

<u>SPECIAL 2.5 MILL TAX</u>	<u>SOLID WASTE</u>	<u>NONMAJOR GOVERNMENTAL</u>	<u>TOTAL</u>
\$ 50,000	\$ -	\$ 778,477	\$ 1,028,477
-	(200,000)	-	(1,028,477)
-	-	236,701	236,701
-	-	-	22,388
<u>50,000</u>	<u>(200,000)</u>	<u>1,015,178</u>	<u>259,089</u>
(83,940)	(226,386)	(516,875)	(918,615)
667,448	1,470,768	2,993,156	14,071,578
<u>-</u>	<u>49,136</u>	<u>-</u>	<u>49,136</u>
<u>667,448</u>	<u>1,519,904</u>	<u>2,993,156</u>	<u>14,120,714</u>
<u>\$ 583,508</u>	<u>\$ 1,293,518</u>	<u>\$ 2,476,281</u>	<u>\$ 13,202,099</u>

(CONCLUDED)

WEBSTER PARISH POLICE JURY

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

Statement F

Total net change in fund balances - governmental funds \$ (918,615)

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

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeded capital outlays in the period:

Capital outlay	\$	1,679,746	
Depreciation expense		<u>(1,147,065)</u>	532,681

Loss on sale of asset (163,341)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. (5,185)

In the Statement of Activities, certain operating expenses-compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This year, vacation used (\$173,547) exceeded vacation earned (\$170,619) by \$2,928 2,928

The recognition of pension expense in the Statement of Activities is based on projected benefit payments discounted to actuarial present value and attributed to periods of employee service. Pension expenditures in the fund financial statements are the amounts actually paid. (103,077)

Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. 1,545

Issuance of long-term debt provides current financial resources of governmental funds, while the repayment consumes the current financial resources in the governmental funds. Neither transaction, however, has any effect on the Statement of Net Position. Additionally, the recording of the OPEB liability is an accrued expense for the Statement of Activities, but does not use current financial resources of the governmental funds.

Proceeds from capital lease		(236,701)	
Principal payments on certificate of indebtedness		205,000	
Principal payments on capital lease		115,093	
OPEB liability		<u>(247,068)</u>	<u>(163,676)</u>

Change in net position of governmental activities. \$ (816,740)

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

WEBSTER PARISH POLICE JURY
FIDUCIARY FUND - AGENCY FUNDS
Statement of Fiduciary Assets and Liabilities
December 31, 2018

Statement G

	DRUG SEIZURE AND FORFEITURE	MASTER BANK	TOTAL
ASSETS			
Cash and cash equivalents	\$ 113,343	\$ 167,754	\$ 281,097
Receivables	4,883	-	4,883
TOTAL ASSETS	118,226	167,754	285,980
LIABILITIES			
Payroll withholdings	-	167,754	167,754
Due to other governments	4,883	-	4,883
Amounts pending per court order	113,343	-	113,343
TOTAL LIABILITIES	\$ 118,226	\$ 167,754	\$ 285,980

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES The Webster Parish Police Jury (the Police Jury) is the governing authority for Webster Parish and is a political subdivision of the State of Louisiana. The Police Jury is governed by twelve jurors representing the various districts within the parish who are elected to serve four-year terms.

Louisiana Revised Statute 33:1236 gives the Police Jury various powers in regulating and directing the affairs of the parish and its inhabitants. The more notable of those are the powers 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, beer and alcoholic beverage permits, state revenue sharing, and various other state and federal grants.

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

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

GASB Statements establish criteria for determining the governmental reporting entity and component units that should be considered part of the Webster Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

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

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

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

<u>Component Unit</u>	<u>Method of Inclusion</u>	<u>Fiscal Year End</u>	<u>Criteria Used</u>
Included within the reporting entity:			
Twenty-sixth Judicial District Criminal Court Fund	Blended	December 31	2 and 3
Not included within the reporting entity:			
Webster Parish Office of Community Services (Community Action)		December 31	1 and 3
Webster Parish Communication District (E-911)		December 31	3
Sarepta Waterworks District		December 31	1
Doyline Waterworks District		December 31	1
Springhill Fire Protection District		December 31	1
Evergreen Fire Protection District		December 31	1
Heflin Fire Protection District		November 30	1
Cullen Fire Protection District		December 31	1
Dixie Inn Fire Protection District		June 30	1
Cotton Valley Fire Protection District		December 31	1

The Police Jury has chosen not to include the component units above in its basic financial statements; however, these are necessary in order for the Police Jury to be reporting in conformity with GAAP. Separate financial statements for the component units can be obtained by contacting the component unit. If these component units were included, it would be through discrete presentation.

The Police Jury is also responsible for appointing a majority of the members of the boards of the Doyline Fire Protection District but the Police Jury's accountability for the organization does not extend beyond making appointments.

B. FUNDS The accounts of the Police Jury are organized and operated on the basis of funds. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

The governmental funds are divided into separate "fund types." Governmental funds are used to account for government's general activities, where the focus of attention is on the providing of services to the public as opposed to proprietary funds where the focus of attention is on the recovering the cost of providing services to the public or other agencies through service charges or user fees. The Police Jury's current operations require the use of governmental funds. The fund types and major funds of the Police Jury are described as follows:

Governmental Funds

General fund - is the general operating fund of the Police Jury. It accounts for all activities except those required to be accounted for in other funds.

Sales Tax fund - accounts for proceeds and use of sales taxes.

Library fund - accounts for the activities performed for the public library. The main source of revenue is ad valorem tax restricted for the library.

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

Special 2.5 Mill Tax fund - accounts for the operation and maintenance of the parish courthouse and health unit. Financing is provided by a special annual property tax levy, state revenue sharing funds, and interest on time deposits.

Solid Waste fund - accounts for the receipt of tipping fees for use of the landfill and the operation of the solid waste landfill.

Fiduciary Funds

Fiduciary Funds - are used to account for assets held on behalf of the outside parties, including other governments, or on behalf of other funds within the Police Jury.

Agency funds - account for assets that the Police Jury holds on behalf of others as their agent. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurements of results of operations. The agency funds are accounted for using the accrual basis of accounting. The agency funds are as follows:

Drug Seizure and Forfeiture fund - accounts for funds received from assets seized in drug related matters.

Master bank fund - combining fund equity for all other funds of the Police Jury.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Government-Wide Financial Statements (GWFS) The Statement of Net Position and the Statement of Activities displays information about the reporting government as a whole. The Statement of Net Position and the Statement of Activities was prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, liabilities and deferred inflows/outflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, liabilities, and deferred inflow/outflows of resources resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33 "Accounting and Financial Reporting for Nonexchange Transactions." Fiduciary funds are not included in the government-wide financial statements.

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

Allocation of indirect expenses The Police Jury reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Depreciation expense is specifically identified by function and is included in the direct expense of each function. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

Webster Parish Police Jury
Notes to the Financial Statements
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Fund Financial Statements (FFS)

Governmental Funds The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The government considers all revenues available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for unmatured principal and interest on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

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

Revenues Ad valorem taxes and the related state revenue sharing are recorded in the year they are assessed. Ad valorem taxes are assessed on a calendar-year basis and become due on November 15 of each year, and become delinquent on December 31. Ad valorem taxes become delinquent if not paid by December 31. The taxes are normally collected in December of the current year and January and February of the ensuing year. The ad valorem tax receivable at December 31, 2018 was \$5,344,853.

Interest income on investments is recorded when earned and the income is available.

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

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

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

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

D. ENCUMBRANCES Outstanding encumbrances lapse at year-end. Authorization for the eventual expenditure will be included in the following year's budget appropriations. Encumbrance accounting is not employed in governmental funds.

Encumbrance accounting (e.g., purchase orders, contracts) is not recognized within the accounting records for budgetary control purposes.

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

E. CASH AND CASH EQUIVALENTS Cash includes amounts petty cash, in demand deposits and interest-bearing demand deposits, and time deposit accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the Police Jury may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts or time deposits with state banks organized under Louisiana law or any other state in the United States or under the laws of United States.

F. INVESTMENTS Investments are limited by R.S. 33:2955 and the Police Jury's investment policy. If the original maturities of investments exceed 90 days they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

The investments are reflected at fair value except for the following which are required/permitted as per GASB Statement No. 31:

1. Investments in nonparticipating interest-earning contracts, such as nonnegotiable certificates of deposit with redemption terms that do not consider market rates, are reported using a cost-based measure.
2. The Police Jury reported at amortized cost money market investments and participating interest-earning investment contracts that have a remaining maturity at time of purchase of one year or less.

Short term investments are reported at amortized cost which approximates fair value. Long-term investments, those with original maturities greater than one (1) year, are valued at the last reported sales price at current exchange rates.

Definitions:

Interest-earning investment contract include time deposits with financial institutions (such as certificates of deposit), repurchase agreements, and guaranteed investment contracts.

Money market investments are short-term, highly liquid debt instruments that include U. S. Treasury obligations.

The Police Jury participates in the Louisiana Asset Management Pool, Inc., (LAMP) which is an external investment pool that is not SEC-registered. Because the LAMP is an arrangement sponsored by a type of governmental entity, it is exempt by statute from regulation by the SEC. LAMP is a 2a7-like investment pool.

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA-R.S. 33.2955.

The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the net asset value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the State Treasurer and the Board of Directors. LAMP is not registered with the SEC as an investment company.

**Webster Parish Police Jury
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An annual audit of LAMP is conducted by an independent certified public accountant. The Legislative Auditor of the State of Louisiana has full access to the records of the LAMP.

LAMP issues financial reports which can be obtained by writing: LAMP, Inc., 228 St. Charles Avenue, Suite 1123, New Orleans, LA 70130.

G. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES (FFS) During the course of operations, numerous transactions occur between individual funds for services rendered. These receivables and payables are classified as interfund receivables/payables on the balance sheet. Short-term interfund loans are also classified as interfund receivables/payables. Receivables and payables between the primary government and discretely presented component units are disclosed separately from interfund balances as due to/from component units.

H. ELIMINATION AND RECLASSIFICATIONS In the process of aggregating data for the Statement of Net Position and the Statement of Activities some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the “grossing up” effect on assets and liabilities within the governmental activities column.

I. INVENTORY AND PREPAID ITEMS Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. All inventory items are valued at cost using first-in, first-out method. Inventory is recorded using the consumption method.

J. CAPITAL ASSETS Capital assets for the Police Jury purchased or acquired with an original cost of \$2,500 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at their acquisition value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Straight line depreciation is used based on the following estimated useful lives:

Buildings	20-40 years
Infrastructure	40 years
Furniture and equipment	5 - 10 years
Vehicles	5-15 years
Library books and related materials	5 years
Intangibles-software	5 years
Intangibles-other	5 years

GASB No. 34 requires the Police Jury to report and depreciate new infrastructure assets. Infrastructure assets include roads, bridges, traffic signals, etc. These infrastructure assets are likely to be the largest asset class of the Police Jury. The Police Jury does not and is not required to retroactively report infrastructure constructed before January 1, 2004. The Police Jury's policy is to capitalize infrastructure construction or improvements of \$100,000 or more.

K. COMPENSATED ABSENCES All full-time employees of the Police Jury and Criminal Court earn annual leave at rates varying from 10 to 25 days per year, depending on length of service. Employees may accumulate up to a maximum of 90 days of annual leave. Employees hired after January 1, 2006 may carry forward 30 days. No more than 30 days of annual leave will be paid out due to termination, retirement, or death of the employee. All full-time permanent employees earn one sick day per month. Sick leave may be accumulated without limitation. Upon retirement, unused sick leave is used in the retirement benefit computation as earned service. Employees are not compensated for accumulated sick leave upon separation of service.

**Webster Parish Police Jury
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Full-time employees of the Webster Parish Library earn from two to five weeks of vacation leave, depending on their job classification. Part-time employees earn vacation leave each year in proportion to the number of hours worked per week on a regular basis. Vacation leave can be accrued up to a maximum of six work weeks. Upon resignation or retirement, employees receive payment for unused vacation leave. Sick leave with pay is allowed for all full-time and part-time employees working on a regular basis in the amount of two work weeks per year. Sick leave can be accumulated up to a maximum of 12 work weeks. Sick leave lapses upon termination of employment.

The cost of leave privileges, computed in accordance with the previous codification, is recognized as current-year expenditure within the various funds when leave is actually taken or when employees are paid for accrued vacation leave upon retirement.

The Police Jury's recognition and measurement criterion for compensated absences follows:

GASB Statement No. 16 provides that vacation leave and other compensated absences with similar characteristics should be accrued as a liability as the benefits are earned by the employees if both of the following conditions are met:

The employees' right to receive compensation is attributable to services already rendered.

It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

L. LIABILITIES For government-wide reporting, the costs associated with the bonds, except any portion related to prepaid insurance costs, are recognized as an expense in the period incurred as established by GASB No. 65.

For fund financial reporting, bond premiums and discounts, as well as issuance costs are recognized in the period the bonds are issued. Bond proceeds are reported as other financing source net of the applicable premium or discount. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

For purposes 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 retirements systems 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. Investments are reported at fair value.

M. RESTRICTED NET POSITION For the government-wide Statement of Net Position, net position is reported as restricted when constraints placed on net position use are either:

- Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments;
- Imposed by law through constitutional provisions or enabling legislation. \$7,604,248 of the Police Jury's net position is restricted by enabling legislation.

It is the Police Jury's policy to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Webster Parish Police Jury
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N. FUND EQUITY OF FUND FINANCIAL STATEMENTS Fund balances are reported in the following categories:

Non-spendable: Fund balance that is not in spendable form or legally or contractually required to be maintained intact. This category includes items that are not easily converted to cash such as inventories and prepaid items.

Restricted: Fund balance that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

Committed: Fund balance that can only be used for specific purposes determined by the Police Jury's highest level of decision making authority. The Jury is the highest level of decision making authority of the Police Jury that can, by adoption of a resolution prior to fiscal year, commit fund balance. Committed amounts cannot be used for any other purpose unless the Jury removes or changes the specified use by taking the same type of action it employed to previously commit the funds.

Assigned: Fund balance that is constrained by the Police Jury's intent to be used for specific purposes, but are neither restricted nor committed.

Unassigned: Fund balance that is the residual classification for the general fund or a deficit fund balance in other funds.

The Police Jury reduces committed amounts, followed by assigned amounts and then unassigned amounts when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used. The Police Jury considers restricted amounts have been spent when an expenditure has incurred for purpose for which both restricted and unrestricted fund balance is available.

O. INTERFUND TRANSACTIONS Quasi-external transactions are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

P. SALES TAXES The Police Jury has a one half of one percent sales and use tax, which was passed by the voters at a special election on May 5, 1984. The tax went into effect on June 1, 1984 and will remain in effect for an indefinite period. The tax is to be used for solid waste collection and disposal; constructing, maintaining, and improving public roads, streets, highways and bridges; and constructing and renovating jail and penal farm facilities.

Q. UNEARNED REVENUE Unearned revenues arise when assets are recognized before the revenue recognition criteria have been satisfied. On governmental fund financial statements, receivables that were not collected within the available period are recorded as unearned revenue.

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

R. USE OF 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, liabilities and deferred inflows and outflows of resources and disclosure of contingent assets and liabilities at the date of the financial statement and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

S. LONG-TERM OBLIGATIONS In the government-wide financial statements, long-term debt and other long-term obligations are reported a liability in the applicable governmental activities in the Statement of Net Position. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance cost, except any portion related to prepaid insurance costs are expensed in the period incurred. In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance cost, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the acute debt proceeds received, are reported as debt service expenditures.

T. RISK MANAGEMENT The Police Jury is exposed to various risks of losses related to torts, theft of, damage to, and destructions of assets; error and omissions; injuries to employees; and natural disasters. The Police Jury maintains insurance to cover such risk. In the past, the insurance has been sufficient to cover any settlements. Settled claims resulting from these risks have not exceeded commercial insurance coverage in the past three fiscal years.

U. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow or resources (expense/expenditure) until then. The Police Jury does have items that qualify as deferred outflows of resources, which are related to pension obligations. See Note 8 for additional information.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenues) until that time. The Police Jury has items that qualify for reporting in this category. One of the items arise under the modified accrual basis of accounting, *unavailable revenue*, which is reported only in the governmental funds balance sheet as unavailable property taxes. These amounts are referred and recognized as an inflow of resources in the period that the amounts become available. The other item that qualifies as deferred inflow of resources relates to the pension obligations. See Note 8 for additional information.

NOTE 2 - LEVIED TAXES The Police Jury levies taxes on real and business personal property located within Webster Parish's boundaries. Property taxes are levied by the Police Jury on property values assessed by the Webster Parish Tax Assessor and approved by the State of Louisiana Tax Commission.

**Webster Parish Police Jury
Notes to the Financial Statements
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The Webster Parish Sheriff's Office bills and collects property taxes for the Police Jury. Collections are remitted to the Police Jury monthly.

Property Tax Calendar

Millage rates adopted/levied	July 9, 2018
Tax bills mailed	On or about November 1, 2018
Due date	December 31, 2018
Collection dates	December 31, 2018 through April 2019
Penalty and interest accrues	January 1, 2019
Tax sale – 2018 property	May 16, 2019

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

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

A revaluation of all property is required after 1978 to be completed no less than every four years. The last revaluation was completed for the roll of January 1, 2017. Total assessed value was \$306,690,140 in calendar year 2018. Louisiana state law exempts the first \$75,000 of assessed value of a taxpayer's primary residence from parish property taxes. This homestead exemption was \$54,971,152 of the assessed value in calendar year 2018.

State law requires the sheriff to collect property taxes in the calendar year in which the assessment is made. Property taxes become delinquent January 1 of the following year. If taxes are not paid by the due date, taxes bear interest at the rate of 1.25% per month until the taxes are paid. After notice is given to the delinquent taxpayers, the sheriff is required by the Constitution of the State of Louisiana to sell the least quantity of property necessary to settle the taxes and interest owed.

The calendar year tax roll is prepared by the parish tax assessor in November of each year. The amount of property taxes to be collected occurs in December 2018 and January and February 2019. All property taxes are recorded in the general, special revenue and debt service funds. The Police Jury considers the lien date (January 1, 2019) as the date an enforceable legal claim occurs for 2018 property taxes. Property tax revenue is recognized in the period for which the taxes are levied (budgeted).

Estimated uncollectible taxes are those taxes based on past experience which will not be collected in the subsequent year and are primarily due to subsequent adjustments to the tax roll. Historically, virtually all ad valorem taxes receivable were collected since they are secured by property. Therefore, there is no allowance for uncollectible taxes.

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

The following is a summary of authorized and levied (tax rate per \$1,000 assessed value) ad valorem taxes:

<u>Parish-wide taxes:</u>	<u>Maximum Millage Rate</u>	<u>Authorized/ Levied Rate</u>
General maintenance	6.39	6.39
Library maintenance and operation	12.43	12.43
Courthouse, health unit, and agricultural extension service maintenance and operation	2.78	2.78
<u>District taxes:</u>		
Road District A construction and maintenance	2.70	2.65
Road District B construction and maintenance	4.18	3.92

NOTE 3 - DEPOSITS At December 31, 2018, the Police Jury had cash and cash equivalents (book balances) as follows:

Demand deposits (cash and cash equivalents per Statement A)	\$ 3,547,328
Time deposits (reported as investments per Statement A)	3,783,471
Demand deposits (cash and cash equivalents per Statement G – Agency funds)	281,097
Petty cash (cash and cash equivalents per Statement A)	<u>225</u>
Total	<u><u>\$ 7,612,121</u></u>

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

Custodial Credit Risk-Deposits: At year-end the bank balance for the Police Jury was \$7,958,383. Of the bank balance, \$2,197,335 was covered by federal depository insurance. The remaining balance, \$5,761,048 was collateralized with securities held by the pledging financial institution's trust department or agent but not in the Police Jury's name.

Even though the pledged securities are considered uncollateralized under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Police Jury that the fiscal agent has failed to pay deposited funds upon demand. The Police Jury's policy does not address custodial credit risk.

Interest Rate Risk-Deposits: The Police Jury's policy does not address interest rate risk.

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

NOTE 4 - INVESTMENTS At year end, the Police Jury investment balances were as follows:

<u>Investment</u>	<u>Maturities</u>	<u>Credit Rating</u>	<u>Fair Value Carrying Amount</u>	<u>% of Investments</u>
External investment pool - LAMP	< 1 year	AAAm	\$ 3,510	100%
Total Invesments			<u>3,510</u>	
Time deposits reported as investments			<u>3,783,471</u>	
Total investments reported as Statement A			<u>\$ 3,786,981</u>	

Investments held at December 31, 2018 consist of \$3,510 in the Louisiana Asset Management Pool (LAMP), a local government investment pool. LAMP is a 2a7-like investment pool. The following facts are relevant for 2a7-like investment pools:

Credit Risk: LAMP is rated AAAm by Standard and Poor's.

Custodial Credit Risk-Investments: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.

Concentration of Credit Risk: Pooled investments are excluded from the 5 percent disclosure requirement.

Interest Rate Risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest note risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 60 days, and consists of no securities with a maturity in excess of 397 days.

NOTE 5 - RECEIVABLES The following is a summary of receivables at December 31, 2018:

<u>Class of Receivables</u>	<u>General</u>	<u>Sales Tax</u>	<u>Library</u>	<u>Special 2.5 Mill Tax</u>	<u>Solid Waste</u>	<u>Nonmajor Governmental</u>	<u>Total</u>
Ad valorem taxes	\$ 875,935	\$ -	\$ 3,028,447	\$ 677,319	\$ -	\$ 763,152	\$ 5,344,853
Sales and use taxes	-	293,011	-	-	-	-	293,011
Intergovernmental	541,652	-	-	-	-	51,155	592,807
Fees, charges, and commissions for services	1,020	-	-	-	-	12,686	13,706
Other	34,716	-	-	485	10,834	12,778	58,813
Total	<u>\$ 1,453,323</u>	<u>\$ 293,011</u>	<u>\$ 3,028,447</u>	<u>\$ 677,804</u>	<u>\$ 10,834</u>	<u>\$ 839,771</u>	<u>\$ 6,303,190</u>

Historically, virtually all ad valorem taxes receivable were collected since they are secured by property; therefore, no allowance for doubtful accounts has been established for ad valorem taxes. The balance of remaining classes of accounts receivable is also expected to be collected in full; therefore, no allowance for doubtful accounts has been established.

Webster Parish Police Jury
Notes to the Financial Statements
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NOTE 6 - CAPITAL ASSETS The following schedule presents changes in capital assets for governmental activities:

	<u>Balance at Beginning</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at Ending</u>
Governmental activities				
Capital assets, not being depreciated				
Land	\$ 1,365,640	\$ -	\$ -	\$ 1,365,640
Construction in progress	1,648,830	517,610	1,922,810	243,630
Total capital assets, not being depreciated	<u>3,014,470</u>	<u>517,610</u>	<u>1,922,810</u>	<u>1,609,270</u>
Capital assets, being depreciated				
Buildings and improvements	15,772,099	1,870,962	452,748	17,190,313
Infrastructure	2,715,830	-	-	2,715,830
Furniture, equipment & vehicles	6,269,141	927,213	305,939	6,890,415
Library books and information materials	1,535,908	286,771	244,330	1,578,349
Total capital assets, being depreciated	<u>26,292,978</u>	<u>3,084,946</u>	<u>1,003,017</u>	<u>28,374,907</u>
Less accumulated depreciation:				
Buildings and improvements	7,337,832	455,049	292,894	7,499,987
Infrastructure	473,074	67,896	-	540,970
Furniture, equipment & vehicles	5,024,966	321,268	305,544	5,040,690
Library books and information materials	770,237	302,852	241,238	831,851
Total accumulated depreciation	<u>13,606,109</u>	<u>1,147,065</u>	<u>839,676</u>	<u>13,913,498</u>
Total capital assets, being depreciated, net	<u>12,686,869</u>	<u>1,937,881</u>	<u>163,341</u>	<u>14,461,409</u>
Governmental activities capital assets, net	<u>\$ 15,701,339</u>	<u>\$ 2,455,491</u>	<u>\$ 2,086,151</u>	<u>\$ 16,070,679</u>

Depreciation expense was charged to the governmental activities as follows:

Judicial	\$ 3,583
Finance & administrative	231,876
Other general government	5,913
Public safety	17,620
Public works	316,816
Health & welfare	46,754
Culture & recreation	524,503
Total	<u>\$1,147,065</u>

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

NOTE 7 - ACCOUNTS PAYABLE VENDORS The accounts payable for December 31, 2018 fiscal year end are as follows:

	General Fund	Sales Tax	Library	Special 2.5 Mill Tax	Solid Waste	Nonmajor Governmental	Total
Vendors	\$ 100,742	\$ 11,062	\$ 46,335	\$ 10,226	\$ 35,788	\$ 19,263	\$ 223,416
Construction contracts	-	10,987	-	-	-	6,984	17,971
Utilities	57	3,115	12,456	25,111	-	-	40,739
	<u>\$ 100,799</u>	<u>\$ 25,164</u>	<u>\$ 58,791</u>	<u>\$ 35,337</u>	<u>\$ 35,788</u>	<u>\$ 26,247</u>	<u>\$ 282,126</u>

NOTE 8 - PENSION PLAN The Police Jury is a participating employer in a statewide, public employee retirement system, the Parochial Employees' Retirement System of Louisiana (System). The System has a separate board of trustees and administers a cost-sharing, multiple-employer defined benefit pension plan. The System is composed of two plans, Plan A and Plan B, with separate asset and benefit provisions. All employees of the Police Jury are members of Plan A. The authority to establish and amend the benefit terms of the System was granted to the Board of Trustees and the Louisiana Legislature by Title 11 of the Louisiana Revised Statutes. The System issues a public report that includes financial statements and required supplementary information. Copies of the report for the System may be obtained at www.persla.org.

General Information about the Pension Plan

Plan Description/Benefits Provided:

The System administers a plan to provide retirement, disability, and survivor's benefits to employees of taxing districts of a parish or any branch or section of a parish within the state which does not have their own retirement system and which elect to become members of the System. The age and years of creditable service (service) required in order for a member to receive retirement benefits are established by R.S. 11:1901 and vary depending on the member's hire date.

A member who joined the system on or before January 1, 2007 is eligible for normal retirement if the member has at least 30 years of creditable service regardless of age, 25 years of creditable service and is at least age 55, 10 years of creditable service and is at least age 60, or 7 years of creditable service and is at least age 65. A member who joined the System on or after January 1, 2007 is eligible for normal retirement if the member has at least 30 years of creditable service and is at least age 55, 10 years of creditable service and is at least age 62, or 7 years of creditable service and is at least age 67.

The retirement allowance is equal to 3% of the member's final average compensation multiplied by the member's years of creditable service. Final average compensation is defined as the average of the highest consecutive 36 months' salary for members hired prior to January 1, 2007. For members hired January 1, 2007 and later, final average compensation shall be defined as the average of the highest consecutive 60 months' salary.

A member is eligible to retire and receive disability benefits if the member has at least 5 years of creditable service and is not eligible for normal retirement and has become totally and permanently disabled and is certified as disabled by the State Medical Disability Board. A member who joins the system on or after January 1, 2007, must have at least 7 years of service to qualify for disability benefits.

Upon the death of a member with five or more years of creditable service who is not eligible for retirement, the plan provides benefits for surviving spouses and minor children.

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

Deferred Retirement Option Plan

In lieu of terminating employment and accepting a service retirement, any member who is eligible to retire may elect to participate in the Deferred Retirement Option Plan (DROP) in which they are enrolled for 3 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 the participant's option, a lump sum from the account equal to the payments into the account, a true annuity based upon the account balance in that fund, or roll over the fund to an individual retirement account.

Cost of Living Adjustments

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 (RS 11:1937). Lastly, Act 270 of 2009 provided for further reduced actuarial payments to provide an annual 2.5% cost of living adjustment commencing at age 55. These ad hoc COLAs are not considered to be substantively automatic.

Contributions

Contributions for all members are established by statute at 9.5% of compensation and are deducted from the member's salary and remitted by the participating employer. According to state statute, contributions for all employers are actuarially determined each year. For the year ended December 31, 2018, the actuarially determined contribution rate was 9.99%, based on the December 2017 report and the actual contribution rate was 12.5% or \$400,225. For fiscal year ended December 31, 2018, the actual contribution rate was 11.5% or \$375,564. According to state statute, the System also receives ¼ of 1% of ad valorem taxes collected within the respective parishes except for Orleans and East Baton Rouge parishes. The System also receives revenue sharing funds each year as appropriated by the Legislature. Tax monies and revenue sharing monies are apportioned between Plan A and Plan B in proportion to the member's compensation. These additional sources of income are used as additional employer contributions and are considered support from non-contributing entities. The Police Jury's proportionate share of nonemployer contributions was \$38,672 and was recognized as revenue by the Police Jury.

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

At December 31, 2018, the Police Jury reported an asset of \$386,103 for its proportionate share of the Net Pension Asset (NPA). The NPA was measured as of December 31, 2017, and the total pension assets and liabilities used to calculate the NPA were determined by actuarial valuations as of that date. The Police Jury's proportions of the NPA were based on projections of the Police Jury's long-term share of contributions to the pension plan relative to the projected contribution of all participating employers, actuarially determined. As of December 31, 2017, the most recent measurement date, the Police Jury's proportions and the changes in proportion from the prior measurement date were .520181%, or a decrease of .010693%.

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

For the year ended December 31, 2018, the Police Jury recognized a total pension expense of \$478,641. The Police Jury reported deferred outflows of resources and deferred inflows of resources related to pensions as components of unrestricted net position from the following sources:

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Differences between expected and actual experience	\$ -	\$ 249,933
Change in assumptions	487,319	-
Net difference between projected and actual earnings on pension plan investments	-	892,009
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	6,693
Employer contributions after measurement date	375,564	-
Total	<u>\$ 862,883</u>	<u>\$ 1,148,635</u>

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

2019	\$ 54,456
2020	(60,664)
2021	(301,565)
2022	(353,543)

Actuarial Assumptions

The total pension liability for PERS in the December 31, 2017, actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurements:

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

Valuation Date	December 31, 2017
Actuarial Cost Method	Entry Age Normal Cost
Expected Remaining Service Lives	4 years
Investment Rate of Return	6.75%
Inflation Rate	2.50%
Mortality - Non-disabled	RP-2000 Healthy Annuitant Sex Distinct Tables (set forward 2 years for males and set forward 1 year for females) projected to 2031 using Scale AA were selected for annuitant and beneficiary mortality. For employees, the RP-2000 Employees Sex Distinct Tables set back 4 years for males and 3 years for females was selected.
Mortality - Disabled	RP-2000 Disabled Lives Mortality Table set back 5 years for males and set back 3 years for females
Salary Increases	5.25% (2.75% Merit/2.50% Inflation)
Cost of Living Adjustments	Not substantively automatic
Termination, Disability, Retirement	Projected based on a 5 year (January 1, 2010 - December 31, 2014) experience study

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

Asset Class	<u>Target Allocation</u>	<u>LT Expected Real Rate of Return</u>
Fixed income	35%	1.24%
Equity	52%	3.57%
Alternatives	11%	0.69%
Real assets	2%	0.12%
Total	<u>100%</u>	<u>5.62%</u>
 Inflation		 <u>2.00%</u>
Expected arithmetic nominal return		<u><u>7.62%</u></u>

Discount Rate. The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions from participating employers will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was

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

projected to be available to make all projected future benefit payments of current active and inactive 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 proportionate share of the NPL (NPA) to changes in the discount rate. The following presents the Police Jury's proportionate share of the NPL (NPA) using the current discount rate as well as what the Police Jury's proportionate share of the NPL (NPA) 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:

<u>1.0% Decrease</u>	<u>Current Discount Rate 6.75%</u>	<u>1.0% Increase</u>
\$ 1,903,626	\$ (386,103)	\$ (2,424,954)

Pension plan fiduciary net position Detailed information about fiduciary net position is available in the separately issued financial report referenced above.

Payables to the Pension Plan. At December 31, 2018, the Police Jury had \$150,364 in payables for the December 2018 employee and employer legally required contributions.

NOTE 9 - COMPENSATED ABSENCES At December 31, 2018, employees of the Police Jury, Library, and Criminal Court had accumulated and vested \$299,759 of employee leave benefits. The liability for compensated absences includes salary related benefits.

NOTE 10 - LONG-TERM LIABILITIES The following is a summary of the long-term liabilities transactions and balances for the year ended December 31:

	Beginning Balance	Additions	Deletions	Ending Balance	Amounts Due Within One year
Governmental Activities:					
Limited tax certificate of indebtedness	\$ 1,805,000	\$ -	\$ 205,000	\$ 1,600,000	\$ 210,000
Capital lease	-	236,701	115,093	121,608	121,608
Compensated absences	302,687	170,619	173,547	299,759	173,547
Net pension liability (asset)	1,093,342	478,641	1,571,983	-	-
OPEB liability*	5,313,990	395,133	148,065	5,561,058	-
Total	\$ 8,515,019	\$ 1,281,094	\$ 2,213,688	\$ 7,582,425	\$ 505,155

* Includes prior period adjustment of \$3,005,303

For the fiscal year end December 31, 2018, the Police Jury reported a net pension asset. See Note 8 for additional information.

The compensated absence liability will be liquidated by General fund 18%, Special Revenue fund 40%, and Library fund 32% with the remaining 10% being liquidated by various other funds. The OPEB liability will be funded by the Police Jury's General fund. The net pension liability (asset) will be liquidated through contributions to the pension plan from the governmental fund in which the related salary is paid. The capital lease will be funded by the Parish Road Nonmajor Special Revenue fund.

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

Limited tax debt at December 31 is as follows:

	Amount
2014 Limited Tax Certificates of Indebtedness:	
\$2,200,000 Certificate of Indebtedness, dated 10/15/2014; due in annual principal installments of \$195,000 - \$250,000 through March 1, 2025; interest at 2.260%; secured by levy and collection of ad valorem taxes	\$ 1,600,000

The annual requirement to amortize long-term debt outstanding as of December 31, 2018, including interest payments are as follows:

	Principal Payments	Interest Payments	Total
2019	\$ 210,000	\$ 33,787	\$ 243,787
2020	215,000	28,985	243,985
2021	220,000	24,069	244,069
2022	230,000	18,984	248,984
2023	235,000	13,729	248,729
2024-2025	490,000	11,187	501,187
	\$ 1,600,000	\$ 130,741	\$ 1,730,741

At December 31, 2018, \$238 was available in Debt Service Fund to service the limited tax certificate of indebtedness.

In accordance with Louisiana Revised Statute 39:562, the Police Jury and its component units are legally restricted from incurring long-term bonded general obligation debt in excess of ten percent of the assessed value of taxable property in the parish or district. At December 31, the statutory limit is \$30,669,014 and net outstanding bonded general obligation debt totaled \$0. The Police Jury is within limits required by statute.

In accordance with Louisiana Revised Statute 39:742.2, the principal and interest due on limited tax certificates of indebtedness in any year on the amount so borrowed for and on behalf of any political subdivision in anticipation of the revenues to be received from a special ad valorem tax shall not exceed seventy-five percent of the revenues estimated to be realized from the levy of such special tax in the year in which such bonds are issued.

Pledged Revenue: In October 2014, the Police Jury issued \$2,200,000 in limited tax certificates of indebtedness to finance the acquiring, constructing, improving, furnishing and equipping public libraries in Webster Parish. The Police Jury has pledged, as security, a portion of the 12.43 mills Library ad valorem tax. The certificates are payable solely from the library ad valorem tax collected and are payable through fiscal year end 2025. The principal and interest payments are estimated to be 7.9% over the next 7 years. The total principal and interest remaining to be paid is \$1,600,000 and \$130,741, respectively. For fiscal year ended December 31, 2018, the Police Jury received \$3,116,224 from the collection of the 12.43 mills and paid \$205,000 in principal and \$38,477 in interest obligations for the 2014 certificates of indebtedness.

Capital Lease: During the fiscal year ended December 31, 2018, the Police Jury purchased two new dump trucks under a capital lease in the amount of \$236,701 and bears an interest rate of 5.99%. The current year depreciation and accumulated depreciation for the fiscal year ended December 31, 2018 was \$13,808.

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

The future minimum lease payments for the fiscal year ended December 31, 2018 were as follows:

Fiscal year:	<u>Two 2019 International Tandem Diesel Trucks</u>
2019	\$ 122,215
Less amounts representing executory costs	<u>0</u>
Net minimum lease payments	122,215
Less amounts representing interest	<u>607</u>
Present value of net minimum lease payments	<u><u>\$ 121,608</u></u>

NOTE 11 - 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. Criminal Court had a fund balance at the end of the year of \$42,816. Due to the General fund transferring \$535,000 during the fiscal year to the criminal court fund to cover excess expenses, the General Fund chose not to transfer one-half of the remaining fund balance from the criminal court fund and decided to leave the fund balance intact to assist in a reduction of future transfers from the General fund to the criminal court for excess expenses.

NOTE 12 - INTERFUND TRANSACTIONS (FFS LEVEL ONLY)

Transfers In/Out

<u>Transferred In</u>	<u>Transferred Out</u>	<u>Amount</u>
General Fund	Solid Waste	\$ 200,000
Special 2.5 Mill	General Fund	50,000
Nonmajor Governmental	General Fund	535,000
Nonmajor Governmental	Library	<u>243,477</u>
		<u><u>\$ 1,028,477</u></u>

Transfers were made from the Solid Waste to the General fund to assist in covering renovation costs for the Annex building. Transfers from the General fund to the Nonmajor Governmental funds were to cover shortfalls in the Criminal Court fund. Transfers from the General Fund to the Special 2.5 Mill fund was to help reduce the current year's spending deficit. Additionally, the transfer from the Library fund was to the Nonmajor Governmental - debt service fund due to the required sinking fund payment.

NOTE 13 - LITIGATION AND CLAIMS

Litigation Per legal counsel, the Police Jury was not involved in any lawsuits at December 31, 2018.

Grant Disallowances The Police Jury participates in a number of state and federally assisted grant programs. The programs are subject to compliance audits under the single audit approach based on the total received in the fiscal year. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under terms of the grant.

Head Start Program Disallowance The Department of Health and Human Services' (HHS), Administration for Children and Families conducted a monitoring review of the 2012 Head Start program year at the Webster Parish Office of Community Services, a discretely presented component unit of the Police Jury. The monitoring reported findings resulted in disallowed costs by the Office of Community Services in the amount of \$273,251 with accrued interest of \$95,958 as of December 31, 2018. Although this is a liability being reported by the Office of Community Services, the communication to the Office of Community Services by HHS has been

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

addressed to the Webster Parish Police Jury. The Webster Parish Police Jury and the Office of Community Services are currently working together in negotiating the interest rate and any penalties with the Department of Health and Human Services. Due to the repayment of this liability is expected to be paid by the Office of Community Services, the Police Jury has not recorded a liability at December 31, 2018 for the disallowance nor the interest.

Construction Projects The Police Jury had the following construction project underway at the close of the 2018 fiscal year end: \$243,630 in a new water well for the St. James Water System. The total amount remaining outstanding on this project at December 31, 2018 was \$4,013.

NOTE 14 - RISK MANAGEMENT The Police Jury is at risk for property damage, liability and theft which are covered by commercial insurance through the Louisianan Rural Parish Insurance Cooperative, a self-insurance fund. This self-insurance program is a public entity risk pool which was approved by the State of Louisiana Insurance Commission. The cooperative operates as any other commercial insurance company. Three insurance companies currently share the excess coverage insurance. The first \$100,000 of all coverage is self-funded by the combined contributions of the members. No additional assessments can be made against the Police Jury. The Police Jury is responsible only for the payment of premiums. Settled claims resulting from these risks have not exceeded the commercial insurance coverage in any of the past three years.

NOTE 15 - LANDFILL CLOSURE AND POST-CLOSURE CARE COST State and federal laws and regulations requires the Police Jury to place a final cover on its landfill site when it stops receiving waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. In August 1997, the Police Jury entered into a long term lease of the landfill. At this time the Police Jury had completed closure costs on the landfill cells it had used under the terms of the lease, the new operator will be responsible for closure of all landfill cells it utilizes and will also be responsible for all required post-closure activities related to such areas. The closure cost and post-closure cost estimate completed in 2017 was \$8,843,735. Louisiana Department of Environmental Quality (LDEQ) considers the owner of the landfill to be responsible for the closure costs; however the Police Jury has an agreement with the operator to cover their portion of the closure costs. Therefore, no long-term debt due to landfill closure and post closure costs as defined in Governmental Accounting Standard No. 18 has been accrued by the Police Jury. The Police Jury has \$2,000,000 in investments in the General Fund, which are committed for any future landfill closure or post-closure costs. Additionally, the landfill operator maintains a surety bond to cover the landfill closure or post-closure costs of \$2,704,105.

NOTE 16 - OTHER POST EMPLOYMENT BENEFITS (OPEB) Effective with the fiscal year ended December 31, 2018, the Webster Parish Police Jury implemented Government Accounting Standards Board Statement Number 75, *Accounting and Financial Reporting for Post Employment Benefits Other than Pensions (GASB 75)*.

Plan description - The Police Jury provides certain continuing health care and life insurance benefits for its retired employees on a pay-as-you-go basis. The Police Jury's OPEB plan is a single-employer defined benefit "substantive plan" as understood by past practices of the Police Jury and its employees. Although no written plan or trust currently exists or is sanctioned by law, the OPEB plan is reported based on communication to plan members. Substantially all of the Police Jury's employees become eligible for these benefits if they reach normal retirement age while working for the Police Jury. The benefits and similar benefits for active employees are provided through an insurance program, whose monthly premiums are paid jointly by the employee and the Police Jury. The OPEB plan does not issue a stand-alone financial report. Additionally, no assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

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

Benefits Provided and Funding Policy - The insurance for retired individuals is provided through the Police Jury's group plan, which covers both active and retired members. Employees do not contribute to their post-employment benefits cost until they become retirees and begin receiving those benefits. Contribution amounts are approximately 13% retiree/87% employer of the stated costs of healthcare coverage. The retiree pays 100% of any elected dependent medical coverage and for dental and life insurance elected in retirement.

Employees Covered by Benefit Terms - At December 31, 2018, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit	20
Inactive employees entitled to but not yet receiving benefit payments	0
Active employees	49
Total	69

Total OPEB Liability - The Police Jury's total OPEB liability of \$5,561,058 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:

Actuarial method	Individual entry age normal cost - Level percentage of projected salary
Discount rate	4.10% (1.10% real rate of return plus 3.00% inflation) using the Bond Pay GO-20 bond index
Healthcare trend	Level 5.00% trend rate
Mortality	RPH-2014 total table with projection MP-2018
Turnover	Range from 25% with zero years of service to 1% with twenty plus years of service
Retirement rates	Range from 15% for age 45 to 1% for age 65
Salary increase	3.50%
Retirees' share of benefit-related costs	13%

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

Changes in the Total OPEB Liability:

	Total OPEB Liability
Balance at January 1, 2018	\$ 5,313,990
Changes for the year:	
Service cost	173,194
Interest	221,939
Benefit payments	(148,065)
Net changes	247,068
Balance at December 31, 2018	\$ 5,561,058

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate - The following presents the total OPEB liability of the Police Jury, as well as what the Police Jury's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower and one percentage point higher than the current discount rate.

	1% Decrease (3.10%)	Discount Rate (4.10%)	1% Increase (5.10%)
Total OPEB liability	\$ 6,664,657	\$ 5,561,058	\$ 4,694,035

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 one percentage point lower and one percentage point higher than the current healthcare cost trend rates.

	1% Decrease (4.00%)	Trend Rate (5.00%)	1% Increase (6.00%)
Total OPEB liability	\$ 4,598,719	\$ 5,561,058	\$ 6,834,530

OPEB Expense - For the year ended December 31, 2018, the Police Jury recognized OPEB expense of \$395,133.

NOTE 17 - OPERATING LEASES The Police Jury leases postage machines and printers under noncancelable operating leases. Total costs paid for such leases were \$20,940 for the year ended December 31, 2018. The minimum lease payments for these leases are as follows:

Year Ending December 31,	<u>Amount</u>
2019	\$ 20,559
2020	18,223
2021	10,681
2022	3,885

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

NOTE 18 - FUND BALANCE CLASSIFICATION DETAILS: The following are details of the fund balance classifications:

	General Fund	Sales Tax	Library	Special 2.5 Mill Tax	Solid Waste	Nonmajor Governmental	Total
Non-spendable:							
Prepaid items	\$ 307,939	\$ 57,844	\$ 88,374	\$ 6,128	\$ 5,589	\$ 20,541	\$ 486,415
Restricted for:							
Solid waste collection, road and jail	-	742,239	-	-	-	-	742,239
Road	-	-	-	-	-	1,918,612	1,918,612
Library	-	-	4,105,428	-	-	501,971	4,607,399
Debt Service	-	-	-	-	-	238	238
Operations & maintenance of courthouse & health unit	-	-	-	577,380	-	-	577,380
DA salary and benefits	-	-	-	-	-	5,881	5,881
Criminal court	-	-	-	-	-	12,523	12,523
Court reporter	-	-	-	-	-	16,515	16,515
Committed to:							
Solid Waste	-	-	-	-	1,287,929	-	1,287,929
Landfill	2,000,000	-	-	-	-	-	2,000,000
Unassigned:							
General fund	1,546,968	-	-	-	-	-	1,546,968
Total	<u>\$ 3,854,907</u>	<u>\$ 800,083</u>	<u>\$ 4,193,802</u>	<u>\$ 583,508</u>	<u>\$ 1,293,518</u>	<u>\$ 2,476,281</u>	<u>\$ 13,202,099</u>

NOTE 19 - NEW GASB STANDARDS In fiscal year 2018, the Police Jury adopted the following statement of financial accounting standard issued by the Governmental Accounting Standards Board:

- *Statement No. 75 – Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, issued by the Government Accounting Standards Board. This Statement addresses accounting and financial reporting of OPEB that is provided to the employees of state and local governmental employers and establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit OPEB, this Statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to the actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about defined benefit OPEB also are addressed. This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB.
- *Statement No. 85 – Omnibus 2017* issued by the Governmental Accounting Standards Board. This Statement addresses practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and post-employment benefits (pensions and other post-employment benefits such as OPEB).

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

- *Statement No. 86 – Certain Debt Extinguishment Issues*, issued by the Government Accounting Standards Board. This Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources, resources other than the proceeds of refunding debt, are placed in an irrevocable trust.

The adoption of Statement No. 75 has no impact on the Police Jury’s governmental fund financial statements, which continue to report expenditures on a pay-as-you-go basis. However, the adoption has resulted in the restatement of the Police Jury’s 2017 government-wide financial statements to reflect the reporting of total OPEB liability in accordance with the provisions of the Statement. Net position as of January 1, 2018 was decreased by \$3,005,303 reflecting the cumulative retrospective effect of adoption.

The adoption of Statements No. 85 and 86 had no impact on the net position of government-wide statements or the fund balance of governmental funds.

NOTE 20 - TAX ABATEMENTS The Police Jury is subject to tax abatements granted by the Louisiana Department of Economic Development, Office of Commerce and Industry: Industrial Tax Exemption Program (ITEP). Louisiana has a ten-year industrial exemption law that provides any manufacturing establishment entering Louisiana, or any manufacturing establishment expanding its Louisiana facilities is eligible to receive exemption on buildings and equipment from state, parish and local property taxes for a period of ten years. The exemption is for the “contract” value of buildings or equipment used by the business. When the exemption expires, the property is to be placed on the tax roll at 15% of its current market value.

The amount of tax abatement under this program during the fiscal year ended December 31, 2018 by authorized millage is as follows:

<u>Tax Code</u>	<u>Millage</u>	<u>Assessed Valuate Lost to ITEP</u>	<u>Estimated Tax Dollar Lost to ITEP</u>
General maintenance	6.39	\$ 21,457,075	\$ 89,229
Library maintenance and operation	12.43	21,457,075	266,711
Courthouse, health unit, and agricultural extension service	2.78	21,457,075	59,651
Road District A construction and maintenance	2.65	16,347,847	43,322
Road District B construction and maintenance	3.92	5,109,228	20,028
			<u>\$ 478,941</u>

NOTE 21 - PRIOR PERIOD ADJUSTMENTS The government-wide financial statements include a prior period adjustment decreasing net position of the governmental activities by \$3,005,303, which was related to the implementation of GASB 75. The pro forma amounts for fiscal year 2017 are not presented because the amounts are not readily determinable.

The governmental funds reported a prior period adjustment increasing beginning fund balance within the Solid Waste fund by \$49,136 and increasing current year expenditures by \$49,136. This was related to permit fees of the landfill that were paid in 2017; however part of the fees were for the Police Jury’s fiscal year ended 2018.

Webster Parish Police Jury

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REQUIRED SUPPLEMENTARY INFORMATION

Webster Parish Police Jury

**Schedule of Changes in the Total OPEB Liability and Related Ratios
December 31, 2018**

Exhibit 1

Total OPEB Liability

Service costs	\$	173,194
Interest		221,939
Benefit payments		<u>(148,065)</u>
Net change in total OPEB liability		247,068
Total OPEB liability - Beginning		<u>5,313,990</u>
Total OPEB liability - Ending	\$	<u><u>5,561,058</u></u>
Covered employee payroll		2,356,132
Total OPEB liability as a percentage of covered employ		236.02%

Changes of Assumptions

Changes of assumptions and other inputs reflect the effect of changes in the discount rate each period. The following is the discount rate used:

2018	4.10%
------	-------

Notes:

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, only information for those years for which information is available is presented.

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

Webster Parish Police Jury

**Schedule of Employer's Proportionate Share of the Net Pension Liability
December 31, 2018**

Exhibit 2-1

<u>Fiscal 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 Payroll</u>	<u>Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
Parochial Employees' Retirement System of Louisiana					
2015	0.507982%	\$ 142,257	\$ 2,831,304	5%	99.15%
2016	0.533967%	1,405,555	3,061,552	46%	92.23%
2017	0.530874%	1,093,342	3,148,370	35%	94.15%
2018	0.520181%	(386,103)	3,201,800	-12%	101.98%

Notes:

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

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, only information for those years for which information is available is presented.

Webster Parish Police Jury

**Schedule of Employer Contributions to Pension Plans
December 31, 2018**

Exhibit 2-2

<u>Fiscal Year</u>	<u>Contractually Required Contribution</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 of Louisiana					
2015	\$ 443,925	\$ 443,925	\$ -	\$ 3,061,552	14.5%
2016	409,289	409,289	-	3,148,370	13.0%
2017	400,225	400,225	-	3,201,800	12.5%
2018	375,564	375,564	-	3,265,770	11.5%

Notes:

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

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, only information for those years for which information is available is presented.

Webster Parish Police Jury

Notes to the Required Supplementary Information for Pensions December 31, 2018

Changes in Benefit Terms A 2.5% COLA was effective January 1, 2015. Cost of living provisions for the system are detailed in R.S. 11:1937 and R.S. 11:246.

Change in Assumptions Changes in actuarial assumptions used in the December 31, 2017 valuation from the assumptions used in the December 31, 2016 actuarial valuation are as follows:

Valuation Date	<u>December 31, 2017</u>	<u>December 31, 2016</u>
Investment Rate of Return (Discount Rate)	6.75%	7.00%
Inflation Rate	2.50%	2.50%
Mortality	RP-2000 Healthy Annuitant Sex Distinct Tables (set forward 2 years for males and set forward 1 year for females) projected to 2031 using Scale AA were selected for annuitant and beneficiary mortality. For employees, the RP-2000 Employees Sex Distinct Tables set back 4 years for males and 3 years for females was selected. The RP-2000 Disabled Lives Mortality Table set back 5 years for males and set back 3 years for females was selected for disabled annuitants.	RP-2000 Healthy Annuitant Sex Distinct Tables projected to 2031 using Scale AA were selected for annuitant and beneficiary mortality. For employees, the RP-2000 Employees Sex Distinct Tables set back 4 years for males and 3 years for females was selected. The RP-2000 Disabled Lives Mortality Table set back 5 years for males and set back 3 years for females was selected for disabled annuitants.
Termination, Disability, Retirement	Projected based on a 5 year (January 1, 2010 - December 31, 2014) experience study	Projected based on a 5 year (January 1, 2010 - December 31, 2014) experience study
Projected Salary Increases	5.25% (2.75% Merit/2.50% Inflation)	5.25% (2.75% Merit/2.50% Inflation)
Expected arithmetic nominal return	7.62%	7.66%

Webster Parish Police Jury
Budgetary Comparison Schedules

General Fund and Any Major Special Revenue Funds With a Legally Adopted Annual Budget

GENERAL FUND - is the general operating fund of the Police Jury. It accounts for all activities except those required to be accounted for in other funds.

SALES TAX FUND - accounts for proceeds and use of sales taxes.

LIBRARY FUND - accounts for the activities performed for the public library. The main source of revenue is ad valorem tax restricted for the library.

SPECIAL 2.5 MILL TAX FUND - accounts for the operation and maintenance of the parish courthouse and health unit. Financing is provided by a special annual property tax levy, state revenue sharing funds, and interest on time deposits.

SOLID WASTE FUND - accounts for the receipt of tipping fees for use of the landfill and the operation of the solid waste landfill.

WEBSTER PARISH POLICE JURY
GENERAL FUND
Budgetary Comparison Schedule
For the year ended December 31, 2018

Exhibit 3-1

	<u>BUDGETED AMOUNT</u>		<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
BUDGETARY FUND BALANCES, BEGINNING	\$ 2,492,825	\$ 2,492,825	\$ 3,633,159	\$ 1,140,334
Resources (inflows)				
Local sources:				
Taxes:				
Ad Valorem	900,000	900,000	897,814	(2,186)
Licenses and permits	424,100	426,597	402,416	(24,181)
Intergovernmental revenues:				
Federal grants	424,000	473,200	731,689	258,489
State funds:				
State revenue sharing	65,000	40,000	67,512	27,512
Severance taxes	1,100,000	1,188,000	1,201,319	13,319
Other	407,500	407,500	394,074	(13,426)
Fees, charges, and commissions for services	30,000	30,005	30,005	-
Use of money and property	21,615	49,710	38,875	(10,835)
Other revenues	170,100	362,777	401,729	38,952
Transfers from other funds	200,000	300,000	200,000	(100,000)
	<u>6,235,140</u>	<u>6,670,614</u>	<u>7,998,592</u>	<u>1,327,978</u>
Amounts available for appropriations				
Charges to appropriations (outflows)				
Current:				
General government:				
Legislative	227,700	218,700	219,185	(485)
Judicial	587,000	587,000	719,789	(132,789)
Elections	60,550	60,800	45,412	15,388
Finance and administrative	1,207,600	1,273,210	1,175,699	97,511
Other general government	2,883,116	3,122,451	401,806	2,720,645
Public safety	476,046	543,065	418,862	124,203
Public works	-	83,600	38,110	45,490
Health and welfare	329,942	342,452	465,569	(123,117)
Culture and recreation	23,500	23,500	21,575	1,925
Economic development and assistance	-	8,150	8,173	(23)
Capital outlay	37,000	5,000	44,505	(39,505)
Transfers to other funds	400,000	400,000	585,000	(185,000)
	<u>6,232,454</u>	<u>6,667,928</u>	<u>4,143,685</u>	<u>2,524,243</u>
Total charges to appropriations				
BUDGETARY FUND BALANCES, ENDING	<u>\$ 2,686</u>	<u>\$ 2,686</u>	<u>\$ 3,854,907</u>	<u>\$ 3,852,221</u>

WEBSTER PARISH POLICE JURY

**SALES TAX
Budgetary Comparison Schedule
For the year ended December 31, 2018**

Exhibit 3-2

	<u>BUDGETED AMOUNT</u>		<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
BUDGETARY FUND BALANCES, BEGINNING	\$ 435,439	\$ 435,439	\$ 752,397	\$ 316,958
Resources (inflows)				
Local sources:				
Taxes:				
Sales and use	2,900,000	2,900,000	3,131,663	231,663
Use of money and property	600	1,900	2,442	542
Other revenues	100,000	100,000	101,785	1,785
Sale of surplus property	-	22,400	22,388	(12)
Amounts available for appropriations	<u>3,436,039</u>	<u>3,459,739</u>	<u>4,010,675</u>	<u>550,936</u>
Charges to appropriations (outflows)				
Current:				
Public safety	1,859,000	1,714,715	1,747,844	(33,129)
Public works	1,377,039	1,545,024	1,264,677	280,347
Capital outlay	<u>200,000</u>	<u>200,000</u>	<u>198,071</u>	<u>1,929</u>
Total charges to appropriations	<u>3,436,039</u>	<u>3,459,739</u>	<u>3,210,592</u>	<u>249,147</u>
BUDGETARY FUND BALANCES, ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 800,083</u>	<u>\$ 800,083</u>

WEBSTER PARISH POLICE JURY

**LIBRARY
Budgetary Comparison Schedule
For the year ended December 31, 2018**

Exhibit 3-3

	BUDGETED AMOUNT		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
BUDGETARY FUND BALANCES, BEGINNING	\$ 2,285,483	\$ 2,285,483	\$ 4,554,650	\$ 2,269,167
Resources (inflows)				
Local sources:				
Taxes:				
Ad Valorem	3,065,753	2,377,893	3,116,224	738,331
Intergovernmental revenues:				
State funds:				
State revenue sharing	66,500	66,500	68,591	2,091
Fines and forfeitures	31,000	28,000	28,776	776
Use of money and property	5,000	10,000	13,093	3,093
Other revenues	9,000	18,508	21,642	3,134
Amounts available for appropriations	<u>5,462,736</u>	<u>4,786,384</u>	<u>7,802,976</u>	<u>3,016,592</u>
Charges to appropriations (outflows)				
Current:				
Culture and recreation	4,423,754	3,867,402	2,826,162	1,041,240
Capital outlay	815,000	695,000	539,535	155,465
Debt service:				
Principal retirement	205,000	205,000	-	205,000
Interest and bank charges	38,477	38,477	-	38,477
Transfers to other funds	-	-	243,477	(243,477)
Total charges to appropriations	<u>5,482,231</u>	<u>4,805,879</u>	<u>3,609,174</u>	<u>1,196,705</u>
BUDGETARY FUND BALANCES, ENDING	<u>\$ (19,495)</u>	<u>\$ (19,495)</u>	<u>\$ 4,193,802</u>	<u>\$ 4,213,297</u>

WEBSTER PARISH POLICE JURY
SPECIAL 2.5 MILL TAX
Budgetary Comparison Schedule
For the year ended December 31, 2018

Exhibit 3-4

	<u>BUDGETED AMOUNT</u>		<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
BUDGETARY FUND BALANCES, BEGINNING	\$ 194,711	\$ 194,711	\$ 667,448	\$ 472,737
Resources (inflows)				
Local sources:				
Taxes:				
Ad Valorem	670,000	670,000	696,962	26,962
Intergovernmental revenues:				
State funds:				
State revenue sharing	40,000	40,000	54,787	14,787
Other	-	1,136	7,014	5,878
Fees, charges, and commissions for services	10,000	4,000	4,046	46
Use of money and property	2,000	1,000	1,480	480
Transfers in	-	-	50,000	50,000
Amounts available for appropriations	<u>916,711</u>	<u>910,847</u>	<u>1,481,737</u>	<u>570,890</u>
Charges to appropriations (outflows)				
Current:				
General government:				
Other general government	278,076	65,498	36,355	29,143
Health and welfare	636,675	715,389	733,853	(18,464)
Capital outlay	<u>10,000</u>	<u>138,000</u>	<u>128,021</u>	<u>9,979</u>
Total charges to appropriations	<u>924,751</u>	<u>918,887</u>	<u>898,229</u>	<u>20,658</u>
BUDGETARY FUND BALANCES, ENDING	<u>\$ (8,040)</u>	<u>\$ (8,040)</u>	<u>\$ 583,508</u>	<u>\$ 591,548</u>

WEBSTER PARISH POLICE JURY
SOLID WASTE
Budgetary Comparison Schedule
For the year ended December 31, 2018

Exhibit 3-5

	<u>BUDGETED AMOUNT</u>		<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
BUDGETARY FUND BALANCES, BEGINNING	\$ 1,456,012	\$ 1,456,012	\$ 1,470,768	\$ 14,756
Resources (inflows)				
Use of money and property	201,300	171,500	154,619	(16,881)
Other revenues	1,500	13,000	12,152	(848)
Amounts available for appropriations	<u>1,658,812</u>	<u>1,640,512</u>	<u>1,637,539</u>	<u>(2,973)</u>
Charges to appropriations (outflows)				
Current:				
Public works	1,671,584	1,653,284	179,594	1,473,690
Transfers to other funds	<u>-</u>	<u>-</u>	<u>200,000</u>	<u>(200,000)</u>
Total charges to appropriations	<u>1,671,584</u>	<u>1,653,284</u>	<u>379,594</u>	<u>1,273,690</u>
BUDGETARY FUND BALANCES, ENDING	<u>\$ (12,772)</u>	<u>\$ (12,772)</u>	<u>\$ 1,257,945</u>	<u>\$ 1,270,717</u>

Webster Parish Police Jury

Notes to the Budgetary Comparison Schedules For the Year Ended December 31, 2018

A. BUDGETS

General Budget Policies Preliminary budgets for the ensuing year are prepared by the secretary-treasurer prior to December 31 of each year. The availability of the proposed budgets for public inspection and the date of the public hearing on the proposed budgets are then advertised in the official journal. During its regular December meeting, the Police Jury holds a public hearing on the proposed budgets in order to receive comments from residents of the parish. Changes are made to the proposed budgets based on the public hearing and the desires of the Police Jury as a whole. The budgets are then adopted during the Police Jury's regular December meeting, and a notice of the adoption is then published in the official journal.

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

The Police Jury exercises budgetary control at the functional level. Within functions the secretary-treasurer has the discretion to make changes as she deems necessary for proper control. Unexpended appropriations lapse at year end and must be re-appropriated in the next year's budget to be expended. Formal budgetary integration is employed as a management control device.

For the year ended December 31, 2018, modified accrual basis budgets were adopted for the General fund and all special revenue funds, except the criminal court special revenue fund, which is exempt from the requirements Louisiana Revised Statutes 30:1301-1314 (Local Government Budget Act).

The 2018 budget was amended quarterly. The Police Jury's final amended budget was approved December 22, 2018.

Encumbrances Encumbrance accounting is not recognized within the accounting records for budgetary control purposes. Authorization for the eventual expenditure will be included in the following year's budget appropriations.

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

B. BUDGET DEFICIT

The Police Jury did not amend the budget's fund balance to the actual fund balance amount, which caused three funds to appear to have a budget deficit. However, when considering the true fund balance amount, these funds would not have and did not have a deficit.

Webster Parish Police Jury

**Notes to the Budgetary Comparison Schedules
For the Year Ended December 31, 2018**

**C. BUDGET TO GAAP RECONCILIATION - EXPLANATION OF DIFFERENCES BETWEEN
BUDGETARY INFLOWS AND OUTFLOWS AND GAAP REVENUES AND EXPENDITURES**

<u>Sources/inflows of resources:</u>	<u>General</u>	<u>Sales Tax</u>	<u>Library</u>	<u>Special 2.5 Mill Tax</u>	<u>Solid Waste</u>
Actual amounts (budgetary basis) "available for appropriation" from the Budgetary Comparison Schedule	\$ 7,998,592	\$ 4,010,675	\$ 7,802,976	\$ 1,481,737	\$ 1,686,675
Adjustment to revenue for transfers in are inflows of budgetary resources but are not revenues for financial statement purposes	(200,000)	-	-	(50,000)	-
Adjustment to revenue for sale of surplus property are inflows of budgetary resources but are not revenues for financial statement purposes	-	(22,388)	-	-	-
The fund balance at the beginning of the year is a budgetary resource but is not a current-year revenue for financial reporting purposes	<u>(3,633,159)</u>	<u>(752,397)</u>	<u>(4,554,650)</u>	<u>(667,448)</u>	<u>(1,519,904)</u>
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 4,165,433</u>	<u>\$ 3,235,890</u>	<u>\$ 3,248,326</u>	<u>\$ 764,289</u>	<u>\$ 166,771</u>
 <u>Uses/Outflows of resources:</u>					
Actual amounts (budgetary basis) "Total charges to appropriations" from the Budgetary Comparison Schedule	\$ 4,143,685	\$ 3,210,592	\$ 3,609,174	\$ 898,229	\$ 393,157
Transfers to other funds classified as expenditures for budgetary purposes and as an operating transfer for financial reporting	<u>(585,000)</u>	<u>-</u>	<u>(243,477)</u>	<u>-</u>	<u>(200,000)</u>
Total expenditures as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 3,558,685</u>	<u>\$ 3,210,592</u>	<u>\$ 3,365,697</u>	<u>\$ 898,229</u>	<u>\$ 193,157</u>

Webster Parish Police Jury

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SUPPLEMENTARY INFORMATION

**COMBINING
NONMAJOR GOVERNMENTAL FUNDS -
BY FUND TYPE**

Webster Parish Police Jury
NONMAJOR GOVERNMENTAL FUNDS
Combining Balance Sheet - By Fund Type
December 31, 2018

Exhibit 4

	<u>SPECIAL REVENUE</u>	<u>DEBT SERVICE</u>	<u>CAPITAL PROJECTS</u>	<u>TOTAL</u>
ASSETS				
Cash and cash equivalents	\$ 1,413,748	\$ 238	\$ 48,011	\$ 1,461,997
Investments	251,097	-	-	251,097
Receivables	829,887	-	9,884	839,771
Prepaid items	19,289	-	1,252	20,541
TOTAL ASSETS	<u>2,514,021</u>	<u>238</u>	<u>59,147</u>	<u>2,573,406</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts and other payables	16,363	-	9,884	26,247
Accrued payroll liabilities	28,514	-	-	28,514
TOTAL LIABILITIES	<u>44,877</u>	<u>-</u>	<u>9,884</u>	<u>54,761</u>
Deferred Inflows of Resources:				
Unavailable revenue - property taxes	42,364	-	-	42,364
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>42,364</u>	<u>-</u>	<u>-</u>	<u>42,364</u>
Fund balances:				
Nonspendable - prepaid items	19,289	-	1,252	20,541
Restricted	2,407,491	238	48,011	2,455,740
TOTAL FUND BALANCES	<u>2,426,780</u>	<u>238</u>	<u>49,263</u>	<u>2,476,281</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 2,514,021</u>	<u>\$ 238</u>	<u>\$ 59,147</u>	<u>\$ 2,573,406</u>

WEBSTER PARISH POLICE JURY
NONMAJOR GOVERNMENTAL FUNDS
Combining Statement of Revenues, Expenditures,
And Changes in Fund Balances - By Fund Type
December 31, 2018

Exhibit 5

	<u>SPECIAL REVENUE</u>	<u>DEBT SERVICE</u>	<u>CAPITAL PROJECTS</u>	<u>TOTAL</u>
REVENUES				
Local sources:				
Taxes:				
Ad Valorem	\$ 783,419	\$ 20	\$ -	\$ 783,439
Intergovernmental revenues:				
Federal grants	-	-	205,560	205,560
State funds:				
Parish transportation funds	486,767	-	-	486,767
State revenue sharing	56,241	-	-	56,241
Fees, charges, and commissions for services	186,673	-	-	186,673
Fines and forfeitures	231,249	-	-	231,249
Use of money and property	11,254	27	337	11,618
Other revenues	204,147	-	-	204,147
	<u>1,959,750</u>	<u>47</u>	<u>205,897</u>	<u>2,165,694</u>
TOTAL REVENUES				
EXPENDITURES				
Current:				
General government:				
Judicial	1,083,381	-	-	1,083,381
Public works	1,452,247	-	-	1,452,247
Culture and recreation	-	-	33,993	33,993
Capital outlay	236,701	-	532,913	769,614
Debt service:				
Principal retirement	115,093	205,000	-	320,093
Interest and bank charges	-	38,419	-	38,419
	<u>2,887,422</u>	<u>243,419</u>	<u>566,906</u>	<u>3,697,747</u>
TOTAL EXPENDITURES				
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(927,672)</u>	<u>(243,372)</u>	<u>(361,009)</u>	<u>(1,532,053)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	535,000	243,477	-	778,477
Proceeds from capital lease	236,701	-	-	236,701
	<u>771,701</u>	<u>243,477</u>	<u>-</u>	<u>1,015,178</u>
TOTAL OTHER FINANCING SOURCES (USES)				
NET CHANGE IN FUND BALANCES	(155,971)	105	(361,009)	(516,875)
FUND BALANCES - BEGINNING	<u>2,582,751</u>	<u>133</u>	<u>410,272</u>	<u>2,993,156</u>
FUND BALANCES - ENDING	<u>\$ 2,426,780</u>	<u>\$ 238</u>	<u>\$ 49,263</u>	<u>\$ 2,476,281</u>

Webster Parish Police Jury

NONMAJOR SPECIAL REVENUE FUNDS

PARISH ROAD FUND The Parish Road Fund accounts for the construction and maintenance of the parish roads and bridges. Financing is provided primarily by the Parish Transportation funds and from the sale of surplus property.

ROAD DISTRICT MAINTENANCE FUNDS The Road District Maintenance funds (A & B) account for the operations and maintenance of District A and B roads and bridges. Financing is provided by a special annual property tax levy, state revenue sharing funds, and interest on time deposits.

SPECIAL LIBRARY FUND The Special Library fund accounts for the receipt of proceeds of the use of the library's copy machines and other equipment and property rentals. The revenues are to be used for the purpose of the purchase of capital equipment and property improvements for the Webster Parish Library System.

DA ASSET FORFEITURE FUND Authorized by the Webster Parish District Attorney for supplemental payroll reimbursement under Title 46:2400 eq. seq. The revenues are considered deemed contraband (drug money and drug vehicles) forfeited in accordance with the applicable state laws. Its primary activity is to provide additional revenues for payroll purposes.

CRIMINAL COURT FUND The Criminal Court fund was created by Section 571.11 of Title 15 of the Louisiana Revised Statutes of 1950, which provides that fines and forfeitures imposed by district accounts and district attorney's conviction fees in criminal cases, be transferred to the parish treasurer and deposited in a special "Criminal Court Fund" account to be used for the expense of the criminal court of the parish. Expenditures shall be made from the fund on motion of the district attorney and approval of the district judge.

The statute also required that one-half of the surplus (fund balance) remaining in the fund at December 31 of each year be transferred to the parish General fund.

COURT REPORTER FUND The Court Reporter fund accounts for the operations of the court reporter for the district court. Financing is provided primarily by fees.

WEBSTER PARISH POLICE JURY
NONMAJOR SPECIAL REVENUE FUNDS
Combining Balance Sheet
December 31, 2018

	<u>PARISH ROAD</u>	<u>ROAD DISTRICT A</u>	<u>ROAD DISTRICT B</u>	<u>SPECIAL LIBRARY</u>
ASSETS				
Cash and cash equivalents	\$ 402,836	\$ 293,228	\$ 494,086	\$ 202,863
Investments	-	-	-	251,097
Receivables	41,547	389,835	373,317	-
Prepaid items	-	-	-	-
TOTAL ASSETS	<u>444,383</u>	<u>683,063</u>	<u>867,403</u>	<u>453,960</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts and other payables	2,316	2,897	146	-
Accrued payroll liabilities	-	14,688	13,826	-
TOTAL LIABILITIES	<u>2,316</u>	<u>17,585</u>	<u>13,972</u>	<u>-</u>
Deferred Inflows of Resources:				
Unavailable revenue - property taxes	-	28,968	13,396	-
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>28,968</u>	<u>13,396</u>	<u>-</u>
Fund balances:				
Nonspendable - prepaid items	-	-	-	-
Restricted	442,067	636,510	840,035	453,960
TOTAL FUND BALANCES	<u>442,067</u>	<u>636,510</u>	<u>840,035</u>	<u>453,960</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 444,383</u>	<u>\$ 683,063</u>	<u>\$ 867,403</u>	<u>\$ 453,960</u>

Exhibit 6

DA ASSET FORFEITURE	CRIMINAL COURT	COURT REPORTER	TOTAL
\$ 3,691	\$ 1,110	\$ 15,934	\$ 1,413,748
-	-	-	251,097
2,190	22,417	581	829,887
-	19,289	-	19,289
<u>5,881</u>	<u>42,816</u>	<u>16,515</u>	<u>2,514,021</u>
-	11,004	-	16,363
-	-	-	28,514
-	11,004	-	44,877
-	-	-	42,364
-	-	-	42,364
-	19,289	-	19,289
5,881	12,523	16,515	2,407,491
5,881	31,812	16,515	2,426,780
<u>\$ 5,881</u>	<u>\$ 42,816</u>	<u>\$ 16,515</u>	<u>\$ 2,514,021</u>

WEBSTER PARISH POLICE JURY

NONMAJOR SPECIAL REVENUE FUNDS

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

	<u>PARISH ROAD</u>	<u>ROAD DISTRICT A</u>	<u>ROAD DISTRICT B</u>	<u>SPECIAL LIBRARY</u>
REVENUES				
Local sources:				
Taxes:				
Ad Valorem	\$ -	\$ 407,298	\$ 376,121	\$ -
Intergovernmental revenues:				
State funds:				
Parish transportation funds	486,767	-	-	-
State revenue sharing	-	32,793	23,448	-
Fees, charges, and commissions for services	24,807	-	-	42,839
Fines and forfeitures	-	-	-	-
Use of money and property	3,149	1,916	2,792	3,216
Other revenues	-	8,471	900	-
	<u>514,723</u>	<u>450,478</u>	<u>403,261</u>	<u>46,055</u>
TOTAL REVENUES				
EXPENDITURES				
Current:				
General government:				
Judicial	-	-	-	-
Public works	567,555	509,178	375,514	-
Capital outlay	236,701	-	-	-
Debt service:				
Principal retirement	115,093	-	-	-
	<u>919,349</u>	<u>509,178</u>	<u>375,514</u>	<u>-</u>
TOTAL EXPENDITURES				
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(404,626)</u>	<u>(58,700)</u>	<u>27,747</u>	<u>46,055</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Proceeds from capital lease	236,701	-	-	-
	<u>236,701</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)				
NET CHANGE IN FUND BALANCES	(167,925)	(58,700)	27,747	46,055
FUND BALANCES - BEGINNING	<u>609,992</u>	<u>695,210</u>	<u>812,288</u>	<u>407,905</u>
FUND BALANCES - ENDING	<u>\$ 442,067</u>	<u>\$ 636,510</u>	<u>\$ 840,035</u>	<u>\$ 453,960</u>

Exhibit 7

<u>DA ASSET FORFEITURE</u>	<u>CRIMINAL COURT</u>	<u>COURT REPORTER</u>	<u>TOTAL</u>
\$ -	\$ -	\$ -	\$ 783,419
-	-	-	486,767
-	-	-	56,241
-	104,582	14,445	186,673
3,571	227,678	-	231,249
24	-	157	11,254
<u>62,608</u>	<u>132,168</u>	<u>-</u>	<u>204,147</u>
<u>66,203</u>	<u>464,428</u>	<u>14,602</u>	<u>1,959,750</u>
62,474	1,011,421	9,486	1,083,381
-	-	-	1,452,247
-	-	-	236,701
<u>-</u>	<u>-</u>	<u>-</u>	<u>115,093</u>
<u>62,474</u>	<u>1,011,421</u>	<u>9,486</u>	<u>2,887,422</u>
<u>3,729</u>	<u>(546,993)</u>	<u>5,116</u>	<u>(927,672)</u>
-	535,000	-	535,000
<u>-</u>	<u>-</u>	<u>-</u>	<u>236,701</u>
<u>-</u>	<u>535,000</u>	<u>-</u>	<u>771,701</u>
3,729	(11,993)	5,116	(155,971)
<u>2,152</u>	<u>43,805</u>	<u>11,399</u>	<u>2,582,751</u>
<u>\$ 5,881</u>	<u>\$ 31,812</u>	<u>\$ 16,515</u>	<u>\$ 2,426,780</u>

Webster Parish Police Jury

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

Exhibit 8

COMPENSATION PAID POLICE JURORS The schedule of compensation paid to Police Jurors is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Compensation of the Police Jurors is included in the legislative expenditures of the general fund.

Jim Bonsall, President	\$	14,400
Vera Davison, Vice President		14,400
Bruce Blanton		14,400
Allen Gilbert		14,400
Daniel Thomas		14,400
Randy Thomas		14,400
Bernard Hudson		14,400
Steve Lemmons		14,400
Nick Cox		14,400
Jerri M. Lee		14,400
Steve Ramsey		14,400
Dustin Moseley		14,400
Total	\$	<u>172,800</u>

Webster Parish Police Jury

**Schedule of Compensation, Benefits and Other Payments to Agency Head
For the Year Ended December 31, 2018**

Exhibit 9

Agency Head Name: Ronda Carnahan, Secretary-Treasurer

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 87,732
Benefits-insurance	16,296
Benefits-retirement	10,123
Reimbursement	150
Cell phone	889

Webster Parish Police Jury

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**OTHER REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS
AND UNIFORM GUIDANCE**



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Sandra Harper, CPA
Jennie Henry, CPA
Austin Hogue, CPA
Mallory Stone, CPA
Audit Manager: Margie Williamson, CPA

Ernest L. Allen, CPA
(Retired) 1963 - 2000

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*

Independent Auditor's Report

Police Jurors
Webster Parish Police Jury
Minden, Louisiana

We have audited, 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Webster Parish Police Jury as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Police Jury's basic financial statements, and have issued our report thereon dated June 30, 2019. We issued an adverse opinion on the aggregate discretely presented component units and an unmodified opinion on the governmental activities, each major fund, and the aggregate remaining fund information.

Internal Control over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or 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 Police Jury's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed 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 Police Jury'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 Police Jury's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Office of the Louisiana Legislative Auditor as a public document.


ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
June 30, 2019



ALLEN, GREEN & WILLIAMSON, LLP

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Report on Compliance for Each Major Federal Program; Report on Internal Control over Compliance Required by the Uniform Guidance

Independent Auditor's Report

Police Jurors
Webster Parish Police Jury
Minden, Louisiana

Report on Compliance for Each Major Federal Program

We have audited Webster 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 Police Jury's major federal programs for the year ended December 31, 2018. The Police Jury's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

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

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying Schedule of Findings and Questioned Costs as item 2018-001. Our opinion on each major federal program is not modified with respect to these matters.

The Police Jury's response to the noncompliance finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs and the Correction Action Plan for Current Year Audit Findings and Questioned Costs. The Police Jury's response was not subjected to the audit procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of the Police Jury is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Police Jury's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing 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 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 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a certain deficiency in internal control over compliance as described in the accompanying Schedule of Findings and Questioned Costs as item 2018-001, that we consider to be a significant deficiency.

The Police Jury's response to the internal control over compliance finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs and the Correction Action Plan for Current Year Audit Findings and Questioned Costs. The Police Jury's response was not subjected to the audit procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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. Under Louisiana Revised Statute 24:513, this report is distributed by the Office of the Louisiana Legislative Auditor as a public document.

Allen, Green & Williamson, LLP
ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
June 30, 2019

**Webster Parish Police Jury
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2018**

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM NAME	CFDA Number	Pass-Through Grantor No.	<u>Expenditures</u>
FEDERAL AWARDS			
United States Department of Transportation			
Passed Through Louisiana Department of Transportation and Development FTA Section 5311 (passed through to Webster Parish Community Services Agency)	20.509	LA-18-X028 LA-18-X031 LA-18-X032	<u>\$ 361,103</u>
Total U. S. Department of Transportation			<u>361,103</u>
United States Department of Homeland Security			
Passed Through Louisiana Governor's Office of Homeland Security and Emergency Preparedness:			
Disaster Grant - Public Assistance	97.036	PW880, PW498, PW608 PW611	220,247
Emergency Management Performance Grant	97.042	EMPG17ORG	28,171
Homeland Security grant program	97.067	SHSPFY16-17EQUIP	<u>66,597</u>
Total United States Department of Homeland Security			<u>315,015</u>
U. S. Department of Interior			
Passed Through Louisiana Department of Wildlife and Fisheries Forestry NFR	15.226	N/A	<u>55,571</u>
Total United States Department of Interior			<u>55,571</u>
U. S. Department of Housing and Urban Development			
Passed Through Louisiana Office of Community Development Community Development Block grant	14.228	2000219405	<u>205,560</u>
Total United States Department of Housing and Urban Development			<u>205,560</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u><u>\$ 937,249</u></u>

The accompanying notes are an integral part of this schedule.

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

NOTE 1 - GENERAL The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of the Webster Parish Police Jury, Minden, Louisiana. The Webster Parish Police Jury (the "Police Jury") reporting entity is defined in Note 1 to the Police Jury's financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, is included on the schedule. The information in this Schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of operations of the Police jury, it is not intended to and does not present the financial position or changes in net position of the Police Jury.

NOTE 2 - BASIS OF ACCOUNTING The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note 1 to the Police Jury's financial statements. Such expenses are recognized following the cost principles contains in the Uniform Guidance, wherein certain types of expenses are not allowable or are limited as to reimbursement.

NOTE 3 - RELATIONSHIP TO BASIC FINANCIAL STATEMENTS Federal awards revenues are reported in the Police Jury's fund financial statements as follows:

	<u>Federal Sources</u>
Major Fund:	
General Fund	\$ 731,689
Nonmajor Governmental Funds-Capital Projects	205,560
Total	\$ 937,249

NOTE 4 - RELATIONSHIP TO FEDERAL FINANCIAL REPORTS Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports except for changes made to reflect amounts in accordance with accounting principles generally accepted in the United States of America.

NOTE 5 - FEDERAL AWARDS For those funds that have matching revenues and state funding, federal expenditures were determined by deducting matching revenues from total expenditures. Federal awards do not include the Police Jury's operating income from rents or investment (or other non-federal source). In addition, the entire amount of operating subsidy received during the fiscal year is considered to be "expended during the fiscal year."

NOTE 6 - INDIRECT COST RATE The Police Jury has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

**Webster Parish Police Jury
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2018**

PART I - Summary of the Auditor's Results

Financial Statement Audit

- i. The type of audit report issued was an adverse opinion on the aggregate discretely presented component units and an unmodified opinion on the governmental activities, each major fund, and the aggregate remaining fund information.
- ii. There were no significant deficiencies required to be disclosed by *Government Auditing Standards* issued by the Comptroller General of the United States of America.
- iii. There were no instances of noncompliance, as defined by the *Government Auditing Standards*, to the basic financial statements.

Audit of Federal Awards

- iv. There was one significant deficiency required to be disclosed by the Uniform Guidance (2CFR 200). The significant deficiency was not considered to be a material weakness.
- v. The type of report the auditor issued on compliance for major programs was unmodified.
- vi. The audit disclosed one audit finding which the auditor is required to report in accordance with 2 CFR 200.516(a).
- vii. The major federal programs are:
 - CFDA# 97.036 Disaster Grants – Public Assistance (FEMA)
 - CFDA# 14.228 Community Development Block Grant (CDBG)
- viii. The dollar threshold used to distinguish between Type A and Type B programs as described in the Uniform Guidance was \$750,000.
- ix. The auditee does not qualify as a low-risk auditee under the Uniform Guidance.

**Webster Parish Police Jury
 Schedule of Findings and Questioned Costs
 For the Year Ended December 31, 2018**

Part III – Findings and questioned costs for federal awards which are required to be reported under the Uniform Guidance:

Reference # and title: 2018-001 CDBG Allowable Costs

<u>Federal program and specific federal award identification:</u>	<u>CFDA Number</u>	<u>Award Year</u>
FEDERAL GRANTOR/ PASS THROUGH GRANTOR/PROGRAM NAME United States Department of Housing and Urban Development Pass through Louisiana Division of Administration (LCDBG) Louisiana Community Development Block Grant	14.228	2016

Criteria or specific requirement: According to 2 CFR 200 as well as best practices, expenditures of the federal program should be processed in accordance with the entity’s policy and recorded accurately and timely in the entity’s official book of records.

Condition found: In testing expenditures charged to the federal program, it was noted that disbursements were not always signed by one of the two individuals required to sign in accordance with the Police Jury’s policy in relation to the federal program; however, the expenditures in question were used for the purpose of the grant. It was further noted that the Police Jury kept manual records of the expenditures and receipts of the grant; however, these transactions were not recorded in the official books of the Police Jury.

Possible asserted effect (cause and effect):

Cause: The auditor was unable to determine the cause.

Effect: The Police Jury did not meet all federal requirements regarding allowable costs.

Origination date and prior year reference (if applicable): This finding originated fiscal year ended December 31, 2018.

Recommendation to prevent future occurrences: The Police Jury should establish quality control procedures to ensure that all expenditures are approved and signed by the individuals in accordance with the entity’s policy over the federal program. Additionally, the Police Jury should incorporate this fund and the transactions associated with the federal program within their official book of record.

View of responsible official: The Police Jury will establish procedures that will ensure that the expenditures are approved and signed by the individuals with signature authority of each specific Federal grant and/or program.

The Police Jury will work with the fee accountant to incorporate the LCDBG accounts into the Master Bank of the general ledger for the Police Jury.

Webster Parish Police Jury

Other Information



Webster Parish Police Jury

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www.websterparishla.org

OFFICERS:
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President

Vera Davison
Vice-President

Ronda Carnahan
Secretary-Treasurer

Lisa Balkom
Asst. Secretary
Treasurer

MEMBERS:
Bruce Blanton
District #1

Allen Gilbert
District #2

Daniel Thomas
District #3

Randy Thomas
District #4

Bernard Hudson
District #5

Jim Bonsall
District #6

Steve Lemmons
District #7

Nick Cox
District #8

Jerri M. Lee
District #9

Vera Davison
District #10

Steve Ramsey
District #11

Dustin Moseley
District #12

Summary Schedule of Prior Year Audit Findings and Questioned Costs For Year Ended December 31, 2018

Reference # and title: 2017-001 Official Publication of Budget

Entity-wide or program/department specific: This finding is considered entity-wide.

Condition: According to R.S. 39:1307, the political subdivision shall cause to be published a notice stating that the proposed budget is available for public inspection. The notice shall also state that a public hearing on the proposed budget shall be held with the date, time, and place of the hearing specified in the notice. The notice shall be published at least ten days prior to the date of the first public hearing.

It was noted that although the Police Jury properly held the public hearing for the proposed budget, the Police Jury did not publish the notice of the public hearing in its official journal.

Corrective action taken: Duties have been designated that will ensure overview of the required dates and timelines necessary for publication of notice and especially in regard to publication of budget and budget public hearing. The Secretary-Treasurer and the Asst. Secretary-Treasurer will approve publication date and content for publication of the budget.

This finding is considered to be cleared.

Respectfully submitted,

Secretary-Treasurer



Webster Parish Police Jury

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 Vice-President

Ronda Carnahan
 Secretary-Treasurer

Lisa Balkom
 Asst. Secretary
 Treasurer

MEMBERS:
 Bruce Blanton
 District #1

Allen Gilbert
 District #2

Daniel Thomas
 District #3

Randy Thomas
 District #4

Bernard Hudson
 District #5

Jim Bonsall
 District #6

Steve Lemmons
 District #7

Nick Cox
 District #8

Jerril M. Lee
 District #9

Vera Davison
 District #10

Steve Ramsey
 District #11

Dustin Moseley
 District #12

Corrective Action Plan for Current Year Audit Findings and Questioned Costs For Year End December 31, 2018

Reference # and title: 2018-001 CDBG Allowable Costs

Federal program and specific federal award identification: CFDA Number Award Years
 FEDERAL GRANTOR/
 PASS THROUGH GRANTOR/PROGRAM NAME
 United States Department of Housing and Urban Development
 Pass through Louisiana Division of Administration (LCDBG)
 Louisiana Community Development Block Grant 14.228 2016

Condition: According to 2 CFR 200 as well as best practices, expenditures of the federal program should be processed in accordance with the entity's policy and recorded accurately and timely in the entity's official book of records.

In testing expenditures charged to the federal program, it was noted that disbursements were not always signed by one of the two individuals required to sign in accordance with the Police Jury's policy in relation to the federal program; however, the expenditures in question were used for the purpose of the grant. It was further noted that the Police Jury kept manual records of the expenditures and receipts of the grant; however, these transactions were not recorded in the official books of the Police Jury.

Corrective action planned: The Police Jury will set a procedure to ensure that the checks for the Federal Programs are signed by the person designated on the signature cards for the specific grant. Will incorporate the activity of the LCDBG into our centralized general ledger.

Person responsible for corrective action:

Ronda Carnahan, Secretary-Treasurer Telephone: 318-377-7564
 Webster Parish Police Jury Fax: 318-371-2366
 P. O. Box 389
 Minden, LA 71058-0389

Anticipated completion date: January 1, 2019

Respectfully submitted,

Ronda C. Carnahan
 Secretary-Treasurer



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Mallory Stone, CPA
Audit Manager: Margie Williamson, CPA

Ernest L. Allen, CPA
(Retired) 1963 - 2000

Management Letter

Police Jurors
Webster Parish Police Jury
Minden, Louisiana

In planning and performing our audit of the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Webster Parish Police Jury as of and for the year ended December 31, 2018, we considered the Police Jury's internal control to plan our auditing procedures for the purpose of expressing our opinions in the financial statements and not to provide assurance on the internal control.

However, during the performance of our procedures, we noted certain matters that are presented for your consideration. This letter does not affect our report dated June 30, 2019 on the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Police Jury. We will review the status of this comment during our next audit engagement. Our comment and recommendation, all of which have been discussed with appropriate members of management is intended to improve the internal control or result in other operating efficiencies. We will be pleased to discuss this comment in further detail at your convenience, to perform any additional study of this matter, or to assist you in implementing the recommendation. Our comment and management's response is summarized as follows:

2018-M1 **Year End Accruals**

Comment: Through the testing of year end accounts payable, it was noted that the Police Jury's payable balance was not complete and accurate. Adjustments were proposed to the Police Jury in order to correct the balance.

Recommendation: The Police Jury should establish procedures to ensure all payable balances are complete and accurate for financial reporting.

Management's response: The Police Jury currently has procedures in place to capture year end accruals. One of the items identified as a possible payable, was not included based on documentation provided by the State of Louisiana for the annual permit. However, we have researched the nature of the item and have determined the accounting treatment for permits and similar payments in the future, to support whether they will be included as payables. The other item identified was an oversight due to a pass through payment not being made timely, and was not identified in our normal procedures. We will be incorporating these types of expenditures into year-end procedures in the future.

Our audit procedures are designed primarily to enable us to form our opinions on the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Webster Parish Police Jury as of and for the year ended December 31, 2018, which collectively comprise the Police Jury's basic financial statements, and therefore, may not reveal all weaknesses in policies and procedures that may exist.

Immediately following this letter is the State of Prior Year Management Letter Item. This information has not been audited by Allen, Green & Williamson, LLP, and no opinion is expressed. However, we did follow-up on the prior management letter item and performed procedures to assess the reasonableness of the Status of Prior Year Management Letter Item prepared by management and we would report, as a current year management letter item, when Allen, Green & Williamson, LLP concludes that the Status of Prior Year Management Letter Item materially misrepresents the Status of any prior management letter item.

Also included is management's response to our current year management letter item. We have performed no audit work to verify the content of the response.

This report is intended solely for the information and use of the Police Jurors, management, others within the entity, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Although the intended use of this report may be limited, under Louisiana Revised Statute 24:513 this report is distributed by the Office of the Louisiana Legislative Auditor as a public document.


Allen, Green & Williamson, LLP

Monroe, Louisiana
June 30, 2019

Webster Parish Police Jury
Status of Prior Year Management Letter Item
December 31, 2018

2017-M1 **Construction in Progress**

Comment: Through testing it was noted that the Police Jury's construction in progress listing did not carry forward correctly from prior year. Additionally, it was noted that the listing did not adequately cover all costs associated with the projects, including retainage payable.

Recommendation: The Police Jury should establish procedures over construction in progress to ensure the listing carries forward completely and that all costs associated with the projects are reflected on the listing.

Management's response: The carryforward was off due to some differences in 2016 between in-house schedule and schedule used by auditor in 2016. We have ensured our in-house schedule matches the balances at the end of the 2017 year used by the auditors. The final retainage was on an invoice received in February 2018 and was not picked up in our accounts payable test work, since majority of accounts payable was formed from January 2018 payments. For 2018 year, this item is considered clear.

AGREED-UPON PROCEDURES



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

Board Members
Webster Parish Police Jury
Minden, Louisiana

We have performed the procedures enumerated below, which were agreed to by the management of Webster Parish Police Jury, Minden, Louisiana, and the Louisiana Legislative Auditor (LLA), on the control and compliance areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal year ended December 31, 2018. The Police Jury's management is responsible for the control and compliance areas identified in these Statewide Agreed-Upon Procedures. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the reports. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Bank Reconciliations

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

Comment: Bank account reconciliations were tested for the month of December for five bank accounts. It was noted that bank reconciliations for the Louisiana Community Development Block Grant (LCDBG) account and the Insurance Retiree account were reviewed by a member of management that also has signature authority rather than being reviewed by Juror Member not associated with the bank account.

Management's Response: The bank statements for the LCDBG account and the Insurance Retiree account will be included with all other bank accounts for review and approval by the Jurors monthly.

Collections

2. Obtain a listing of deposit sites for the fiscal period where deposits for cash/check/money order (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).
3. 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 related to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that duties are properly segregated at each collection location such that:
 - a) Employees that are responsible for cash collections do not share cash drawers/registers.
 - b) Each employee responsible for collection cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
 - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.
4. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.
5. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #1 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
 - a) Observe that receipts are sequentially pre-numbered.
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Trace the deposit slip total to the actual deposit per the bank statement.
 - d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).
 - e) Trace the actual deposit per the bank statement to the general ledger.

Comment: There are three cash collection locations, all of which were tested. Two exceptions were noted where the employees share the same cash drawer. Due to the limited cash collected at the Library locations, employees share the same cash drawer.

In testing 10 deposits from the bank accounts selected in procedure #1 above, the following exceptions were noted:

- One deposit selected from the Insurance Retiree account was not reflected on the daily log nor was the deposit made within one business day. Additionally pre-numbered receipts were not prepared for both deposits for the Insurance Retiree account.
- Both deposits selected from the LCDBG account could not be traced to the general ledger.
- Both deposits selected from the Mack Memorial Library account could not be traced to pre-numbered receipts.

Management's Response: The LCDBG account will be incorporated into the general ledger. Checks received for the Insurance Retiree account are normally received by mail and no receipt is generated; the check serves as the receipt. If cash is received a numbered receipt is generated. Mack Memorial Library only issues receipt as requested, due to the small valued of delinquent book payments, copy fees, etc. received.

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

6. 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).
7. For each location selected under #6 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
 - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - b) At least two employees are involved in processing and approving payments to vendors.
 - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
 - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
8. For each location under #6 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:
 - a) Observed that the disbursement matched the related original invoice/billing statement.
 - b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #7 above, as applicable.

Comment: Disbursement processes were tested at all three disbursement locations. One exception noted is related to the personnel at the Police Jury Office responsible for processing payments, in which the same employee has the ability to add vendors to the purchasing system, and no periodic reviews are being performed by another employee for changes to vendor files. One exception was noted where checks are not being mailed by an employee that does not have signatory authority or who is not responsible for processing payments.

Management's Response: There are only four employees at the Police Jury office and management strives to delegate the duties to ensure that procedure is followed. The Finance Committee of the PPJ review a monthly check list and approved the list at the next month's meeting. We feel this procedure ensures that the vendor listing is secured.

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

9. 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.
10. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
 - a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]
 - b) Observe that finance charges and late fees were not assessed on the selected statements.
11. Using the monthly statements or combined statements selected under #10 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).

Comment: There were no exceptions noted as a result of applying agreed upon procedures.

Payroll and Personnel

12. 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 personnel files.
13. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #12 above, obtain attendance and leave documentation for the pay period, and:
 - a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
 - b) Observe that supervisors approved the attendance and leave of the selected employees/officials.

- c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulated leave records.
14. Obtain a list of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulated leave records, and agree rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.
15. Obtain management's representation that 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.

Comment: There were no exceptions noted as a result of applying agreed upon procedures.

Other

16. 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 and 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.
17. 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.

Comment: There were no exceptions noted as a result of applying agreed upon procedures.

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

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


Allen, Green & Williamson, LLP

Monroe, Louisiana
June 30, 2019