

**POINTE COUPEE PARISH POYDRAS FUND
NEW ROADS, LOUISIANA**

**A COMPONENT UNIT OF THE
POINTE COUPEE PARISH POLICE JURY**

**ANNUAL FINANCIAL REPORT
AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2014**

**MAJOR, MORRISON & DAVID
Certified Public Accountants
PO Box 190
New Roads, LA 70760**

**POINTE COUPEE PARISH POYDRAS FUND
NEW ROADS, LOUISIANA
ANNUAL FINANCIAL REPORT
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2014**

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Independent Auditors' Report

Mr. Stephen P. David, Commissioner
Pointe Coupee Parish Poydras Fund
New Roads, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of Pointe Coupee Parish Poydras Fund, a component unit of the Pointe Coupee Parish Police Jury, as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the Pointe Coupee Parish Poydras Fund's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Pointe Coupee Parish Poydras Fund, a component unit of the Pointe Coupee Parish Police Jury, as of December 31, 2014, 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

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

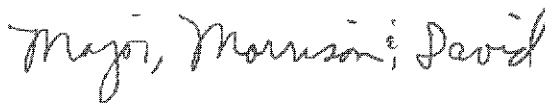
Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Pointe Coupee Parish Poydras Fund's basic financial statements. The accompanying supplemental information schedules and other information as listed in the foregoing table of contents are presented for the purpose of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 12, 2015, on our consideration of Pointe Coupee Parish Poydras Fund's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Pointe Coupee Parish Poydras Fund's internal control over financial reporting and compliance.



Major, Morrison & David
New Roads, Louisiana
May 12, 2015

REQUIRED SUPPLEMENTARY INFORMATION

MANAGEMENT'S DISCUSSION AND ANALYSIS

(NOT SUBMITTED)

BASIC FINANCIAL STATEMENTS

**POINTE COUPEE PARISH POYDRAS FUND
NEW ROADS, LOUISIANA**

**Statement of Fiduciary Net Position
Fiduciary Fund
As of December 31, 2014**

	<u>Private-Purpose Trust</u>
ASSETS	
Cash and cash equivalents	\$ 49,365
Investments	415,500
Notes receivable	20,362
Accrued interest receivable on investments	217
Accrued interest receivable on notes	143
Land	<u>1,045</u>
Total assets	<u>486,632</u>
DEFERRED OUTFLOWS OF RESOURCES	
Total deferred outflows of resources	<u>-</u>
LIABILITIES	
Total liabilities	<u>-</u>
DEFERRED INFLOWS OF RESOURCES	
Total deferred inflows of resources	<u>-</u>
NET POSITION	
Restricted for principal	75,000
Unrestricted	<u>411,632</u>
Total net position	<u><u>\$ 486,632</u></u>

The accompanying notes are an integral part of this statement.

**POINTE COUPEE PARISH POYDRAS FUND
NEW ROADS, LOUISIANA**

**Statement of Changes in Fiduciary Net Position
Fiduciary Fund
For the Year Ended December 31, 2014**

	Private-Purpose Trust
Additions	
Miscellaneous revenues	
Timber sales	\$ 37,867
Interest earned on notes	2,199
Interest earned on investments	4,059
Total additions	44,125
Deductions	
Administrative	
Commissioner's commission	4,542
Commissioner's salary	1,800
Professional fees	3,000
Office supplies	119
Insurance	100
Property taxes	59
Total deductions	9,620
Net additions (deductions)	34,505
Net position - beginning of the year	452,127
Net position - end of the year	<u><u>\$ 486,632</u></u>

The accompanying notes are an integral part of this statement.

**POINTE COUPEE PARISH POYDRAS FUND
NEW ROADS, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
As of and For the Year Ending December 31, 2014**

INTRODUCTION

Julien de Lalande Poydras died on June 23, 1824, and according to a will dated April 16, 1822, he bequeathed to the Parish of Pointe Coupee, Louisiana the sum of \$30,000, the interest of which was for a dowry for indigent girls of the Parish. He also bequeathed \$20,000, the interest of this sum was to be employed towards contributing to the upkeep of an Academy or College, to be established in Pointe Coupee Parish.

The Louisiana Legislature approved an Act on February 4, 1825, which authorized the Police Jury of the Parish of Pointe Coupee to accept the two legacies made by the late Julien Poydras. The Act directed the Police Jury to place the funds at interest, distribute the interest earned on the \$30,000 for dowries, and distribute the interest earned on the \$20,000 for educational purposes.

An Act of the State of Louisiana Legislature on March 16, 1830, established a commission to carry into effect the benevolent intentions of the late Julien Poydras, relative to the education of the youth of Pointe Coupee. The Police Jury turned over the \$20,000 bequeathed and all interest earned on said funds to this commission.

The primary provisions of an Act of the State of Louisiana Legislature on April 2, 1832, authorized the Commissioners to invest in the education fund and to establish primary schools in several locations in the Parish.

By an Act of the State of Louisiana Legislature on March 6, 1834, the funds on both bequeaths were authorized to be loaned out at the rate of 8%. These powers were amended on February 25, 1837, by Act 29 of the State of Louisiana Legislature, which authorized the commissioners to limit the funds loaned to any single individual and at an interest rate not exceeding 10%.

Act 135 of the State of Louisiana Legislature on March 18, 1856, authorized the Police Jury to appoint a Commissioner of the Poydras funds on an annual basis to administer funds for both the dowry and educational purposes. It also directed the Police Jury to appoint two members of the Police Jury to advise the Commissioner on the investment and loaning of these funds. The Commissioner was given the power to enforce the mortgages and at the same time to institute suits in the name of the Pointe Coupee Parish Police Jury. The Act also stated that the Commissioner was to remain in office until a successor was appointed. The seventh section of this Act was amended, re-enacted and defined by Act 28 of the State of Louisiana Legislature on February 28, 1867.

Act 71 of the State of Louisiana Legislature on March 24, 1876, provided for the better management of the Poydras funds. The provisions of this Act which are listed below are being followed today in the management of the Poydras funds.

- That no loan made in accordance with the bequest of Julien Poydras to the Parish of Pointe Coupee shall be made to any person or persons whose real estate is in any manner encumbered by a privilege claim of any nature whatever, and it is made the duty of the commissioner of said funds, before making any loan of said funds, to first obtain a certificate from the recorder of said parish that the estate is free from all encumbrances.
- That before placing any portion of said funds at interest the commissioner shall first have the certificate of a board, to be composed of the clerk of the district court, the recorder, and sheriff, that the real estate of the party applying for the loan is worth one-fourth over and above the amount to be loaned on the same, and further, that the title to said property is legally vested in the party applying for a loan from the Poydras funds.
- That the privileged claim of the Poydras funds shall take precedence over all homestead and exemption laws and all other privileged claims, provided nothing in this act shall be construed as applying to the collection of State and parish taxes.
- That the commissioner, the trustee of the Poydras funds, or all officers having control of this fund, who shall violate the provisions of this act shall pay a fine of not less than \$100.00, no more than \$500.00, and on conviction shall be divested of their official position.

**POINTE COUPEE PARISH POYDRAS FUND
NEW ROADS, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS**

On December 4, 1882, the Pointe Coupee Parish Police Jury repealed the ordinance directing the Poydras Commission to distribute the interest on the \$30,000 funds for dowries for young girls of the Parish.

Act 58 of the State of Louisiana Legislature dated July 10, 1888, changed the bequeath of Julien Poydras by authorizing the Police Jury of Pointe Coupee Parish to use the interest of all the Poydras funds of said parish for the purpose of establishing and maintaining in said parish one or more public schools, to be known as Poydras schools, and providing for the government of said schools.

On December 1, 1941, the Police Jury authorized another \$25,000 to be added to the principal portion of the Poydras legacy, bringing the total principal to \$75,000.

Act 407 of the State of Louisiana Legislature enacting R.S. 33:1236.21 was approved on June 17, 1995, giving the Pointe Coupee Parish Poydras Fund the authority to expend any interest and other revenues earned by the Pointe Coupee Parish Poydras Fund for any lawful educational or cultural purpose as well as to maintain the grave site of Julien Poydras.

On June 27, 1995, the Pointe Coupee Parish Police Jury resolved that fifty percent (50%) of all interest and other revenues of the Poydras Fund be appropriated each year for repairs to the Poydras Museum and Arts Center with principal remaining at \$400,000. It was further resolved that sixty percent (60%) of all interest and other revenues currently accrued in excess of \$400,000 be appropriated for the repairs to the Poydras Museum and Arts Center. On November 22, 2006, the Police Jury further resolved that fifty percent (50%) of all interest and other revenues less ordinary and necessary expenses be appropriated each year for repairs to the Poydras Museum and Arts Center.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying financial statements of the Pointe Coupee Parish Poydras Fund have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

B. REPORTING ENTITY

The Poydras Fund does not possess all the corporate powers necessary to make it a legally separate entity from the Pointe Coupee Parish Police Jury, which holds the Poydras Fund's corporate powers. For this reason, the Poydras Fund is a component unit of the Pointe Coupee Parish Police Jury, the financial reporting entity.

The accompanying financial statements present information only on the funds maintained by the Poydras Fund and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

C. FUND ACCOUNTING

The Poydras Fund uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain Poydras Fund functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts.

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The activities of the principal reserved by the legacy of Julien Poydras and amounts so designated by the Pointe Coupee Parish Police Jury in a Fiduciary Fund called a Private-Purpose Trust. Private-Purpose Trust funds are used to report all trust arrangements under which principal and income benefit individuals, private organizations, or other governmental entities.

**POINTE COUPEE PARISH POYDRAS FUND
NEW ROADS, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS**

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

The Poydras Fund follows the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

E. BUDGETS

The Poydras Fund is not required by Louisiana Revised Statute 39:1303 to adopt a budget for its Fiduciary Fund.

F. ENCUMBRANCES

The Poydras Fund does not use encumbrance accounting.

G. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the Poydras Fund may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

H. INVESTMENTS

Investments are limited by Louisiana Revised Statute (R.S.) 33:2955 and the Poydras Fund'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.

GASB Statement No. 31 allows the Poydras Fund to report 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, provided that the fair value of those investments is not significantly affected by the impairment of the credit standing of the issuer or by other factors. Money market investments are short term, highly liquid debt instruments that include U.S. Treasury obligations. Interest-earning investment contracts include time deposits with financial institutions (such as certificates of deposit), repurchase agreements, and guaranteed investment contracts. Investments listed in the balance sheet are stated at fair value which approximates cost.

I. NOTES RECEIVABLE

Notes receivable are recorded at face value and are reduced by periodic payments of principal. Interest is computed as simple interest at a rate of 10%.

J. CAPITAL ASSETS

Capital assets consist of land acquired through foreclosure and is stated at acquisition cost.

K. FUND BALANCE AND RESERVES

Reservations of fund balances are created to either (1) satisfy legal covenants that require that a portion of the fund balance be segregated or (2) identify the portion of the fund balance that is not appropriable for future expenditures. Specific reservations of the fund balance accounts are summarized below.

Reserved for Principal – To satisfy the legacy requirements of Julien Poydras and the funds designated by the Police Jury that cannot be appropriated.

**POINTE COUPEE PARISH POYDRAS FUND
NEW ROADS, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS**

L. USE OF ESTIMATES

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

2. DEPOSITS AND INVESTMENTS

A. Cash and Cash Equivalents

Cash and Cash equivalents include bank accounts and short-term investments. See Note 1(G) for additional cash disclosure note information.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure the Poydras Fund's deposits may not be returned. Deposits are exposed to custodial credit risk if they are either (a) uninsured and uncollateralized, or (b) uninsured and collateralized with securities held by the pledging financial institution or its trust department/agent but not in the name of the Poydras Fund. The Poydras Fund's cash and investment policy, as well as state law, require that deposits be fully secured by federal deposit insurance or the pledge of securities owned by the bank. The fair value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the bank. The following chart represents bank balances for the Poydras Fund as of December 31, 2014. Deposits are listed in terms of whether they are exposed to custodial credit risk.

<u>Bank Balances</u>				
	<u>Uninsured & Uncollateralized</u>	<u>Uninsured & Collateralized with Securities held by Pledging Institution or It's Trust Department/Agent But Not in the Entity's Name</u>	<u>Total Bank Balances – All Deposits</u>	<u>Total Carrying Value – All Deposits</u>
Cash and Cash Equivalents	\$ -	\$ -	\$ 54,484	\$ 49,365

B. Investments

Investments are stated at fair value. See also Note 1(H) for additional investment disclosure information.

Credit Risk - Investments

Investments permitted by state statute include obligations issued, insured or guaranteed by the U.S. government including certificates or other ownership interest in such obligations and/or investments in registered mutual or trust funds consisting solely of U.S. government securities. The Poydras Fund's investment program is limited to purchases of bank certificate of deposits, U.S. treasury and government agency obligations as well as investments in the Louisiana Asset Management Pool, Inc. (LAMP). LAMP is a nonprofit corporation formed by an initiative of the State Treasurer, and organized under the laws of the State of Louisiana which operates a local government investment pool. It is the Poydras Fund's opinion that since these securities are governmental agencies, credit risk is not a factor.

**POINTE COUPEE PARISH POYDRAS FUND
NEW ROADS, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS**

Custodial Credit Risk - Investments

Custodial credit risk for investments is the risk that in the event of the failure of the counterparty to a transaction, the Poydras Fund will not be able to recover the value of the investment. Investments are exposed to custodial risk if the securities are (a) uninsured and unregistered and held by the counterparty or (b) uninsured, unregistered and held by the counterparty's trust department or agent but not in the name of the Poydras Fund. The following chart presents the investment position of the Poydras Fund as of December 31, 2014. The various types of investments are listed and presented by whether they are exposed to custodial credit risk.

<u>Investments</u>				
	Uninsured, Unregistered, and Held by the Counterparty	Uninsured, Unregistered, and Held by the Counterparty's Trust Department/Agent But not in the Entity's Name	All Investments – Reported Amount	All Investments – Fair Value
Certificates of Deposit	\$ -	\$ -	\$ 415,500	\$ 415,500
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 415,500</u>	<u>\$ 415,500</u>

Interest Rate Risk - Investments

Interest rate risk is defined as the risk that changes in interest rates will adversely affect the fair value of investments. Investments can be highly sensitive to changes in interest rates due to their terms or characteristics. The Poydras Fund's investment policy with regards to interest rate risk is to match cash flow requirements with cash flows from investments. This matching allows for securities to be held to maturity thereby avoiding realizing losses due to liquidation of securities prior to maturity, especially in a rising interest rate environment. Investing in longer term maturities that contain a "step up" in coupon interest rates will also contribute to the reduction of interest rate risk. Investments classified by maturity dates at December 31, 2014 are summarized below:

<u>Investment</u>	<u>Fair Value</u>	<u>0-1 Years Before Maturity</u>	<u>1-5 Years Before Maturity</u>	<u>6 + Years Before Maturity</u>
Certificates of Deposit	\$ 415,500	\$ 301,000	\$ 114,500	\$ -
Total	<u>\$ 415,500</u>	<u>\$ 301,000</u>	<u>\$ 114,500</u>	<u>\$ -</u>

3. CAPITAL ASSETS

In 1904, funds were loaned out by the Poydras Fund under a mortgage which provided that in case the loan was not paid off at the date of death of the mortgagor, then the Police Jury had the right to seize the property for non-payment. On May 5, 1931, this property was seized and acquired by the Police Jury. The property contains 80 acres in the northern half of the southeast quarter of Section 16, T3S, R8E of Pointe Coupee Parish. Said property has an appraised value by the Pointe Coupee Parish Assessor of \$6,700 on 39 acres of timberland. The remaining 41 acres is situated within the levee and borrow pit and has no appraised value by the Assessor.

**POINTE COUPEE PARISH POYDRAS FUND
NEW ROADS, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS**

4. NOTES RECEIVABLE AND ACCRUED INTEREST

The following is a summary of notes receivable and accrued interest at December 31, 2014. All notes have an interest rate of 10% per annum.

<u>Mortgagor</u>	<u>Original Loan</u>			<u>Notes Receivable</u>				<u>Accrued Interest At 12/31/14</u>
	<u>Date</u>	<u>Term (Years)</u>	<u>Amount</u>	<u>At 12/31/2013</u>	<u>Add Loans</u>	<u>Less Payments</u>	<u>At 12/31/2014</u>	
Joseph E. Babin, Jr.	07/31/1987	10	\$ 10,000	\$ 7,644	-	(1,698)	\$ 5,946	\$ 5
Shelby Gene Moses	12/08/1983	7	10,000	3,759	-	(250)	3,509	101
Ronald Reese	08/13/2012	10	10,000	9,258	-	(773)	8,485	28
Bernadine St. Cyr	11/15/2000	10	3,200	2,507	-	(85)	2,422	9
Total			<u>\$ 33,200</u>	<u>\$ 23,168</u>	<u>-</u>	<u>(2,806)</u>	<u>\$ 20,362</u>	<u>\$ 143</u>

5. LITIGATION

There is no litigation pending against the Poydras Fund. There were no claims or litigation costs incurred for the year ended December 31, 2014.

6. RISK MANAGEMENT

The Pointe Coupee Parish Poydras Fund is exposed to various risks of loss including criminal or property damage, theft and other possible related claims. The Poydras Fund purchases commercial insurance to minimize this risk of loss from these types of occurrences. There were no significant reductions in insurance coverage from the prior year.

7. COMPENSATION PAID TO COMMISSIONER AND ADVISORS

On December 3, 1928, the Police Jury authorized the Commissioner to receive a 10% commission on interest or other revenues earned by the Poydras Fund. For the year ending December 31, 2014, the Commissioner was paid \$4,542.

In addition to the commission, the Police Jury authorized the Commissioner to receive a monthly salary of \$150 per month or \$1,800 per year.

Compensation paid to the Commissioner and Advisors during the years ending December 31, 2014 is summarized below.

<u>Individual</u>	
Stephen P. David, Commissioner	\$ 6,342
Glenn Ray Cline, Police Juror Advisor	-
Albert Dukes, Police Juror Advisor	-
Total Compensation	<u>\$ 6,342</u>

8. SUBSEQUENT EVENTS

Management has performed an evaluation of the Poydras Fund's activities through May 12, 2015, and has concluded that there are no significant subsequent events requiring recognition or disclosure through the date and time these financial statements were available to be issued on May 12, 2015.

SUPPLEMENTAL INFORMATION

**POINTE COUPEE PARISH POYDRAS FUND
NEW ROADS, LOUISIANA
Schedule of Compensation, Benefits, and Other Payments to Agency Head
For the Year Ending December 31, 2014**

Agency Head Name: Stephen P. David

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 1,800
Commissions	<u>4,542</u>
Total	<u>\$ 6,342</u>

**INDEPENDENT AUDITORS' 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***

Mr. Stephen P. David, Commissioner
Pointe Coupee Parish Poydras Fund
New Roads, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Pointe Coupee Parish Poydras Fund, a component unit of the Pointe Coupee Parish Police Jury, as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the Poydras Fund's basic financial statements and have issued our report thereon dated May 12, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Poydras Fund'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 Poydras Fund's internal control. Accordingly, we do not express an opinion on the effectiveness of the Poydras Fund's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses as item 14-1, that we consider to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Poydras Fund'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*.

Pointe Coupee Parish Poydras Fund's Response to Findings

The Poydras Fund's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. The Poydras Fund's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Major, Morrison & David
New Roads, Louisiana
May 12, 2015

POINTE COUPEE PARISH POYDRAS FUND
New Roads, Louisiana
Schedule of Findings and Responses
As of and for the Year Ended December 31, 2014

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of auditor’s report issued: Unqualified

Internal control over financial reporting:

Material weakness(es) identified? ☐ Yes ☒ No

Deficiency(s) in internal control identified not
considered to be material weaknesses? ☒ Yes ☐ None reported

Noncompliance material to financial statements
noted? ☐ Yes ☒ No

SECTION II – FINANCIAL STATEMENT FINDINGS

Finding 14-1

Condition: As is common in small organizations, the Poydras Fund does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in preparing its financial statements, including related notes. As such management has chosen to engage the auditor to prepare the annual financial statements. This condition is intentional by management based upon the Poydras Fund’s limited administrative personnel, along with the cost effectiveness of acquiring the ability to prepare financial statements in accordance with GAAP. Based on this decision, internal controls over the preparation of the financial statements, including the notes, in accordance with GAAP have not been established. Under generally accepted auditing standards, this represents a significant deficiency in internal controls.

Statement on Auditing Standards (SAS) No. 115 requires that we report the above condition as a deficiency in internal control. SAS 115 does not provide for exceptions to reporting deficiencies that are resolved with non-audit services performed by the auditor or deficiencies for which the costs make it impractical to correct.

Recommendation: As discussed above, whether it is cost effective or not to correct a deficiency in internal control, is not a determining factor in applying SAS 115 reporting requirements. The Poydras Fund has evaluated the cost vs. benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interests of the office to outsource this task to its independent auditors, and carefully review the draft financial statements and notes prior to approving them and accepting responsibility for the contents and presentation.

Management’s Response: Management has agreed with the auditors’ finding and recommendation.

POINTE COUPEE PARISH POYDRAS FUND
New Roads, Louisiana

Summary Schedule of Prior Audit Findings
For The Year Ended December 31, 2014

<u>Ref. No.</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Corrective Action Taken (Yes, No, Partial)</u>	<u>Planned Corrective Action/Partial Corrective Action Taken</u>
Section I – Internal Control and Compliance Material to the Financial Statements:				
13-1	2011	Lack of qualified personnel with the qualifications & training to apply GAAP in preparing the entity's financial statements.	Partial	The Poydras Fund has evaluated cost vs. benefit of establishing controls over preparing the financial statements in accordance with GAAP & determined that it is best to have the auditors prepare the financial statements & notes and review and approve all drafts before approving the final reports for issuance to the public.

Section II – Internal Control and Compliance Material to Federal Awards:

Not applicable.

Section III – Management Letter:

We commented on the lack of personnel needed to prepare financial statements in accordance with GAAP.

POINTE COUPEE PARISH POYDRAS FUND
New Roads, Louisiana

Corrective Action Plan for
Current Year Audit Findings
For The Year Ended December 31, 2014

<u>Ref. No.</u>	<u>Description of Finding</u>	<u>Corrective Action Planned</u>	<u>Name of Contact Person</u>	<u>Anticipated Completion</u>
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Section I – Internal Control and Compliance Material to the Financial Statements:

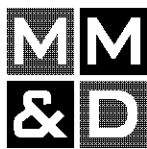
14-1	The Poydras Fund does not have a staff person who has qualifications & training to apply GAAP in preparing the entity's financial statements.	The Poydras Fund has evaluated cost vs. benefit of establishing controls over preparing the financial statements in accordance with GAAP & determined that it is best to have the auditor prepare the financial statements and notes & review drafts before approving the final reports for issuance to the public.	Stephen P. David	Ongoing
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Section II – Internal Control and Compliance Material to Federal Awards:

Not applicable.

Section III – Management Letter:

We commented on the lack of personnel needed to prepare financial statements in accordance with GAAP.



Major, Morrison & David

Certified Public Accountants

QUALITY • INTEGRITY • DEPENDABILITY

John L. Morrison III, CPA, CGMA, PC

Mark A. David, CPA, PC

John S. Disotell III, CPA, PC

Van P. Major, CPA (1951-2005)

Mr. Stephen P. David, Commissioner
Pointe Coupee Parish Poydras Fund
New Roads, Louisiana 70760

In planning and performing our audit of the financial statements of the governmental activities and each major fund of Pointe Coupee Parish Poydras Fund, a component unit of the Pointe Coupee Parish Police Jury, as of and for the year ended December 31, 2014, in accordance with auditing standards generally accepted in the United States of America, we considered Pointe Coupee Parish Poydras Fund's internal control over financial reporting (internal control) as a basis for designing our auditing 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 Pointe Coupee Parish Poydras Fund's internal control. Accordingly, we do not express an opinion on the effectiveness of Pointe Coupee Parish Poydras Fund's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

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. We consider the following deficiencies in internal control to be significant deficiencies:

Item 14-1: The Pointe Coupee Parish Poydras Fund's office does not have a staff person who has the qualifications and training to apply generally accepted accounting principles in preparing its financial statements, including related notes.

This communication is intended solely for the information and use of management, the Legislative Auditor for the state of Louisiana, others within the organization, and the Pointe Coupee Parish Police Jury and is not intended to be and should not be used by anyone other than these specified parties.

Major, Morrison & David
New Roads, Louisiana
May 12, 2015