

East Feliciana Parish Police Jury

Clinton, Louisiana

Annual Financial Statements

As of and for the Year Ended December 31, 2017
With Supplemental Information Schedules



BRUCE HARRELL & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS
A Professional Accounting Corporation

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

**Annual Financial Statements
As of and for the Year Ended December 31, 2017
With Supplemental Information Schedules**

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Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the East Feliciana Police Jury, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the East Feliciana Parish Police Jury's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

BRUCE HARRELL & CO.
CERTIFIED PUBLIC ACCOUNTANTS
A Professional Accounting Corporation

East Feliciana Parish Police Jury
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Basis for Adverse Opinion on Aggregate Discretely Presented Component Units and Qualified Opinions on Aggregate Remaining Fund Information and Governmental Activities

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

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

Adverse Opinion

In our opinion, because of the significance of the matter discussed in the "*Basis for Adverse Opinion on Aggregate Discretely Presented Component Units and Qualified Opinion on Aggregate Remaining Fund Information and Governmental Activities*" paragraph, the financial statements referred to above do not present fairly the financial position of the aggregate discretely presented component units of the East Feliciana Parish Police Jury, as of December 31, 2017, or the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Qualified Opinions

In our opinion, except for the effects of the matter described in the "*Basis for Adverse Opinion on Aggregate Discretely Presented Component Units and Qualified Opinion on Aggregate Remaining Fund Information and Governmental Activities*" paragraph, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and aggregate remaining fund information of the East Feliciana Parish Police Jury, as of December 31, 2017, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the major funds of the East Feliciana Parish Police Jury, as of December 31, 2017, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Adjustment to Prior Period Financial Statements

As discussed in Note 16 to the financial statements of the East Feliciana Parish Police Jury, the 2016 financial statements have been restated to correct a misstatement. Our opinion is not modified with respect to this matter.

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Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 11-18 and 57-59, as well as the information presented in the Schedules of the Police Jury's Proportionate Share of the Net Pension Liability on pages 60-61, and the Schedules of the Police Jury's Contributions on pages 62-63, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's response to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

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East Feliciana Parish Police Jury
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Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 31, 2018, based on our consideration of the East Feliciana Parish Police Jury's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the East Feliciana Parish Police Jury's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Bruce Harrell & Co." with a stylized flourish at the end.

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

August 31, 2018

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

**East Feliciana Parish Police Jury
Management's Discussion and Analysis
As of and for the Year Ended December 31, 2017**

Introduction

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

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

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

Financial Highlights

- At December 31, 2017, the Police Jury's assets exceeded its liabilities by \$20,059,792 (net position). Of this amount, \$1,638,115 (unrestricted net position) may be used to meet the Police Jury's ongoing obligations to its citizens.
- For the year ended December 31, 2017, the total net position decreased by \$73,704, after prior period adjustments.
- There has been no debt incurred or anticipated in providing services to the parish.

Overview of the Annual Financial Report

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

Government-Wide Financial Statements

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

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

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

**East Feliciana Parish Police Jury
Management's Discussion and Analysis
As of and for the Year Ended December 31, 2017**

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

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

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

Fund Financial Statements

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

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

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

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

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

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

**East Feliciana Parish Police Jury
Management's Discussion and Analysis
As of and for the Year Ended December 31, 2017**

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

The basic fiduciary fund financial statements can be found on pages 30-31 of this report.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 33 through 55 of this report.

Other Information

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

Government-Wide Financial Analysis

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

**Net Position
2017 and 2016**

	Governmental Activities	
	2017	2016
Assets:		(Restated)
Current and Other Assets	\$ 7,193,440	\$ 6,240,162
Capital Assets	13,315,560	14,164,407
Total Assets	<u>20,509,000</u>	<u>20,404,569</u>
Deferred Outflows of Resources		
Pension Related	470,260	716,690
Total Deferred Outflows of Resources	<u>470,260</u>	<u>716,690</u>
Liabilities:		
Long-Term Debt Outstanding	381,080	575,594
Other Liabilities	450,783	291,208
Total Liabilities	<u>831,863</u>	<u>866,802</u>
Deferred Inflows of Resources		
Pension Related	87,605	120,961
Total Deferred Inflows of Resources	<u>87,605</u>	<u>120,961</u>
Net Position:		
Net Investment in Capital Assets	13,315,560	14,164,407
Restricted	5,106,117	4,882,000
Unrestricted	1,638,115	1,087,089
Total Net Position	<u>\$ 20,059,792</u>	<u>\$ 20,133,496</u>

**East Feliciana Parish Police Jury
Management's Discussion and Analysis
As of and for the Year Ended December 31, 2017**

One of the largest portions of the East Feliciana Parish Police Jury's net position (66 percent) reflects its investment in capital assets (e.g., land, buildings, machinery and equipment, and infrastructure), less any related debt used to acquire those assets that is still outstanding. The East Feliciana Parish Police Jury uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the East Feliciana Parish Police Jury's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the East Feliciana Parish Police Jury's net position (26 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance or *unrestricted net position* (8 percent) may be used to meet the government's on-going obligations to its citizens.

The Police Jury's activities decreased its total net position by \$(73,704) during the current fiscal year.

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

**East Feliciana Parish Police Jury
Management's Discussion and Analysis
As of and for the Year Ended December 31, 2017**

Changes in Net Position

For the years ended December 31, 2017 and 2016

	Governmental Activities		Variance	
	2017	2016	Amount	Percentage
Revenues:		(Restated)		
Program Revenues:				
Charges for Services	\$ 506,676	\$ 428,372	\$ 78,304	18%
Operating Grants and Contributions	384,640	351,655	32,985	9%
Capital Grants and Contributions	345,670	328,349	17,321	5%
General Revenues:				
Property Taxes	932,418	976,300	(43,882)	-4%
Sales Taxes	3,984,141	3,620,386	363,755	10%
Severance Taxes	341,681	184,587	157,094	85%
Franchise Taxes	12,170	9,402	2,768	29%
Fire Insurance Rebates	90,138	84,219	5,919	7%
Intergovernmental	276,200	230,581	45,619	20%
Interest Income	32,122	7,638	24,484	321%
Miscellaneous	87,685	34,040	53,645	158%
Total Revenues	<u>6,993,541</u>	<u>6,255,529</u>	<u>738,012</u>	12%
Expenses:				
General Government	1,495,694	1,171,023	324,671	28%
Public Safety	1,478,897	1,379,598	99,299	7%
Public Works	20,167	66,398	(46,231)	-70%
Sanitation	1,522,606	1,472,013	50,593	3%
Health and Welfare	466,842	404,159	62,683	16%
Streets	2,079,455	1,637,754	441,701	27%
Recreation	2,838	2,954	(116)	-4%
Economic Development	746	3,932	(3,186)	-81%
Total Expenses	<u>7,067,245</u>	<u>6,137,831</u>	<u>929,414</u>	15.14%
Increase (Decrease) in Net Position	<u>(73,704)</u>	<u>117,698</u>	<u>(191,402)</u>	-163%
Net Position - Beginning	20,092,105	20,344,820	(252,715)	-1%
Prior Period Adjustments (Note 16)	41,391	(329,022)	370,413	-113%
Net Position - Beginning (Restated)	<u>20,133,496</u>	<u>20,015,798</u>	<u>117,698</u>	1%
Net Position, Ending	<u>\$ 20,059,792</u>	<u>\$ 20,133,496</u>	<u>\$ (73,704)</u>	-

**East Feliciana Parish Police Jury
Management's Discussion and Analysis
As of and for the Year Ended December 31, 2017**

Governmental Activities

Governmental activities decreased the East Feliciana Parish Police Jury's net position by \$(73,704), before prior period adjustments. Key elements of this change in net position as shown on the previous page are as follows:

- Total Revenues increased by \$738,012 or twelve percent during the year primarily due to the increase in sales taxes in the amount of \$363,755 and severance taxes in the amount of \$157,094.
- Total Expenses increased by \$929,414 or by approximately fifteen percent during the year. The largest increase during 2017 was an increase in highways and street expense in the amount of \$441,701.
- The decrease in net position for 2017 was \$73,704, after prior period adjustment, which was a decrease from the previous year by \$191,402.

Fund Financial Analysis

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

Governmental Funds

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

As of the end of the current fiscal year, the East Feliciana Parish Police Jury's governmental funds reported combined ending fund balances of \$6,583,968, an increase of \$915,736. Approximately twenty-two percent of this total amount, \$1,453,760 constitutes *unassigned fund balance*, which is available for spending at the government's discretion.

The general fund is the chief operating fund of the East Feliciana Parish Police Jury. At the end of the current fiscal year, unassigned fund balance of the general fund was \$1,569,973. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance to total fund operating expenditures plus other financing uses totaling \$2,654,367. Unassigned fund balance represents approximately 59 percent of total general fund operating expenditures and other financing source outflows.

The fund balance of the East Feliciana Parish Police Jury's general fund increased by \$707,799 during the current fiscal year.

The Roads and Bridges Fund had a decrease in fund balance for the current year of \$(30,134), for an ending total of \$(116,213), which was a deficit fund balance at December 31, 2017.

The Solid Waste Fund has a total fund balance of \$4,400,953 which increased by \$47,600.

**East Feliciana Parish Police Jury
Management's Discussion and Analysis
As of and for the Year Ended December 31, 2017**

Major Fund Budgetary Highlights

Total revenues and other sources and total expenditures and other uses for the East Feliciana Parish Police Jury were within five percent of budgeted revenues and other sources and expenditures and other uses for the fiscal year ending December 31, 2017, except for the following. The General Fund's total expenditures and other uses were more than budgeted expenditures and other uses by fifteen percent.

Capital Assets and Debt Administration

Capital Assets

The East Feliciana Parish Police Jury's investment in capital assets for its governmental activities as of December 31, 2017, amounted to \$13,315,560 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings and improvements, machinery and equipment, and infrastructure.

The following table provides a summary of the Police Jury's capital assets (net of depreciation) at the end of the current year as compared to the prior year. For more detailed information, see Note 7 to the financial statements on page 44 of this report.

**Capital Assets (Net of Depreciation)
2017 and 2016**

Capital Assets	Governmental Activities		Increase (Decrease)	Percentage Increase (Decrease)
	2017	2016		
Land	\$ 259,230	\$ 259,230	\$ -	-
Construction in Progress	66,000	-	66,000	-
Buildings and Improvements	10,085,396	9,943,571	141,825	1%
Equipment and Vehicles	4,485,819	4,250,298	235,521	6%
Streets and Bridges	8,807,479	8,807,479	-	-
Subtotal Capital Assets	23,703,924	23,260,578	443,346	2%
Less: Accumulated Depreciation	(10,388,364)	(9,096,171)	(1,292,193)	-14%
Capital Assets, Net	\$ 13,315,560	\$ 14,164,407	\$ (848,847)	-6%

**East Feliciana Parish Police Jury
Management's Discussion and Analysis
As of and for the Year Ended December 31, 2017**

Long-Term Obligations

At December 31, 2017, the Police Jury had total long-term obligations of \$381,080. The following table provides a summary of the Police Jury's outstanding debt at the end of the current year as compared to the prior year. For more detailed information, see Note 11 to the financial statements on pages 45 of this report.

**Outstanding Debt
2017 and 2016**

	Governmental Activities	
	2017	2016
Long Term Debt		
Compensated Absences	\$ 8,301	\$ 12,380
Net Pension Liability	372,779	563,214
Total Long Term Debt	\$ 381,080	\$ 575,594

Economic Factors and Next Year's Budgets and Rates

The following factors were considered in preparing the East Feliciana Police Jury's budget for the 2017 fiscal year:

- The two major revenue sources for the general fund, excluding sales taxes, are ad valorem taxes and severance taxes. Ad valorem taxes decreased \$43,882 in 2017. Ad valorem taxes were budgeted at \$380,000 for 2018. Severance tax increased \$206,703 in 2017. Severance tax was budgeted at \$300,000 for 2018.
- Sales tax revenues increased by approximately \$363,755 in 2017. The General Fund, Roads and Bridges Fund, and Solid Waste Fund combined have budgeted sales tax revenues at \$4,110,000 for 2018.

Request for Information

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

Basic Financial Statements

Government-Wide Financial Statements

**East Feliciana Parish Police Jury
Statement of Net Position
As of December 31, 2017**

Statement A

		<u>Primary Government Governmental Activities</u>
Assets		
Current Assets:		
Cash and Cash Equivalents	\$	5,310,504
Receivables, Net:		1,851,805
Prepaid Insurance and Other Assets		31,131
Total Current Assets		<u>7,193,440</u>
Capital Assets:		
Land		259,230
Construction in Progress		66,000
Capital Assets, Net		12,990,330
Total Capital Assets		<u>13,315,560</u>
Total Assets		<u>20,509,000</u>
Deferred Outflows of Resources		
Pension Related		470,260
Total Deferred Outflows of Resources		<u>470,260</u>
Liabilities		
Current Liabilities:		
Accounts Payable		421,600
Other Accrued Payables		29,183
Total Current Liabilities		<u>450,783</u>
Long Term Liabilities:		
Compensated Absences Payable		8,301
Net Pension Liability		372,779
Total Long Term Liabilities		<u>381,080</u>
Total Liabilities		<u>831,863</u>
Deferred Inflows of Resources		
Pension Related		87,605
Total Deferred Inflows of Resources		<u>87,605</u>
Net Position		
Net Investment in Capital Assets		13,315,560
Restricted for:		
Other Purposes		5,106,117
Unrestricted		1,638,115
Total Net Position	\$	<u>20,059,792</u>

The accompanying notes are an integral part of this statement.

Statement B

East Feliciana Parish Police Jury
Statement of Activities
For the year ended December 31, 2017

	<u>Program Revenues</u>				<u>Net (Expenses)</u> <u>Revenues and</u>
	<u>Expenses</u>	<u>Charges for</u> <u>Services</u>	<u>Operating</u> <u>Grants &</u> <u>Contributions</u>	<u>Capital Grants</u> <u>&</u> <u>Contributions</u>	<u>Primary</u> <u>Governmental</u> <u>Activities</u>
Governmental Activities					
General Government	\$ 1,495,694	\$ 174,840	\$ 17,685	\$ 135,530	\$ (1,167,639)
Public Safety	1,478,897	326,936	95,804	-	(1,056,157)
Public Works	20,167	-	-	-	(20,167)
Sanitation	1,522,606	-	-	-	(1,522,606)
Health and Welfare	466,842	-	156,231	-	(310,611)
Transportation	2,079,455	4,900	114,920	210,140	(1,749,495)
Recreation	2,838	-	-	-	(2,838)
Economic Development	746	-	-	-	(746)
Total Governmental Activities	<u>7,067,245</u>	<u>506,676</u>	<u>384,640</u>	<u>345,670</u>	<u>(5,830,259)</u>
General Revenues:					
Taxes:					
Property Taxes					932,418
Sales Taxes					3,984,141
Franchise Taxes					12,170
Severance Taxes					341,681
Fire Insurance Rebates					90,138
Intergovernmental					
State Revenue Sharing					95,640
Other					180,560
Investment Earnings					32,122
Miscellaneous					87,685
Total General Revenues and Transfers					<u>5,756,555</u>
Change in Net Position					<u>(73,704)</u>
Net Position - Beginning					20,092,105
Prior Period Adjustments (Note 16)					41,391
Net Position - Beginning (Restated)					<u>20,133,496</u>
Net Position - Ending					<u>\$ 20,059,792</u>

The accompanying notes are an integral part of this statement.

Basic Financial Statements
Fund Financial Statements

**East Feliciana Parish Police Jury
Balance Sheet, Governmental Funds
As of December 31, 2017**

	Major Funds			Nonmajor Funds		Total Governmental Funds
	General Fund	Road & Bridges Fund	Solid Waste Fund	Other Governmental Funds		
Assets						
Cash and Equivalents	\$ 1,168,260	\$ 793,017	\$ 3,072,935	\$ 276,292	\$	5,310,504
Investments	-	-	-	-	-	-
Receivables, Net:	751,376	19,083	352,935	505,841		1,629,235
Due From Other Funds	-	289,382	1,075,268	31,498		1,396,148
Restricted Cash	-	-	-	-		-
Total Assets	<u>\$ 1,919,636</u>	<u>\$ 1,101,482</u>	<u>\$ 4,501,138</u>	<u>\$ 813,631</u>	\$	<u>8,335,887</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances						
Liabilities:						
Accounts Payable	\$ 214,343	\$ 105,895	\$ 100,185	\$ 1,177	\$	421,600
Other Accrued Liabilities	12,195	-	-	16,988		29,183
Due to Other Funds	61,778	1,111,800	-	-		1,173,578
Total Liabilities	<u>288,316</u>	<u>1,217,695</u>	<u>100,185</u>	<u>18,165</u>		<u>1,624,361</u>
Deferred Inflows of Resources:						
Unavailable Ad Valorem Taxes	61,347	-	-	66,211		127,558
Total Deferred Inflows of Resources	<u>61,347</u>	<u>-</u>	<u>-</u>	<u>66,211</u>		<u>127,558</u>
Fund Balances:						
Restricted	-	-	4,400,953	729,255		5,130,208
Unassigned	1,569,973	(116,213)	-	-		1,453,760
Total Fund Balances (Deficit)	<u>1,569,973</u>	<u>(116,213)</u>	<u>4,400,953</u>	<u>729,255</u>		<u>6,583,968</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,919,636</u>	<u>\$ 1,101,482</u>	<u>\$ 4,501,138</u>	<u>\$ 813,631</u>	\$	<u>8,335,887</u>

The accompanying notes are an integral part of this statement.

East Feliciana Parish Police Jury
Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Financial Statement of Net Position
As of December 31, 2017

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

Fund Balances, Total Governmental Funds (Statement C)	\$	6,583,968
<p>Capital assets used in governmental activities are not financial resources and are therefore not reported in the governmental funds.</p>		
Governmental capital assets net of depreciation		13,315,560
Prepaid Insurance not recorded in the fund basis financial statements		31,131
Ad valorem taxes collected after year-end, but not available soon enough to pay for current expenditures		127,558
<p>Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the Governmental funds.</p>		
Compensated Absences Payable		(8,301)
Net Pension Liability		(372,779)
Deferred Outflows of Resources		470,260
Deferred Inflows of Resources		(87,605)
Net Position of Governmental Activities (Statement A)	\$	<u>20,059,792</u>

The accompanying notes are an integral part of this statement.

East Feliciana Parish Police Jury
Statement of Revenues, Expenditures and
Changes in Fund Balances
For the year ended December 31, 2017

	<u>Major Funds</u>			<u>Nonmajor Funds</u>	<u>Total Governmental Funds</u>
	<u>General Fund</u>	<u>Road & Bridges Fund</u>	<u>Solid Waste Fund</u>	<u>Other Governmental Funds</u>	
Revenues					
Taxes					
Ad valorem	\$ 477,194	\$ -	\$ -	\$ 554,807	\$ 1,032,001
Other	12,170	-	-	-	12,170
Sales and Use	755,951	1,609,835	1,618,355	-	3,984,141
Licenses and Permits	376,971	4,900	-	-	381,871
Intergovernmental					
Grants - Federal	280,473	25,781	-	-	306,254
Grants - State	-	210,140	-	-	210,140
Other	768,610	-	-	-	768,610
State Revenue Sharing	56,067	-	-	39,573	95,640
Charges for Services	6,856	-	-	-	6,856
Fines and Forfeitures	-	-	-	116,374	116,374
Investment Earnings	5,603	5,681	17,644	3,194	32,122
Rent	19,575	-	-	-	19,575
Donations	40,000	-	-	-	40,000
Miscellaneous	9,170	655	-	2,334	12,159
Total Revenues	<u>2,808,640</u>	<u>1,856,992</u>	<u>1,635,999</u>	<u>716,282</u>	<u>7,017,913</u>

(Continued)

The accompanying notes are an integral part of this statement.

**East Feliciana Parish Police Jury
Statement of Revenues, Expenditures and
Changes in Fund Balances
For the year ended December 31, 2017**

	<u>General Fund</u>	<u>Road & Bridges Fund</u>	<u>Solid Waste Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Expenditures					
General Government					
Salaries	\$ 347,417	\$ -	\$ -	\$ -	\$ 347,417
Benefits and Payroll Taxes	38,631	-	-	-	38,631
General and Administrative	136,341	-	-	-	136,341
Insurance	55,856	-	-	-	55,856
Other operating	133,858	-	-	-	133,858
Professional Fees	2,838	-	-	-	2,838
Repairs and Maintenance	58,940	-	-	-	58,940
Statutory Payments to Assessor	15,426	-	-	-	15,426
Total General Government	<u>789,307</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>789,307</u>
Public Safety					
Salaries	368,663	-	-	64,800	433,463
Benefits and Payroll Taxes	89,068	-	-	9,793	98,861
General and Administrative	5,455	-	-	-	5,455
Fuel	7,700	-	-	-	7,700
Other operating	488,459	-	-	5,765	494,224
Payments for Prisoners	162,011	-	-	-	162,011
Repairs and Maintenance	8,665	-	-	-	8,665
Supplies	-	-	-	57,657	57,657
Telephone	5,131	-	-	-	5,131
Utilities	11,307	-	-	115	11,422
Fire	90,138	-	-	-	90,138
Total Public Safety	<u>1,236,597</u>	<u>-</u>	<u>-</u>	<u>138,130</u>	<u>1,374,727</u>
Public Works					
Salaries	-	461,688	-	-	461,688
Benefits and Payroll Taxes	-	94,768	-	-	94,768
General and Administrative	-	12,769	-	-	12,769
Insurance	-	212,896	-	-	212,896
Other operating	20,167	11,894	-	-	32,061
Professional Fees	-	-	-	-	-
Repairs and Maintenance	-	267,256	-	-	267,256
Road Materials	-	153,407	-	-	153,407
Supplies	-	36,268	-	-	36,268
Utilities	-	16,096	-	-	16,096
Vehicle Expenses	-	75,709	-	-	75,709
Total Public Works	<u>20,167</u>	<u>1,342,751</u>	<u>-</u>	<u>-</u>	<u>1,362,918</u>
Sanitation					
Salaries	-	-	116,685	-	116,685
Benefits	-	-	27,337	-	27,337
General and Administrative	-	-	987	-	987
Fuel	-	-	8,949	-	8,949
Other operating	-	-	-	-	-
Repairs and Maintenance	-	-	3,290	-	3,290
Waste Collection	-	-	1,301,413	-	1,301,413
Total Sanitation	<u>-</u>	<u>-</u>	<u>1,458,661</u>	<u>-</u>	<u>1,458,661</u>
Health and Welfare					
Salaries	-	-	-	90,254	90,254
Benefits and Payroll Taxes	-	-	-	21,939	21,939
Insurance	-	-	-	4,951	4,951
Fuel	-	-	-	5,122	5,122
Other operating	194,931	-	-	131,890	326,821
Statutory Payments to Assessor	-	-	-	16,988	16,988
Utilities	-	-	-	537	537
Total Health and Welfare	<u>194,931</u>	<u>-</u>	<u>-</u>	<u>271,681</u>	<u>466,612</u>
Recreation					
Other operating	2,838	-	-	-	2,838
Total Recreation	<u>2,838</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,838</u>
Economic Development					
Insurance	-	-	-	-	-
Other operating	746	-	-	-	746
Total Economic Development	<u>746</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>746</u>
Capital Outlays	229,781	83,827	129,738	-	443,346
Total Expenditures	<u>2,474,367</u>	<u>1,426,578</u>	<u>1,588,399</u>	<u>409,811</u>	<u>5,899,155</u>
Excess (Deficiency) of Revenues Over (Under) (Expenditures)	<u>334,273</u>	<u>430,414</u>	<u>47,600</u>	<u>306,471</u>	<u>1,118,758</u>

(Continued)

The accompanying notes are an integral part of this statement.

East Feliciana Parish Police Jury
Statement of Revenues, Expenditures and
Changes in Fund Balances
For the year ended December 31, 2017

	<u>General Fund</u>	<u>Road & Bridges Fund</u>	<u>Solid Waste Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Other Financing Sources (Uses)					
Operating Transfers In	\$ 496,000	\$ -	\$ -	\$ 134,000	\$ 630,000
Operating Transfers (Out)	(180,000)	(200,000)	-	(250,000)	(630,000)
Flood Expenses	-	(260,548)	-	-	(260,548)
Proceeds from Insurance	57,526	-	-	-	57,526
Total Other Financing Sources (Uses)	<u>373,526</u>	<u>(460,548)</u>	<u>-</u>	<u>(116,000)</u>	<u>(203,022)</u>
Net Change in Fund Balances	<u>707,799</u>	<u>(30,134)</u>	<u>47,600</u>	<u>190,471</u>	<u>915,736</u>
Fund Balances, (Deficit) Beginning	804,487	(86,079)	4,353,353	555,080	5,626,841
Prior Period Adjustment (Note 16)	57,687	-	-	(16,296)	41,391
Fund Balances, Beginning Adjusted	<u>862,174</u>	<u>(86,079)</u>	<u>4,353,353</u>	<u>538,784</u>	<u>5,668,232</u>
Fund Balances, (Deficit) Ending	<u>\$ 1,569,973</u>	<u>\$ (116,213)</u>	<u>\$ 4,400,953</u>	<u>\$ 729,255</u>	<u>\$ 6,583,968</u>

(Concluded)

The accompanying notes are an integral part of this statement.

**East Feliciana Parish Police Jury
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Government-Wide Statement of Activities
For the year ended December 31, 2017**

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

Net Change in Fund Balances, Total Governmental Funds, Statement E \$ 915,736

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

Expenditures for capital assets	\$	443,346	
Less:			
Current year depreciation		<u>(1,292,193)</u>	(848,847)

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

4,079

Non-employer contributions to cost-sharing pension plan

17,685

Pension Expense

(40,324)

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

(22,450)

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

(99,583)

Change in Net Position of Governmental Activities, Statement B \$ (73,704)

Basic Financial Statements

Fiduciary Fund Financial Statements

Statement G

East Feliciana Parish Police Jury
Statement of Net Position - Fiduciary Funds
As of December 31, 2017

	Library Fund	Sales Tax
Assets		
Cash and Cash Equivalents	\$ -	\$ 578
Receivables, Net:		
Property Taxes	18,018	-
State Revenue Sharing	14,926	-
Sales Tax	-	953,151
Due from Others	-	64,461
Total Assets	32,944	1,018,190
Liabilities		
Due to Audubon Regional Library	11,197	-
Other Liabilities	-	10,000
Due to Others Governments	-	1,017,535
Total Liabilities	11,197	1,027,535
Total Net Position	\$ 21,747	\$ (9,345)

The accompanying notes are an integral part of this statement.

Statement H

East Feliciana Parish Police Jury
Statement of Changes in Net Position - Fiduciary Funds
For the year ended December 31, 2017

	<u>Library Fund</u>	<u>Sales Tax</u>
Additions		
Ad Valorem Tax	\$ 279,979	\$ -
Sales Tax	-	5,017,567
State Revenue Sharing	56,437	-
Interest	-	457
Total Additions	<u>336,416</u>	<u>5,018,024</u>
Deductions		
Payments to Library	336,417	-
Transfers to Other Governments	-	5,017,566
Total Deductions	<u>336,417</u>	<u>5,017,566</u>
Change in Net Position	<u>(1)</u>	<u>458</u>
Net Position - Beginning	<u>21,748</u>	<u>(9,803)</u>
Net Position - Ending	<u>\$ 21,747</u>	<u>\$ (9,345)</u>

The accompanying notes are an integral part of this statement.

Basic Financial Statements

Notes to the Financial Statements

East Feliciana Parish Police Jury
Notes to the Financial Statements
As of and for the Year Ended December 31, 2017

Introduction

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

Louisiana Revised Statute 33:1236 gives the police Jury various powers in regulating and directing the affairs of the parish and its inhabitants. The more notable of those are the power to make regulations for its own government; to regulate the construction and maintenance of roads, bridges, and drainage systems; to regulate the sale of alcoholic beverages; and to provide for the health and welfare of the poor, disadvantaged, and unemployed in the parish. Funding to accomplish these tasks is provided by ad valorem taxes, beer and alcoholic beverage permits, state revenue sharing, and various other state and federal grants.

East Feliciana Parish is located in the southeast portion of Louisiana, and has a population of approximately 21,360 residents. The area of East Feliciana Parish includes 455 square miles wherein 288 miles of road are maintained. The East Feliciana Parish Police Jury employs an estimated 68 employees.

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

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

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

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

**East Feliciana Parish Police Jury
Notes to the Financial Statements
As of and for the Year Ended December 31, 2017**

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

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

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

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

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

1. Summary of Significant Accounting Policies

A. Government-Wide and Fund Financial Statements

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

East Feliciana Parish Police Jury
Notes to the Financial Statements
As of and for the Year Ended December 31, 2017

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

GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, effective for financial statement periods ending after December 15, 2012, provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. Concepts Statement No. 4, *Elements of Financial Statements*, introduced and defined *Deferred Outflows of Resources* as a consumption of net assets by the government that is applicable to a future reporting period, and *Deferred Inflows of Resources* as an acquisition of net assets by the government that is applicable to a future reporting period, respectively. Previous financial reporting standards do not include guidance for reporting those financial statement elements, which are distinct from assets and liabilities. GASB Concepts Statement 4 identifies net position as the residual of all other elements presented in a statement of financial position. This Statement amends the net asset reporting requirements in Statement No. 34, *Basic Financial Statements— and Management’s Discussion and Analysis—for State and Local Governments*, and other pronouncements by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets. The definition and reporting of net position is further described in *Footnote J – Net Position and Fund Balance*. The Police Jury adopted GASB Statement No. 63 for the fiscal year ended December 31, 2012. The Police Jury had deferred outflows and deferred inflows of resources related to pension of \$470,260 and \$87,605, respectively, at December 31, 2017.

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

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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

East Feliciana Parish Police Jury
Notes to the Financial Statements
As of and for the Year Ended December 31, 2017

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

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

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

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

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

The Police Jury reports the following major governmental funds:

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

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

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

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

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

C. Deposits and Investments

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

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

D. Receivables and Payables

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

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

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

Property Taxes

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

Sales and Use Taxes

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

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

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

The Police Jury utilizes the “purchase method” of accounting for supplies in governmental funds whereby expendable operating supplies are recognized as expenditures when purchased. The Police Jury did not record any inventory at December 31, 2017, as the amount is not material. Certain payments for insurance reflect cost applicable to future accounting periods. The Government Wide financial statements reflect prepaid insurance cost applicable to future accounting periods. The Police Jury recognizes expenditures for insurance and similar services extending over more than one accounting period when paid in the fund financial statements.

F. Restricted Net Position

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

G. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental column in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Police Jury maintains a threshold level of \$2,500 or more for capitalizing capital assets.

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

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

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

H. Compensated Absences

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

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

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

I. Long-Term Obligations

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

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

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

J. Net Position and Fund Balance

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

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

The *net investment in capital assets* component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also should be included in this component of net position. If there are significant unspent related debt proceeds or deferred inflows of resources at the end of the reporting period, the portion of the debt or deferred inflows of resources attributable to the unspent amount should not be included in the calculation of net investment in capital assets. Instead, that portion of the debt or deferred inflows of resources should be included in the same net position component (restricted or unrestricted) as the unspent amount.

- **Restricted Component of Net Position**

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

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- **Unrestricted Component of Net Position**

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

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

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

K. Comparative Data/Reclassifications

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

L. Extraordinary and Special Items

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

M. Estimates

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

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N. Reconciliations of Government-Wide and Fund Financial Statements

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

2. Stewardship, Compliance and Accountability

The Roads and Bridges Fund had a deficit balance at December 31, 2017.

3. Cash and Cash Equivalents

At December 31, 2017, the Police Jury has cash and cash equivalents (book balances) totaling, as follows:

	2017
Demand Deposits	\$ 82,863
Time and Savings Deposits	5,227,641
	\$ 5,310,504

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

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

Custodial Credit Risk: For deposits, custodial credit risk is the risk that, in the event of a bank failure, the government’s deposits may not be returned. As of December 31, 2017, the Police Jury has \$5,693,713 in deposits (collected bank balances), consisting of \$143,208 in demand deposits and \$5,550,505 in time and savings deposits. The demand deposits are secured from risk by \$250,000 of federal deposit insurance. The time and savings deposits are secured from risk by \$250,000 of federal deposit insurance and the remaining \$5,300,505 is exposed to custodial credit risk because while the amount is secured, such securities are held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

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

4. Investments

Investments are categorized into these three categories of credit risk:

1. Insured or registered, or securities held by the Police Jury or its agent in the Police Jury’s name

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

The Police Jury had no investments at December 31, 2017.

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

5. Receivables

The Governmental Fund receivables at December 31, 2017 consist of the following:

Government Receivables	General Fund	Road and Bridges Fund	Solid Waste Fund	Other Funds	Total
Accounts	\$ -	\$ -	\$ -	\$ -	\$ -
Ad Valorem Taxes	449,020	-	-	492,255	941,275
Sales and Use Taxes	193,311	-	352,935	-	546,246
Severance Taxes	-	-	-	-	-
Revenue Sharing	-	-	-	-	-
Gaming	-	-	-	-	-
Franchise Taxes	-	-	-	-	-
Federal Grants	-	-	-	-	-
State Grants	-	19,083	-	-	19,083
Due from Other Governments	109,045	-	-	-	109,045
Other	-	-	-	13,586	13,586
Total Government Receivables	\$ 751,376	\$ 19,083	\$ 352,935	\$ 505,841	\$ 1,629,235

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

The following is a detailed list of interfund balances reported in the fund financial statements on December 31, 2017:

Interfund Balances	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
Major Funds:		
General Fund	\$ -	\$ 34,117
Roads and Bridges Fund	2,351	1,075,000
Solid Waste Fund	1,075,268	-
Non-Major Funds:		
Health Unit	19,586	-
Total Interfund Balances	<u>\$ 1,097,205</u>	<u>\$ 1,097,205</u>

The interfund receivables and payables have occurred at various times and are expected to be repaid.

The following is a detailed list of interfund transfers reported in the fund financial statements during the year ended December 31, 2017:

Interfund Transfers	<u>Transfers In From Other Funds</u>	<u>Transfers Out To Other Funds</u>
Major Funds:		
General Fund	\$ 496,000	\$ 180,000
Roads and Bridges Fund	-	200,000
Solid Waste Fund	-	-
Non-Major Funds:		
Criminal Court Fund	36,000	-
Health Unit	-	250,000
Coroner Fund	98,000	-
Total Interfund Transfers	<u>\$ 630,000</u>	<u>\$ 630,000</u>

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7. Capital Assets

Capital assets and depreciation activity as of and for the year ended December 31, 2017 for governmental activities is as follows:

Governmental Activities Capital Assets:	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets Not Being Depreciated:				
Land	\$ 259,230	\$ -	\$ -	\$ 259,230
Construction in Progress	-	66,000	-	66,000
Total Capital Assets Not Being Depreciated	259,230	66,000	-	325,230
Capital Assets Being Depreciated:				
Buildings and Improvements	9,943,571	141,825	-	10,085,396
Machinery and Equipment	4,250,298	235,521	-	4,485,819
Infrastructure	8,807,479	-	-	8,807,479
Total Capital Assets Being Depreciated	23,001,348	377,346	-	23,378,694
Less Accumulated Depreciation for:				
Buildings and Improvements	(4,983,616)	(209,317)	-	(5,192,933)
Machinery and Equipment	(2,582,609)	(638,003)	-	(3,220,612)
Infrastructure	(1,529,946)	(444,873)	-	(1,974,819)
Total Accumulated Depreciation	(9,096,171)	(1,292,193)	-	(10,388,364)
Total Capital Assets Being Depreciated, Net	13,905,177	(914,847)	-	12,990,330
Total Governmental Activities Capital Assets, Net	\$ 14,164,407	\$ (848,847)	\$ -	\$ 13,315,560

Depreciation was charged to governmental functions as follows:

General Government	\$ 650,722
Public Safety	101,332
Public Works	63,945
Streets	476,194
	\$ 1,292,193

Capital asset additions consisted of \$141,825 for parish prison roof, \$129,738 for a garbage truck, \$83,827 for an excavator, \$21,956 for a Chevy Equinox. The Police Jury also incurred \$66,000 in construction in progress related to the clerk of court renovations.

8. Prepaid Insurance

Insurance costs which cover future periods are recognized in the governmental fund financial statements when the expenditure is made. However, in the government-wide financial statements the expenditure for insurance applicable to future periods is reclassified as prepaid insurance on the statement of net position. Total insurance expense on a government wide basis, excluding insurance related to employees such as health and workers compensation insurance was \$296,153. Prepaid insurance was \$31,131.

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9. Accounts, Salaries, and Other Payables

Governmental Funds Payable	General Fund	Road & Bridges Fund	Solid Waste Fund	Other Funds	Total
Accounts	\$ 214,343	\$ 105,895	\$ 100,185	\$ 1,177	\$ 421,600
Other Accrued Liabilities	12,195	-	-	16,988	29,183
Due to Other Funds	61,778	1,111,800	-	-	1,173,578
Total Government Funds Payable	\$ 288,316	\$ 1,217,695	\$ 100,185	\$ 18,165	\$ 1,624,361

10. Leases

The Police Jury had no operating nor capital leases at December 31, 2017.

11. Long-Term Obligations

The following is a summary of long-term obligation transactions for the year ended December 31, 2017:

	Compensated Absences	Net Pension Liability	Total Long-Term Obligations
Beginning Balance	\$ 12,380	\$ 563,214	\$ 575,594
Additions	-	(190,435)	(190,435)
Deletions	(4,079)	-	(4,079)
Ending Balance	\$ 8,301	\$ 372,779	\$ 381,080

12. Retirement Systems

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

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

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

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

Substantially all full-time employees of the Police Jury are members of the Parochial Employees' Retirement System of Louisiana (System). The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All participating employees of the Police Jury are members of Plan A.

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Eligibility Requirements:

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

Retirement Benefits:

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

For employees hired prior to January 1, 2007:

1. Any age with thirty (30) or more years of creditable service.
2. Age 55 with twenty-five (25) years of creditable service.
3. Age 60 with a minimum of ten (10) years of creditable service.
4. Age 65 with a minimum of seven (7) years of creditable service.

For employees hired after January 1, 2007:

1. Age 55 with 30 years of service
2. Age 62 with 10 years of service
3. Age 67 with 7 years of service

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

Survivor Benefits:

Upon the death of any member of Plan A with five (5) or more years of creditable service who is not eligible for retirement, the plan provides for benefits for the surviving spouse and minor children as outlined in the statutes. Any member of Plan A, who is eligible for normal retirement at time of death, the surviving spouse shall receive an automatic Option 2 benefit as outlined in the statutes.

DROP Benefits:

Act 338 of 1990 established the Deferred Retirement Option Plan (DROP) for the Retirement System. DROP is an option for that member who is eligible for normal retirement. In lieu of terminating employment and accepting a service retirement, any member of Plan A or B who is eligible to retire may elect to participate in the Deferred Retirement Option Plan (DROP) in which they are enrolled for three years and defer the receipt of benefits. During participation in the plan, employer contributions are payable but employee contributions cease. The monthly retirement benefits that would be payable, had the person elected to cease employment and receive a service retirement allowance, are paid into the DROP Fund.

Upon termination of employment prior to or at the end of the specified period of participation, a participant in the DROP may receive, at his option, a lump sum from the account equal to the payments into the account, a true annuity based upon his account balance in that fund, or roll over the fund to an Individual Retirement Account. Interest is accrued on the DROP benefits for the period between the end of DROP participation and the member's retirement date. For individuals who become eligible to participate in the Deferred Retirement Option Plan on or after January 1, 2004, all amounts which remain credited to the individuals subaccount after termination in the Plan will be placed in liquid asset money market investments at the discretion of the board of trustees. These subaccounts may be credited with interest based on money market rates of return or at the option of the System, the funds may be credited to self-directed subaccounts. The participant in the self-directed portion of this Plan must agree that the benefits payable to the participant are not the obligations of the state or the System, and that any returns

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and other rights of the Plan are the sole liability and responsibility of the participant and the designated provider to which contributions have been made.

Disability Benefits:

For Plan A, a member shall be eligible to retire and receive a disability benefit if they were hired prior to January 1, 2007 and has at least five years of creditable service or if hired after January 1, 2007, has seven years of creditable service, and is not eligible for normal retirement and has been officially certified as disabled by the State Medical Disability Board. Upon retirement caused by disability, a member of Plan A shall be paid a disability benefit equal to the lesser of an amount equal to three percent of the member's final average compensation multiplied by his years of service, not to be less than fifteen, or three percent multiplied by years of service assuming continued service to age sixty.

Cost of Living Increases:

The Board is authorized to provide a cost of living allowance for those retirees who retired prior to July 1973. The adjustment cannot exceed 2% of the retiree's original benefit for each full calendar year since retirement and may only be granted if sufficient funds are available from investment income in excess of normal requirements. In addition, the Board may provide an additional cost of living increase to all retirees and beneficiaries who are over age sixty-five equal to 2% of the member's benefit paid on October 1, 1977, (or the member's retirement date, if later). Also, the Board may provide a cost of living increase up to 2.5% for retirees 62 and older. (RS 11:1937). Lastly, Act 270 of 2009 provided for further reduced actuarial payments to provide an annual 2.5% cost of living adjustment commencing at age 55.

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

Funding Policy. Contributions for all members are established by state statute. Under Plan A, members are required to contribute 9.5 percent of their annual covered salary and the Police Jury is required to contribute at an actuarially determined rate, according to state statute. The current rate is 12.5 percent of annual covered payroll. Contributions to the System include one-fourth (1/4) of one percent of the taxes shown to be collectible by the tax rolls of each parish, except Orleans and East Baton Rouge Parishes. The System also receives revenue sharing funds each year as appropriated by the Legislature. These tax dollars and revenue sharing are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. These additional sources of income are used as additional employer contributions and are considered support from non-contributing entities. Non-employer contributions are recognized as revenue and excluded from pension expense for the year ended December 31, 2017. During the year ending December 31, 2017, the Police Jury recognized revenue as a result of support received from non-employer contributing entities of \$11,706 for its participation in Parochial Employees' Retirement System of Louisiana-Plan A.

The East Feliciana Police Jury's contributions to the System under Plan A for the years ending December 31, 2017 and 2016 were \$139,539, and \$122,179, respectively, equal to the required contributions for each year.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At December 31, 2017, the Police Jury reported a liability of \$372,779 for its proportionate share of the net pension liability of the System. The net pension liability was measured as of December 31, 2016 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Police Jury's proportion of the net pension liability was based on a projection of the Police Jury's long-term share of contributions to the pension plan relative to the projected contribution of all participating, actuarially determined. At

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December 31, 2016, the Police Jury's proportion was 0.158474%, which was a decrease of 0.03277% from its proportion measured as of December 31, 2015.

For the year ended December 31, 2017, the Police Jury recognized pension expense for the Parochial Employees' Retirement System of \$176,607 representing its proportionate share of the System's net expense, including amortization of deferred amounts.

At December 31, 2017, the Police Jury reported deferred outflows of resources and deferred inflows of resources related to the Parochial Employees' Retirement System from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (57,113)
Changes of assumptions	61,965	-
Net difference between projected and actual earnings on pension plan investments	253,282	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	3,221	(18,881)
Employer contributions subsequent to the measurement date	139,539	-
Total	\$ 458,007	\$ (75,994)

The Police Jury reported a total of \$139,539 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of December 31, 2016 which will be recognized as a reduction in net pension liability 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:

<u>Year</u>	
2017	\$ 85,130
2018	\$ 91,565
2019	\$ 60,468
2020	\$ (6,975)
	\$ 230,188

Actuarial Assumptions. A summary of the actuarial methods and assumptions used in determining the total pension liability as of December 31, 2016 is as follows:

Valuation Date	December 31, 2016
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Expected Remaining Service Lives	4 years
Investment Rate of Return	7.0%
Salary Increases	Plan A—5.25% (2.75% (Merit)/2.5% Inflation)

**East Feliciana Parish Police Jury
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As of and for the Year Ended December 31, 2017**

Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.
Mortality	RP-2000 Employee Sex Distinct Table was selected for employees. RP-2000 Healthy Annuitant Sex Distinct Tables were selected for annuitants and beneficiaries. RP-2000 Disabled Lives Mortality Table was selected for disabled annuitants.

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers and non-employer contributing entities will be made at the actuarially determined rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirements Systems' Actuarial Committee. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the CAPM pricing model (top-down), a treasury yield curve approach (bottom-up), and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward looking basis in equilibrium, in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.00% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.66% for the year ended December 31, 2016.

Best estimates of real rates of return for each major asset class included in Parochial Employees' Retirement System target asset allocation as of December 31, 2016 are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Portfolio Real Rate of Return
Fixed Income	35%	1.24%
Equity	52%	3.63%
Alternatives	11%	0.67%
Real Assets	2%	0.12%
Totals	100%	5.66%
Inflation		2.00%
Expected Arithmetic Nominal Return		7.66%

The mortality rate assumption used was set based upon an experience study performed on plan data for the period January 1, 2010 through December 31, 2014. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then

**East Feliciana Parish Police Jury
Notes to the Financial Statements
As of and for the Year Ended December 31, 2017**

projected forward to a period equivalent to the estimated duration of the System’s liabilities. The RP-2000 Healthy Annuitant Sex Distinct Table (set forward two years for males and set forward one year for females) projected to 2031 using Scale AA was selected for annuitants and beneficiaries. For disabled annuitants, the RP-2000 Disabled Lives Mortality Table set back 5 year for males and 3 years for females was selected. For active employees, the RP-2000 Employee Sex Distinct Tables set back 4 years for males and 3 years for females was used.

Sensitivity of the Employer’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the net pension liability of the participating employers calculated using the discount rate of 7.00%, as well as what the employers’ net pension liability would be if it were calculated using a discount rate that is one percentage point lower, or one percentage point higher than the current rate as of December 31, 2016:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Rates	6.00%	7.00%	8.00%
East Feliciana Parish Police Jury Share of NPL	\$ 976,332	\$ 326,379	\$(223,175)

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

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

Retirement Benefits:

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

For employees hired prior to January 1, 2013:

1. Any age with 30 or more years of creditable service
2. Age 55 with 20 years of creditable service
3. Age 60 with 10 years of creditable service

For employees hired on or after January 1, 2013:

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

Survivor Benefits:

Upon the death of any member with 5 or more years of creditable service who is not eligible for retirement, the plan provides for benefits for the designated beneficiaries as outlined in the statutes. Any member who is eligible for normal retirement at time of death, the surviving spouse shall receive an automatic Option 2 benefit, as outlined in the statutes.

DROP Benefits:

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

East Feliciana Parish Police Jury
Notes to the Financial Statements
As of and for the Year Ended December 31, 2017

DROP Fund. This fund does not earn Interest. In addition, no cost-of-living increases are payable to participants until employment which made them eligible to become members of the System has been terminated for at least one full year.

Upon termination of employment prior to or at the end of the specified period of participation, a participant in the DROP may receive, at his option, a lump sum from the account equal to the payments into the account, a true annuity based upon his account balance in that fund, or any other method of payment if approved by the board of trustees. If a participant dies during the participation in the DROP, a lump sum equal to the balance in his account shall be paid to his named beneficiary or, if none, to his estate. If employment is not terminated at the end of the three years, payments into the DROP fund cease and the person resumes active contributing membership in the System.

Disability Benefits:

A member shall receive a disability benefit with at least 10 years of service and certified as disabled by the State Medical Disability Board. Upon retirement caused by disability, a member shall be paid a disability benefit equal to the lesser of an amount equal to three percent of the member's final average compensation multiplied by his years of service, not to be less than fifteen, or three and one third percent multiplied by years of service assuming continued service to age sixty. Disability benefits may not exceed two-thirds of earnable compensation.

Cost of Living Increases:

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

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

Funding Policy: Members are required by state statute to contribute 7% of their annual covered salary and the Police Jury is required to contribute at an actuarially determined rate. The 2017 Employer current rate is 17% of annual covered payroll. Contributions to the System include ad valorem taxes and state revenue sharing funds. These additional sources of income are used as additional employer contributions and considered support from non-employer contributing entities. Non-employer contributions are recognized as revenue and excluded from pension expense for the year ended June 30, 2017. During the year ending December 31, 2017, the Police Jury recognized revenue as a result of support received from non-employer contributing entities of \$5,979 for its participation in System.

The East Feliciana Parish Police Jury's contribution to the Registrar of Voters employees' Retirement System for the years ending December 31, 2017, and 2016 was \$5,284 and \$6,152 respectively equal to the required contributions for each year.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At December 31, 2017, the Police Jury reported a liability of \$46,400 for its proportionate share of the net pension liability of the System. The net pension liability was measured as of June 30, 2017 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Police Jury's proportion of the net pension liability was based on a projection of the Police Jury's long-term share of contributions to the pension plan relative to the projected contribution of all participating, actuarially determined. At June 30, 2017 the Police Jury's proportion was 0.211379%, which was an increase of 0.000615% from its proportion measured as of June 30, 2016.

East Feliciana Parish Police Jury
Notes to the Financial Statements
As of and for the Year Ended December 31, 2017

For the year ended December 31, 2017, the Police Jury recognized pension expense of \$8,540 representing its proportionate share of the system's net expense including amortization of deferred amounts.

At December 31, 2017, the Police Jury reported deferred outflows of resources and deferred inflows of resources related to the Registrar of Voters' Pension System from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ (8,627)
Changes of assumptions	4,457	(1,500)
Net difference between projected and actual earnings on pension plan investments	5,219	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	116	(1,484)
Employer contributions subsequent to the measurement	2,461	-
Total	<u>\$ 12,253</u>	<u>\$ (11,611)</u>

The Police Jury reported a total of \$2,461 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of June 30, 2017 which will be recognized as a reduction in net pension liability 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:

<u>Year</u>	
2018	\$ (619)
2019	\$ 1,542
2020	\$ (489)
2021	\$ (2,261)
	<u>\$ (1,827)</u>

Actuarial Assumptions: A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2017 is as follows:

Valuation Date June 30, 2017
Actuarial Cost Method Entry Age Normal

Actuarial Assumptions:

Investment Rate of Return 6.75%, (Net of investment expense)

Expected Remaining Service Lives 2017 - 5 years

Projected Salary Increases 6.00% (3.5% Merit/2.5% Inflation)

Cost of Living Adjustments The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential

**East Feliciana Parish Police Jury
Notes to the Financial Statements
As of and for the Year Ended December 31, 2017**

future increases not yet authorized by the Board of Trustees.

Mortality Rates

RP-2000 Combined Healthy Mortality Table for active members, healthy annuitants and beneficiaries
RP-2000 Disabled Lives Mortality Table for disabled annuitants

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rate of return by the target asset allocation percentage and by adding expected inflation. The resulting long-term rate of return is 8.39% for the year ended June 30, 2017.

Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2017 are summarized in the following table:

Asset Class	Target Asset Allocation	Real Return Arithmetic Basis
Domestic Equities	40%	7.50%
International Equities	15%	8.50%
Domestic Fixed Income	20%	2.50%
International Fixed Income	10%	3.50%
Alternative Investments	5%	6.24%
Real Estate	10%	4.50%
Totals	<u>100%</u>	

Inflation

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

**East Feliciana Parish Police Jury
Notes to the Financial Statements
As of and for the Year Ended December 31, 2017**

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: The following presents the net pension liability of the participating employers calculated using the discount rate of 6.75%, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage point lower, or one percentage point higher than the current rate as of June 30, 2017:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Rates	5.75%	6.75%	7.75%
East Feliciana Parish Police Jury Share of NPL	\$ 70,922	\$ 46,400	\$ 25,295

13. Deferred Compensation Plan

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

14. Constraints on Fund Balance and Net Position

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

15. Contingent Liabilities

At December 31, 2017, the East Feliciana Parish Police Jury has litigation related to planning and zoning that is currently in appeal. No accrual for gain or loss contingencies has been recorded in the financial statements for any legal actions. The potential outcome on the claim is not known or the likelihood of loss or impairment of an asset or incurrence of a liability is deemed remote.

Coroners hold a unique position in Louisiana. They are state officials who perform state functions yet their jurisdiction is limited to the parish in which they hold office. Further, the Legislature places the responsibility of compensating coroners for their services on the parish in which they hold office. In all cases, parishes are responsible for paying the necessary and unavoidable expenses for the operation of the coroner's office. The East Feliciana Police Jury compensates the parish coroner by salary and fees. Since 2016, the Police Jury has approved the Coroner's budget at less than requested. They have not reimbursed the coroner's office for substantial expenses due to lack of documentation and timeliness of submittal for reimbursement. The coroner was mailed salary checks based on the salary approved by the Police Jury, but the checks were returned to the Police Jury. The Coroner's salary checks for April through December 2016 totaling \$22,822, and \$25,000 for 2017 for January through October have been voided by the Police Jury. No coroner salary checks were issued for November and December 2017. Some expenses of the Coroner's office are reported in the Coroner's Statutory Special Revenue Fund, and other expenses are recorded in the General Fund. Numerous meetings have been held in attempts to resolve these differences, but the coroner did not attend. The amount of unpaid expenses and salary has not been determined, and no liability has been recorded in the financial statements of the East Feliciana Police Jury. The potential liabilities may be material to the financial statements as reported in the auditors' opinion.

East Feliciana Parish Police Jury
Notes to the Financial Statements
As of and for the Year Ended December 31, 2017

16. Prior Period Adjustments

The East Feliciana Parish Police Jury has restated its financial statements for the year ending December 31, 2015 and December 31, 2016 and the adjustments included in the restatements are presented in the financial statements for the year ending December 31, 2017 and the summarized information for the year ending December 31, 2016 as follows:

<u>Governmental Activities</u>	<u>2017</u>
Beginning Net Position Before Prior Period Adjustments	\$ 20,092,105
Prior Period Adjustment - Ad Valorem-Statutory Pension Withholding	(31,041)
Prior Period Adjustment - Severance Tax Receivable	49,609
Prior Period Adjustment - Voided Coroner Checks	22,823
Beginning Net Position, Restated	<u>\$ 20,133,496</u>

Governmental Funds

<u>General Fund</u>	<u>2017</u>
Beginning Fund Balance Before Prior Period Adjustments	\$ 804,487
Ad Valorem-Statutory Pension Withholding	(14,745)
Severance Tax Receivable	49,609
Voided Coroner Checks Paid from General Fund	22,823
Beginning Fund Balance After Prior Period Adjustments	<u>\$ 862,174</u>

<u>Health Unit Fund</u>	<u>2017</u>
Beginning Fund Balance Before Prior Period Adjustments	\$ 528,647
Ad Valorem-Statutory Pension Withholding	(16,296)
Beginning Fund Balance After Prior Period Adjustments	<u>\$ 512,351</u>

17. Subsequent Events

Subsequent events have been evaluated by management through August 31, 2018, the date the report was available for issuance. No events were noted that require recording or disclosure in the financial statements for the fiscal year ending December 31, 2017.

Required Supplemental Information (Part II)

Schedule 1

East Feliciana Police Jury
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) to Actual
General Fund
For the year ended December 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>GAAP Basis</u>	<u>Favorable (Unfavorable)</u>
Revenues				
Taxes	\$ 1,083,500	\$ 1,077,700	\$ 1,245,315	\$ 167,615
Licenses and Permits	312,150	365,150	376,971	11,821
Intergovernmental	681,792	756,915	1,105,150	348,235
Charges for Services	-	6,400	6,856	456
Interest	795	3,895	5,603	1,708
Rent	20,000	18,000	19,575	1,575
Donations	-	20,000	40,000	20,000
Miscellaneous	4,000	68,550	9,170	(59,380)
Total Revenues	<u>2,102,237</u>	<u>2,316,610</u>	<u>2,808,640</u>	<u>492,030</u>
Expenditures				
General Government	809,820	716,750	789,307	(72,557)
Public Safety	1,052,650	1,213,470	1,236,597	(23,127)
Public Works	27,000	27,000	20,167	6,833
Health and Welfare	155,000	172,800	194,931	(22,131)
Recreation	2,000	2,870	2,838	32
Economic Development	4,800	800	746	54
Capital Outlays	10,000	500	229,781	(229,281)
Total Expenditures	<u>2,061,270</u>	<u>2,134,190</u>	<u>2,474,367</u>	<u>(340,177)</u>
Excess Revenues (Expenditures)	<u>40,967</u>	<u>182,420</u>	<u>334,273</u>	<u>151,853</u>
Other Financing Sources (Uses)				
Operating Transfers In	250,000	496,000	496,000	-
Operating Transfers (Out)	(180,000)	(180,000)	(180,000)	-
Proceeds from Insurance	-	-	57,526	57,526
Total Other Financing Sources (Uses)	<u>70,000</u>	<u>316,000</u>	<u>373,526</u>	<u>57,526</u>
Net Change in Fund Balances	<u>110,967</u>	<u>498,420</u>	<u>707,799</u>	<u>209,379</u>
Fund Balances, Beginning				
Before Prior Period Adjustments	804,487	804,487	804,487	-
Prior Period Adjustments	-	-	57,687	57,687
Fund Balances, Beginning	<u>804,487</u>	<u>804,487</u>	<u>862,174</u>	<u>57,687</u>
Fund Balances, Ending	<u>\$ 915,454</u>	<u>\$ 1,302,907</u>	<u>\$ 1,569,973</u>	<u>\$ 267,066</u>

See Independent Auditor's Report.

East Feliciana Police Jury
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) to Actual
Roads and Bridges Fund
For the year ended December 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> GAAP Basis	<u>Variance</u> <u>Favorable</u> <u>(Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 1,400,000	\$ 1,620,000	\$ 1,609,835	\$ (10,165)
Licenses and Permits	5,400	5,400	4,900	(500)
Intergovernmental	293,800	250,000	235,921	(14,079)
Interest	500	500	5,681	5,181
Miscellaneous	1,000	-	655	655
Total Revenues	<u>1,700,700</u>	<u>1,875,900</u>	<u>1,856,992</u>	<u>(18,908)</u>
Expenditures				
Highways and Streets	1,494,900	1,275,900	1,342,751	(66,851)
Capital Outlays	205,800	276,800	83,827	192,973
Total Expenditures	<u>1,700,700</u>	<u>1,552,700</u>	<u>1,426,578</u>	<u>126,122</u>
Excess Revenues (Expenditures)	<u>-</u>	<u>323,200</u>	<u>430,414</u>	<u>107,214</u>
Other Financing Sources (Uses)				
Operating Transfers In	-	-	-	-
Operating Transfers (Out)	-	(200,000)	(200,000)	-
Flood Expenses	-	(90,000)	(260,548)	(170,548)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(290,000)</u>	<u>(460,548)</u>	<u>(170,548)</u>
Net Change in Fund Balances	<u>-</u>	<u>33,200</u>	<u>(30,134)</u>	<u>(63,334)</u>
Fund Balances, Beginning				
Before Prior Period Adjustments	(86,079)	(86,079)	(86,079)	-
Prior Period Adjustments	-	-	-	-
Fund Balances, Beginning	<u>(86,079)</u>	<u>(86,079)</u>	<u>(86,079)</u>	<u>-</u>
Fund Balances (Deficit), Ending	<u>\$ (86,079)</u>	<u>\$ (52,879)</u>	<u>\$ (116,213)</u>	<u>\$ (63,334)</u>

See Independent Auditor's Report.

Schedule 3

East Feliciana Police Jury
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) to Actual
Solid Waste Fund
For the year ended December 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>GAAP Basis</u>	<u>Favorable (Unfavorable)</u>
Revenues				
Taxes	\$ 1,540,600	\$ 1,605,600	\$ 1,618,355	\$ 12,755
Interest	200	13,200	17,644	4,444
Total Revenues	<u>1,540,800</u>	<u>1,618,800</u>	<u>1,635,999</u>	<u>17,199</u>
Expenditures				
Sanitation	1,590,800	1,461,100	1,458,661	2,439
Capital Outlays	-	129,700	129,738	(38)
Total Expenditures	<u>1,590,800</u>	<u>1,590,800</u>	<u>1,588,399</u>	<u>2,401</u>
Excess Revenues (Expenditures)	<u>(50,000)</u>	<u>28,000</u>	<u>47,600</u>	<u>19,600</u>
Other Financing Sources (Uses)				
Operating Transfers In	50,000	50,000	-	(50,000)
Total Other Financing Sources (Uses)	<u>50,000</u>	<u>50,000</u>	<u>-</u>	<u>(50,000)</u>
Net Change in Fund Balances	<u>-</u>	<u>78,000</u>	<u>47,600</u>	<u>(30,400)</u>
Fund Balances, Beginning				
Before Prior Period Adjustments	4,353,353	4,353,353	4,353,353	-
Prior Period Adjustments	-	-	-	-
Fund Balances, Beginning	<u>4,353,353</u>	<u>4,353,353</u>	<u>4,353,353</u>	<u>-</u>
Fund Balances, Ending	<u>\$ 4,353,353</u>	<u>\$ 4,431,353</u>	<u>\$ 4,400,953</u>	<u>\$ (30,400)</u>

See Independent Auditor's Report.

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

Parochial Employees' Retirement System of Louisiana:

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

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

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

See Independent Auditor's Report.

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

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

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

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

See Independent Auditor's Report.

East Feliciana Police Jury
Schedule of the Police Jury's Contributions-Parochial Plan A
For the year ended December 31, 2017

Parochial Employees' Retirement System of Louisiana:

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

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

See Independent Auditor's Report.

East Feliciana Police Jury
Schedule of the Police Jury's Contributions-Registrar of Voters
For the year ended December 31, 2017

State of Louisiana Registrar of Voters Retirement System

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

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

See Independent Auditor's Report.

Other Supplemental Information

East Feliciana Parish Police Jury
Combining Balance Sheet
Nonmajor Special Revenue Funds
As of December 31, 2017

	<u>Criminal Court</u>	<u>Health Unit</u>	<u>Coroner</u>	<u>Total Non Major Special Revenue Funds</u>
Assets				
Cash and Equivalents	\$ 11,682	\$ 254,063	\$ 10,547	\$ 276,292
Receivables, Net	13,586	492,255	-	505,841
Due From Other Funds	-	19,586	11,912	31,498
Total Assets	\$ 25,268	\$ 765,904	\$ 22,459	\$ 813,631
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities:				
Accounts Payable	\$ 1,177	\$ -	\$ -	\$ 1,177
Other Accrued Liabilities	-	16,988	-	16,988
Due to Other Funds	-	-	-	-
Total Liabilities	1,177	16,988	-	18,165
Deferred Inflows of Resources:				
Unavailable Ad Valorem Taxes	-	66,211	-	66,211
Total Deferred Inflows of Resources	-	66,211	-	66,211
Fund Balances:				
Restricted	24,091	682,705	22,459	729,255
Total Fund Balances	24,091	682,705	22,459	729,255
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 25,268	\$ 765,904	\$ 22,459	\$ 813,631

See Independent Auditor's Report.

Schedule 9

East Feliciana Parish Police Jury
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances for Nonmajor Special Revenue Funds
For the year ended December 31, 2017

	<u>Criminal Court</u>	<u>Health Unit</u>	<u>Coroner</u>	<u>Total Nonmajor Special Revenue Funds</u>
Revenues				
Taxes				
Ad valorem	\$ -	\$ 554,807	\$ -	\$ 554,807
Sales and Use	-	-	-	-
Intergovernmental				
State Revenue Sharing	-	39,573	-	39,573
Fines and Forfeitures	108,762	-	7,612	116,374
Investment Earnings	114	2,985	95	3,194
Miscellaneous	2,298	-	36	2,334
Total Revenues	<u>111,174</u>	<u>597,365</u>	<u>7,743</u>	<u>716,282</u>
Expenditures				
Public Safety				
Salaries	64,800	-	-	64,800
Benefits	9,793	-	-	9,793
Other operating	5,765	-	-	5,765
Supplies	57,657	-	-	57,657
Utilities	115	-	-	115
Total Public Safety	<u>138,130</u>	<u>-</u>	<u>-</u>	<u>138,130</u>
Health and Welfare				-
Salaries	-	90,254	-	90,254
Benefits	-	21,939	-	21,939
Insurance	-	4,951	-	4,951
Fuel	-	3,771	1,351	5,122
Other operating	-	39,108	92,782	131,890
Statutory Payments to Assessor	-	16,988	-	16,988
Utilities	-	-	537	537
Total Health and Welfare	<u>-</u>	<u>177,011</u>	<u>94,670</u>	<u>271,681</u>
Capital Outlays	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>138,130</u>	<u>177,011</u>	<u>94,670</u>	<u>409,811</u>
Excess (Deficiency) of Revenues Over (Under) (Expenditures)	<u>(26,956)</u>	<u>420,354</u>	<u>(86,927)</u>	<u>306,471</u>
Other Financing Sources (Uses)				
Operating Transfers In	36,000	-	98,000	134,000
Operating Transfers (Out)	-	(250,000)	-	(250,000)
Total Other Financing Sources (Uses)	<u>36,000</u>	<u>(250,000)</u>	<u>98,000</u>	<u>(116,000)</u>
Net Change in Fund Balances	<u>9,044</u>	<u>170,354</u>	<u>11,073</u>	<u>190,471</u>
Fund Balances, Beginning	15,047	528,647	11,386	555,080
Prior Period Adjustment (Note 16)	-	(16,296)	-	(16,296)
Fund Balances, Beginning Adjusted	<u>15,047</u>	<u>512,351</u>	<u>11,386</u>	<u>538,784</u>
Fund Balances, Ending	<u>\$ 24,091</u>	<u>\$ 682,705</u>	<u>\$ 22,459</u>	<u>\$ 729,255</u>

See Independent Auditor's Report.

Schedule 10

**East Feliciana Parish Police Jury
Schedule of Compensation Paid to Board Members
For the year ended December 31, 2017**

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

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

See Independent Auditor's Report.

Schedule 11

**East Feliciana Parish Police Jury
Schedule of Compensation, Benefits, and Other Payments to Agency Head
For the year ended December 31, 2017**

Barbara Vail, Parish Manager (January - April 2017)

Purpose	Amount
Salary	\$ 62,240
Benefits-Insurance	2,830
Benefits-Retirement	2,466
Employer Paid Medicare & Social Security	867
Other Miscellaneous Benefits	1,817
Cellphone	539
Fuel for Parish Owned Vehicle	85
Digital Tracker-GPS on Vehicle	38
Insurance on Vehicle	923
Travel/Training	825
Total	\$ 72,630

Sonya Crowe, Parish Manager (May - December 2017)

Salary	\$ 41,274
Benefits-Insurance	4,128
Benefits-Retirement	3,315
Employer Paid Medicare & Social Security	550
Other Miscellaneous Benefits	271
Cellphone	561
Fuel for Parish Owned Vehicle	575
Digital Tracker-GPS on Vehicle	25
Insurance on Vehicle	461
Travel/Training	50
Total	\$ 51,210

Bruce C. Harrell, CPA
Kristi U. Bergeron, CPA
Jessica H. Jones, CPA
Brandy Westcott Garcia, CPA

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the East Feliciana Parish Police Jury as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the East Feliciana Parish Police Jury's basic financial statements and have issued our report thereon dated August 31, 2018.

Internal Control over Financial Reporting

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

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

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

East Feliciana Parish Police Jury
Page 2

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the East Feliciana Parish Police Jury's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance and other matters that are required to be reported under *Government Auditing Standards* and which are described in Findings 2017-C1, 2017-C2, and 2017-C3 in the accompanying *Schedule of Findings and Responses*.

East Feliciana Parish Police Jury's Response to Findings

The East Feliciana Parish Police Jury's response to the findings identified in our audit is described in the accompanying *Schedule of Findings and Responses*. The East Feliciana Parish Police Jury's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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



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

August 31, 2018

Schedule of Findings and Responses
For the Year Ended December 31, 2017

Section I Summary of Auditor's Reports

Financial Statements

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

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

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

Internal Control:

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

Compliance:

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

Federal Awards - N/A

Internal Control over Major Federal Programs:

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

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

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

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

- [] Yes [] No

Was a management letter issued?

- [] Yes [checked] No

Identification of Major Programs:

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

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

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

Schedule of Findings and Responses
For the Year Ended December 31, 2017

Section II Financial Statement Findings

Finding 2017-C1 Local Budget Act (Noncompliance)

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

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

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

Effect: Noncompliance with the above referenced statute.

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

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

Contact Person:

Sonya Crowe, Parish Manager
(225) 683-8577

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

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

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

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

Effect: Noncompliance with tax filing requirements.

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

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

Contact Person:

Sonya Crowe, Parish Manager
(225) 683-8577

**Schedule of Findings and Responses
For the Year Ended December 31, 2017**

Finding 2017-C3 Audit Filing Requirement (Noncompliance)

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

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

Cause: Delays in obtaining requested audit information.

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

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

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

Contact Person:
Sonya Crowe, Parish Manager
(225) 683-8577

Section III Federal Award Findings and Questioned Costs

No Section III Findings

Schedule of Prior Year Findings and Responses
For the Year Ended December 31, 2017

Section I Internal Control and Compliance Material to the Financial Statements

Finding 2016-C1 Local Budget Act (Noncompliance)

Criteria: LRS 39:1305 requires a comprehensive budget be prepared for each fiscal year for the general fund by the chief executive or administrative officer or equivalent. The budget document must include a budget message and a statement. The budget must include a budget message signed by the budget preparer which should include a summary description of the proposed financial plan, policies, and objective, assumptions, budgetary basis, and a discussion of the most important features. The budget statement is to include estimated fund balance at the beginning of the year; estimates of all receipts and revenues to be received; revenues itemized by source; recommended expenditures itemized by agency, department, function, and character; other financing sources and uses by source and use; and the estimated fund balance at the end of the fiscal year. Such statement should include a side by side detailed comparison of such information for the current year, including the fund balance at the beginning of the year, year-to-date actual receipts and revenues received and estimates of all receipts and revenues to be received the remainder of the year; estimated and actual revenues itemized by source; year-to-date actual expenditures and estimates of all expenditures to be made the remainder of the year itemized by agency, department, function, and character; other financing sources and uses by source and use, both year-to-date actual and estimates for the remainder of the year; the year-to-date actual and estimated fund balance at the end of the fiscal year; and the percentage change for each item of information. LRS 39:1305 requires the completion and submission of the proposed budget to the governing authority and made available for public inspection no later than fifteen days prior to the beginning of each fiscal year. LRS 39:1309 requires adoption of the budget for the fiscal year in open meeting before the end of the prior fiscal year.

Condition: (1) The Police Jury did not adopt a comprehensive budget for the Criminal Court Fund as prescribed by the statute for the year ending December 31, 2016. (2) The Police Jury's actual revenues and other uses in the Health Unit Fund were below the total budgeted revenue and other uses by five percent or more.

Cause: (1) The Criminal Court Fund budget was omitted in error since some funds are appropriated in the General Fund for the District Attorney's Office. (2) This was caused by the correction of prior year receivables.

Effect: Noncompliance with the above referenced statute.

Recommendation: (1) The Police Jury should prepare, submit, and approve a comprehensive budget in accordance with the referenced statutes. (2) The budget should be amended when budget variances greater than 5% are evident.

Management's Response: (1) The 2017 budget for the Criminal Court Fund is currently being prepared. (2) We will continue to monitor budget compliance. The new administration is monitoring the budgets closely and will make any necessary amendments.

Current Year Status: Resolved.

Finding 2016-C2 Parish Road Priorities (Noncompliance)

Criteria: The Police Jury must comply with provisions of the Parish Transportation Act (PTA) as specified in Louisiana Revised Statute 48:751-762. The PTA requires the Police Jury to develop and adopt a three-year capital improvement program based on a priority ranking for the most critical needs existing parish wide.

**Schedule of Prior Year Findings and Responses
For the Year Ended December 31, 2017**

Condition: While the Police Jury obtained a Road Evaluation Report in July 2013, which rated the parish roads by condition, there was no evidence that a three-year prioritization of road work was adopted or developed from this list. Despite the fact that the Road Evaluation Report was considered when determining repairs of the parish roads, there was also no evidence of updating or modifying the report as work was completed.

Cause: The Police Jury failed to use the Road Evaluation Report to develop a listing of three-year prioritization of road work. There were also no updates to the report as work was completed.

Effect: Noncompliance with the above referenced statute.

Recommendation: The Police Jury should develop and adopt a three-year capital improvement list for road work in the Parish. The Police Jury should also become more familiar with all of the requirements of the Parish Transportation Act to ensure that they remain compliant. The Police Jury may also consider contracting with an engineer to help facilitate this process.

Management's Response: The new administration is already working on developing a road priority listing using the existing Road Evaluation Report.

Current Year Status: Resolved.

Section II Internal Control and Compliance Material to Federal Awards

No Section II Findings.

Section III Management Letter

No Section III Findings.

East Feliciana Police Jury
Clinton, Louisiana

Statewide Agreed-Upon Procedures

As of and for the Year Ended December 31, 2017



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Independent Accountant's Report on Applying Agreed-Upon Procedures

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

We have performed the procedures enumerated below, which were agreed to by the East Feliciana Police Jury (Entity) and the Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 01, 2017 through December 31, 2017. The Entity's management is responsible for those C/C areas identified in the SAUP's.

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

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:
 - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget
Written policies and procedures were obtained and address the functions noted above.
 - b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.

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

- c) **Disbursements**, including processing, reviewing, and approving
Written policies and procedures were obtained and address the functions noted above.
- d) **Receipts**, including receiving, recording, and preparing deposits
Written policies and procedures were obtained; however, they do not address the preparation of deposits in detail.
- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
Written policies and procedures were obtained and address the reviewing and approving time attendance records as noted above; however, payroll processing is not detailed.
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process
Written policies and procedures were obtained; however, they do not address the functions noted above.
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage
Written policies and procedures were obtained; however, they do not address the functions noted above.
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers
Written policies and procedures were obtained and address the functions noted above; except the policy does not specifically address the dollar threshold by category of expense nor the documentation requirements.
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy. Note: Ethics requirements are not applicable to nonprofits.
Written policies and procedures were obtained; however, they do not address the functions noted above.
- j) **Debt Service**, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
Written policies and procedures were obtained; however, they do not address the functions noted above; however, the Police Jury doesn't have any debt.

Board (or Finance Committee, if applicable)

- 2. Obtain and review the board/committee minutes for the fiscal period, and:
 - a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.
The board met (with a quorum) at least monthly.
 - b) Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).
The minutes did not include a reference to monthly budget-to-actual comparisons.

- If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.

The minutes did not include a reference to monthly budget-to-actual comparisons. However, budget to actual comparison at year-end does not show deficit spending.

- c) Report whether the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period.

The minutes reference non-budgetary financial information for at least one meeting during the fiscal period.

Bank Reconciliations

- 3. Obtain a listing of client bank accounts from management and management's representation that the listing is complete.

Obtained listing of client bank accounts from management and management's representation that the listing is complete.

- 4. Using the listing provided by management, select all of the entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three-year rotating basis (if more than 5 accounts). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity fund accounts may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:

- a) Bank reconciliations have been prepared;

Obtained bank statements and reconciliations for all bank accounts for all months in the fiscal period noting that reconciliations have been prepared for all months in the fiscal year.

- b) Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation; and

The bank reconciliations for all accounts did not include evidence of management review. Going forward, the Police Jury plans to designate one member of management or the board that is not involved in transactions associated with bank accounts to review and initial bank recs at future board meetings.

- c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.

Of the 5 bank accounts reviewed, 1 had items outstanding for more than 6 months. Management states that these items are being investigated; however, there was no evidence to support this.

Collections

- 5. Obtain a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.

Obtained listing of cash collection locations and management's representation that the listing is complete.

6. Using the listing provided by management, select all of the entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three-year rotating basis (if more than 5 locations). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity funds may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* **For each cash collection location selected:**

a) Obtain existing written documentation (e.g. insurance policy, policy manual, job description) and report whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.

(1) The Police Jury carries bonds on specific employees. All employees that collect cash are bonded. (2) The employee responsible for cash collections is sometimes responsible for depositing cash in the bank; however only after the deposit is prepared by a separate employee. The employee responsible for cash collections isn't responsible for recording the related transaction or reconciling the related bank account. (3) Multiple employees have access to the cash drawer, but a daily reconciliation is done in order to account for what was collected each day.

b) Obtain existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.

Written documentation was obtained and addresses the functions noted with no exception.

c) Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:

➤ Using entity collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.

Using entity collection documentation, it appears that the deposits were made within one day of collection.

➤ Using sequentially numbered receipts, system reports, or other related collection documentation, verify that daily cash collections are completely supported by documentation and report any exceptions.

No exceptions noted.

7. Obtain existing written documentation (e.g. policy manual, written procedure) and report whether the entity has a process specifically defined (identified as such by the entity) to determine completeness of all collections, including electronic transfers, for each revenue source and agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation) by a person who is not responsible for collections.

Written documentation was obtained and addresses the functions noted above.

Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)

8. Obtain a listing of entity disbursements from management or, alternately, obtain the general ledger and sort/filter for entity disbursements. Obtain management's representation that the listing or general ledger population is complete.

Listing of disbursements and management's representation that the listing is complete was obtained.

9. Using the disbursement population from #8 above, randomly select 25 disbursements (or randomly select disbursements constituting at least one-third of the dollar disbursement population if the entity had less than 25 transactions during the fiscal period), excluding credit card/debit card/fuel card/P-card purchases or payments. Obtain supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and report whether the supporting documentation for each transaction demonstrated that:

- a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.

No exceptions noted.

- b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.

No exceptions noted.

- c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice.

No exceptions noted. Also, some invoices lacked evidence of approval, however, final approval comes from Board when they approve a check listing at the board meetings each month before the checks are signed.

10. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the person responsible for processing payments is prohibited from adding vendors to the entity's purchasing/disbursement system.

The individual responsible for processing payments is not prohibited from adding vendors, however this is done with the approval of the Parish Manager.

11. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.

Written documentation was obtained and addresses the functions noted above.

12. Inquire of management and observe whether the supply of unused checks is maintained in a locked location, with access restricted to those persons that do not have signatory authority, and report any exceptions. Alternately, if the checks are electronically printed on blank check stock, review entity documentation (electronic system control documentation) and report whether the persons with signatory authority have system access to print checks.

No exceptions noted.

13. If a signature stamp or signature machine is used, inquire of the signer whether his or her signature is maintained under his or her control or is used only with the knowledge and consent of the signer. Inquire of the signer whether signed checks are likewise maintained under the control of the signer or authorized user until mailed. Report any exceptions.

No signature stamp or machine is used.

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

14. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards), 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.

Listing of all active credit cards, bank cards, and fuel cards, including the card numbers and name of person who maintain possession of cards, and management's representation that the listing is complete was obtained.

15. Using the listing prepared by management, randomly select 10 cards (or at least one-third of the cards if the entity has less than 10 cards) that were used during the fiscal period, rotating cards each year. If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner.

Obtain the monthly statements, or combined statements if multiple cards are on one statement, for the selected cards. Select the monthly statement or combined statement with the largest dollar activity for each card (for a debit card, select the monthly bank statement with the largest dollar amount of debit card purchases) and:

- a) Report whether there is evidence that the monthly statement or combined statement and supporting documentation 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.]]

No exceptions noted.

- b) Report whether finance charges and/or late fees were assessed on the selected statements.

No exceptions noted.

16. Using the monthly statements or combined statements selected under #15 above, obtain supporting documentation for all transactions for each of the 10 cards selected (i.e. each of the 10 cards should have one month of transactions subject to testing).

- a) For each transaction, report whether the transaction is supported by:
- An original itemized receipt (i.e., identifies precisely what was purchased)

Transaction supported; no exceptions noted.

- Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.

Transaction supported; no exceptions noted.

- Other documentation that may be required by written policy (e.g., purchase order, written authorization.)

No exceptions noted.

- b) For each transaction, compare the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity's written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e. transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and report any exceptions.

No exceptions noted.

- c) For each transaction, compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed). If the nature

of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

No exceptions noted.

Travel and Expense Reimbursement

17. Obtain from management a listing of all travel and related expense reimbursements, by person, during the fiscal period or, alternately, obtain the general ledger and sort/filter for travel reimbursements. Obtain management's representation that the listing or general ledger is complete.

Listing of all travel and expense reimbursements by person and management's representation that the listing is complete was obtained.

18. Obtain the entity's written policies related to travel and expense reimbursements. Compare the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration (www.gsa.gov) and report any amounts that exceed GSA rates.

Written policies and procedures were obtained and address the functions noted above; except the policy does not specifically address the dollar threshold by category of expense nor the documentation requirement.

19. Using the listing or general ledger from #17 above, select the three persons who incurred the most travel costs during the fiscal period. Obtain the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and choose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:

- a) Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the entity does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates.

Expense supported; no exceptions noted.

- b) Report whether each expense is supported by:

- An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]

Expense supported; no exceptions noted.

- Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).

Expense supported; no exceptions noted.

- Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance)

Expense supported; no exceptions noted.

- c) Compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

No exceptions noted.

- d) Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

No exceptions noted.

Contracts

20. Obtain a listing of all contracts in effect during the fiscal period or, alternately, obtain the general ledger and sort/filter for contract payments. Obtain management's representation that the listing or general ledger is complete.

Listing of all contracts in effect and management's representation that the listing is complete was obtained.

21. Using the listing above, select the five contract "vendors" that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). Obtain the related contracts and paid invoices and:

- a) Report whether there is a formal/written contract that supports the services arrangement and the amount paid.

Selected five contract vendors from the listing and obtained the related contracts, no exceptions noted.

- b) Compare each contract's detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:

- If yes, obtain/compare supporting contract documentation to legal requirements and report whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder)

None of the contracts were subject to the Louisiana Public Bid Law.

- If no, obtain supporting contract documentation and report whether the entity solicited quotes as a best practice.

All contracts were executed without quote. All of these were for professional services which aren't required to solicit quotes.

- c) Report whether the contract was amended. If so, report the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.

No amendments noted.

- d) Select the largest payment from each of the five contracts, obtain the supporting invoice, compare the invoice to the contract terms, and report whether the invoice and related payment complied with the terms and conditions of the contract.

No noncompliance with the terms and conditions of the contract noted.

- e) Obtain/review contract documentation and board minutes and report whether there is documentation of board approval, if required by policy or law (e.g. Lawrason Act or Home Rule Charter).

Board approval noted in board minutes.

Payroll and Personnel

22. Obtain a listing of employees (and elected officials, if applicable) with their related salaries, and obtain management's representation that the listing is complete. Randomly select five employees/officials, obtain their personnel files, and:

Listing of employees with their related salaries and management's representation that the listing is complete was obtained.

- a) Review compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.

Payments were noted as made in strict accordance with the pay rate structure; no exceptions noted.

- b) Review changes made to hourly pay rates/salaries during the fiscal period and report whether those changes were approved in writing and in accordance with written policy.

Changes were noted as approved in writing and in accordance with written policy; no exceptions noted.

23. Obtain attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period, randomly select 25 employees/officials (or randomly select one-third of employees/officials if the entity had less than 25 employees during the fiscal period), and:

- a) Report whether 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.)

Selected 25 employees/officials. Selected employees documented their daily attendance and leave; no exceptions noted.

- b) Report whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.

Written documentation of supervisor approval in writing noted.

- c) Report whether there is written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.

Written documentation that the entity maintains written leave records noted.

24. Obtain from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. If applicable, select the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtain the personnel files for the two employees/officials. Report whether the termination payments were made in strict accordance with policy and/or contract and approved by management.

Only termination payments noted were for annual leave. No noncompliance with policy noted. Management approval noted.

25. Obtain supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. Report whether the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.

Obtained documentation. Payroll taxes and retirement contributions were remitted timely. However, the Police Jury did not file any 2017 Form 941s until 2018.

Ethics (excluding nonprofits)

26. Using the five randomly selected employees/officials from procedure #22 under “Payroll and Personnel” above, obtain ethics compliance documentation from management and report whether the entity maintained documentation to demonstrate that required ethics training was completed.

Documentation maintained to demonstrate that required ethics training was completed on selected employees.

27. Inquire of management whether any alleged ethics violations were reported to the entity during the fiscal period. If applicable, review documentation that demonstrates whether management investigated alleged ethics violations, the corrective actions taken, and whether management’s actions complied with the entity’s ethics policy. Report whether management received allegations, whether management investigated allegations received, and whether the allegations were addressed in accordance with policy.

Inquired; none noted.

Debt Service (excluding nonprofits)

28. If debt was issued during the fiscal period, obtain supporting documentation from the entity, and report whether State Bond Commission approval was obtained.

The Police Jury had no outstanding debt at the fiscal year end.

29. If the entity had outstanding debt during the fiscal period, obtain supporting documentation from the entity and report whether the entity made scheduled debt service payments and maintained debt reserves, as required by debt covenants.

The Police Jury had no outstanding debt at the fiscal year end.

30. If the entity had tax millages relating to debt service, obtain supporting documentation and report whether millage collections exceed debt service payments by more than 10% during the fiscal period. Also, report any millages that continue to be received for debt that has been paid off.

Not applicable.

Other

31. Inquire of management whether the entity had any misappropriations of public funds or assets. If so, obtain/review supporting documentation and report whether the entity reported the misappropriation to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

Inquired; none noted.

32. Observe and report whether the entity has posted on its premises and website, the notice required by R.S. 24:523.1. This notice (available for download or print at www.la.gov/hotline) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.

Notice is posted on both the website and on the Police Jury premises.

33. If the practitioner observes or otherwise identifies any exceptions regarding management’s representations in the procedures above, report the nature of each exception.

No exceptions noted.

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

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

A handwritten signature in black ink that reads "Bruce Harrell & Co." with a period at the end. The signature is written in a cursive, flowing style.

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

August 31, 2018