

**Jackson Parish Police Jury
Jonesboro, Louisiana**

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

Jackson Parish Police Jury

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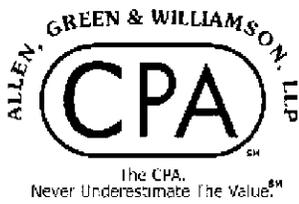
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Jackson Parish Police Jury

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Independent Auditor's Report

Police Jurors
Jackson Parish Police Jury
Jonesboro, Louisiana

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Basis for Adverse Opinion on the Aggregate Discretely Presented Component Units

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

Adverse Opinion

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

Unmodified Opinions

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

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

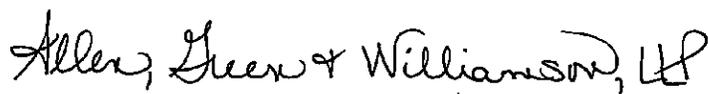
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of the Police Jury’s primary government. The accompanying supplementary information and other information, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 1, 2019 on our consideration of the Police Jury's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Police Jury's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Police Jury's internal control over financial reporting and compliance.



ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
July 1, 2019

REQUIRED SUPPLEMENTARY INFORMATION

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

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

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

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

The assets and deferred outflows of resources of the Police Jury exceeded its liabilities and deferred inflows of resources at the close of fiscal year 2018 by \$28.7 million (net position). Of this amount, \$2.5 million represents unrestricted net position, which may be used to meet the government's ongoing obligations to citizens and creditors.

The Police Jury total net position decreased \$684 thousand mainly because of the decrease in ad valorem (\$382 thousand), sales and use (\$115 thousand) and severance (\$19 thousand) tax revenues while expenses were only reduced by \$32 thousand in comparison with prior year. The Jury believes that taxpayer's funds should be used for projects and maintenance that improves the quality of life for the citizens of Jackson Parish, not for hoarding funds. The decrease across all funds does not have an adverse effect on any of the Jury's major funds. The Jury believes that the major funds have sufficient fund balances to provide these improvements for the near future.

Total spending for all our governmental activities was \$9.7 million for the year. Most of the Police Jury's property and sales taxes were used to support the net cost (after deducting restricted grants and fees charged to users) of these six areas: judicial \$254 thousand, finance and administrative \$454 thousand, other general government \$476 thousand, public safety \$739 thousand, public works \$5.2 million, and culture and recreation \$1.4 million.

At the end of 2018, the Police Jury's governmental funds reported a combined fund balances of \$15.6 million, a decrease of \$475 thousand in comparison with prior year. \$1.8 million or 12% of the combined fund balance is available for spending at the government's discretion (unassigned fund balance). 100% of the unassigned fund balance is reported in the general fund.

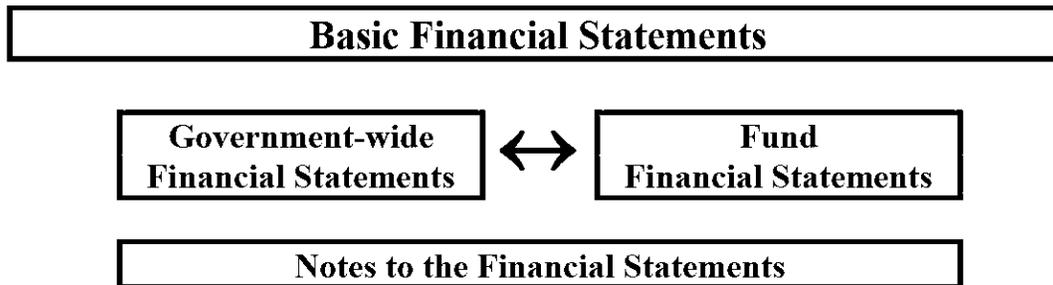
At the end of the current year, unrestricted fund balance (the total of the committed and unassigned components of fund balance) for the general fund was \$2.6 million, or approximately 120% of total general fund expenditures.

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

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

Required Supplementary Information

Management's Discussion & Analysis (MD&A)



Required Supplementary Information

**Schedule of Employer's Proportionate Share of the Net Pension Liability (Asset)
Schedule of Employer Contributions to Pension Plan
Budgetary Information for Major Funds**

Supplementary Information

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

Other Information

Other Reports Required By *Government Auditing Standards*

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

Reporting the Police Jury as a Whole

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

These two statements report the Police Jury's net position - the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources, as reported in the Statement of Net Position as one way

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

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

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

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

Reporting the Police Jury's Most Significant Funds

Fund Financial Statements The Police Jury's fund financial statements provide detailed information about the most significant funds - not the Police Jury as a whole. Some funds are required to be established by State law and by bond covenants. However, the Police Jury establishes many other funds to help it control and manage money for particular purposes (like the solid waste fund). The Police Jury's governmental funds use the following accounting approach:

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

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

THE POLICE JURY AS A WHOLE As noted earlier, net position over time, may serve as a useful indicator of a government's financial position. The Police Jury's assets and deferred outflows of resources exceeded liabilities and deferred inflows by \$28.7 million. Our analysis below of the primary government focuses on the net position (Table 1) and change in net position (Table 2) of the Police Jury's governmental activities.

Table 1
Net Position
December 31,
(in thousands)

	2018	2017	Variance	Percentage of Change
Other assets	\$ 16,305	\$ 16,843	\$ (538)	(3.2)
Capital assets	15,479	15,963	(484)	(3.0)
Total assets	<u>31,784</u>	<u>32,806</u>	<u>(1,022)</u>	(3.1)
Deferred outflows of resources	<u>508</u>	<u>819</u>	<u>(311)</u>	(38.0)
Other liabilities	229	396	(167)	(42.2)
Long-term liabilities	<u>2,643</u>	<u>3,691</u>	<u>(1,048)</u>	(28.4)
Total liabilities	<u>2,872</u>	<u>4,087</u>	<u>(1,215)</u>	(29.7)
Deferred inflows of resources	<u>678</u>	<u>112</u>	<u>566</u>	505.4
Net position:				
Net investment in capital assets	13,294	13,498	(204)	(1.5)
Restricted	12,981	12,958	23	0.2
Unrestricted	<u>2,467</u>	<u>2,970</u>	<u>(503)</u>	(16.9)
Total net position	<u>\$ 28,742</u>	<u>\$ 29,426</u>	<u>\$ (684)</u>	(2.3)

The largest portion of the Police Jury's net position (\$13.3 million or 46%) reflects its investment in capital assets (e.g. land, buildings, equipment, vehicles and infrastructure), less any related outstanding debt that was used to acquire those assets. The Police Jury uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending. Although the Police Jury's investments in capital assets are reported net of related debt, it should be noted that the resources used 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 Police Jury's combined net position (\$13.0 million or 45%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$2.5 million is unrestricted net position and may be used to meet the Police Jury's obligations to its citizens and creditors.

At the end of the current fiscal year, the Police Jury is able to report positive balances in all reported categories of net position. The same situation held true for the prior fiscal year. The Police Jury's overall net position decreased \$684 thousand from the prior year. The reasons for this overall decrease are as follows.

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

Governmental Activities During the current fiscal year, net position for the governmental activities decreased \$684 thousand from the prior fiscal year for an ending balance of \$28.7 million. The Police Jury's governmental activities experienced a decrease in revenues of \$463 thousand. This change can mainly be attributed to reduced tax revenues for ad valorem, sales and use and severance taxes. Expenses decreased slightly \$32 thousand or 0.3% to \$9.7 million. In comparison with prior year, this change can be attributed to the decrease in the required employer contributions to the PERS pension plan.

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

	<u>2018</u>	<u>2017</u>	<u>Variance</u>	<u>Percent of Change</u>
Revenues:				
Program revenues:				
Charges for services	\$ 253	\$ 208	\$ 45	21.6
Operating grants and contributions	467	440	27	6.1
General revenues:				
Ad valorem taxes	4,755	5,137	(382)	(7.4)
Sales taxes	2,082	2,197	(115)	(5.2)
Severance taxes	687	706	(19)	(2.7)
Interest and investment earnings	224	131	93	71.0
Miscellaneous	566	678	(112)	(16.5)
Total revenues	<u>9,034</u>	<u>9,497</u>	<u>(463)</u>	<u>(4.9)</u>
Functions/Program Expenses:				
General government:				
Legislative	203	135	68	50.4
Judicial	300	298	2	0.7
Elections	27	29	(2)	(6.9)
Finance and administrative	454	410	44	10.7
Other general government	476	530	(54)	(10.2)
Public safety	817	803	14	1.7
Public works	5,742	5,793	(51)	(0.9)
Health and welfare	201	272	(71)	(26.1)
Culture and recreation	1,460	1,439	21	1.5
Interest on long-term debt	38	41	(3)	(7.3)
Total expenses	<u>9,718</u>	<u>9,750</u>	<u>(32)</u>	<u>(0.3)</u>
Increase (decrease) in net position	(684)	(253)	(431)	(170.4)
Net Position, beginning	<u>29,426</u>	<u>29,679</u>	<u>(253)</u>	<u>(0.9)</u>
Net Position, ending	<u>\$ 28,742</u>	<u>\$ 29,426</u>	<u>\$ (684)</u>	<u>(2.3)</u>

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

As reported in the Statement of Activities, the cost of all of our governmental activities this year was \$9.7 million, the amount that our taxpayers ultimately financed for these activities through Police Jury taxes and other general revenue was only \$8.3 million because some of the cost was paid by other governments and organizations who subsidized certain programs with grants and contributions \$467 thousand; by those charged for services \$253 thousand and the remaining costs were funded from residual surpluses (beginning net position).

In Table 3 below, we have presented the cost of each of the Police Jury's six largest functions for fiscal year ended December 31, 2018 – judicial, finance and administration, other general government, public safety, public works, and culture and recreation, as well as each program's net cost (total cost less revenues generated by the activities). As discussed above, net cost shows the financial burden that was placed on the Police Jury's taxpayers by each of these functions. Providing this information allows our citizens to consider the cost of each function in comparison to the benefits they believe are provided by that function.

**Table 3
For the Years Ended December 31,
Governmental Activities
(in thousands)**

	Total Cost of Services 2018	Net Cost of Services 2018	Total Cost of Services 2017	Net Cost of Services 2017
Judicial	\$ 300	\$ 254	\$ 298	\$ 264
Finance and administration	454	454	410	410
Other general government	476	476	530	521
Public safety	817	739	803	752
Public works	5,742	5,244	5,793	5,324
Culture and recreation	1,460	1,363	1,439	1,355
All others	469	468	477	476
Totals	\$ 9,718	\$ 8,998	\$ 9,750	\$ 9,102

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

As the Police Jury completed this year, our governmental funds reported a combined fund balance of \$15.6 million which is a decrease of \$475 thousand from last year. The primary reasons for the changes in fund balances are:

Our General Fund is our principal operating fund. The fund balance of the General Fund decreased \$684 thousand from the \$3.3 million reported in prior year to \$2.6 million. This decrease is mainly due to a reduction in revenues received from ad valorem and severance taxes in comparison with prior year and the general fund made a transfer to the Solid Waste Fund for operations and future projects in the current year.

The Road Fund is our road maintenance fund. The fund balance in the Road Fund decreased from \$3.5 million to \$3.3 million. This decrease was due to equipment purchases and reduced payments from contractors for road repairs.

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

Our Solid Waste Fund is used to collect, dispose, and maintain garbage throughout Jackson Parish. The fund balance in the Solid Waste Fund increased from \$926 thousand to \$1.3 million. This increase was mainly due to the transfer from the General Fund for operations and future projects and reduced equipment purchases from the prior year.

Our Library Fund accounts for the Parish Library activities. The fund balance increased from \$3.4 million to \$3.8 million mainly due to the ad valorem levied for 2018 as well as additional state grants for technology.

Our Asphalt Fund accounts for asphaltting parish roads. The fund balance in the Asphalt Fund decreased from \$2.8 million to \$2.0 million. This decrease was due to equipment purchases and road repairs for heavy hauling.

Nonmajor Governmental Funds, which includes the Health Unit Fund, Landfill Closure Fund, Tourism Fund, Road Sales Tax Fund, Debt Service Fund and capital project funds, increased from \$2.2 million to \$2.5 million or 16% from prior year.

Budgetary Highlights Over the course of the year, the Police Jury revises its budget as it attempts to deal with unexpected changes in revenues and expenditures. (A schedule showing the Police Jury's original and final budget amounts compared with amounts actually paid and received for the General Fund and major special revenue funds with legally adopted budgets is provided later in this report).

The amounts available for appropriations for the General Fund's final budget were \$1.0 million more than the original budget. This is mainly due to the increase in beginning fund balance available for appropriation. The original budget was adopted in 2017. The Jury does not consider funds in the Statutory Reserve in building of the budget. These funds are set aside for bona fide emergency use.

The charges to appropriations for the General Fund final budget were \$102 thousand less the original budget. This was due mainly to changes in projects and appropriations since the budget was originally adopted.

In comparing the General Fund's final budget to actual results, the actual amounts exceeded the budgeted amounts available for appropriations by \$147 thousand. This was mainly due to recording more in severance taxes and federal receivables. The Jury deemed it prudent to budget conservatively. Actual charges to appropriations were \$29 thousand less than the budgeted mainly due to management and the Jury's conservative approach to utilizing the taxpayer's dollars in an efficient manner.

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

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets At December 31, 2018, the Police Jury had \$15.5 million invested in a broad range of capital assets, including land, buildings, furniture and equipment and infrastructure assets such as roads and bridges. This amount represents a net decrease (including additions, deductions, and depreciation) of \$484 thousand or 3%, from last year.

**Capital Assets at Year End
Governmental Activities
(in thousands)**

	2018	2017
Land	\$ 434	\$ 434
Buildings & Improvements	5,931	6,060
Vehicles	842	878
Equipment/Machinery/Furniture	1,151	1,161
Infrastructure/Roads	7,121	7,430
Total net capital assets	\$ 15,479	\$ 15,963

The infrastructure/road classification includes \$1.0 million in additions for resurfacing of parish roads. See Note 6 for further information regarding capital assets of the Police Jury at December 31, 2018.

Debt At the end of this year, the Police Jury had \$2.2 million in certificates of indebtedness outstanding versus \$2.5 million last year, a decrease of 11%. The certificates are payable over the next 7 years.

The Police Jury also has an obligation for the landfill closure liability at year end. The landfill liability is \$251 thousand. We present more detailed information about our long-term liabilities in Note 10 and Note 12 in the Notes to the Financial Statements.

The Policy Jury also has liabilities accrued for compensated absences (Note 9) and net pension liability (asset) (Note 7). See the respective note in the Notes to the Financial Statements for detailed information.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES The Jackson Parish Police Jury has adopted a budget for 2019 based on historical data. Revenue from ad valorem taxes and sales tax collections have stabilized for the present. Revenue from ad valorem taxes and sales tax collections have stabilized for the present. The General Severance taxes are also expected to remain stable, but will require constant monitoring of programs and appropriations to groups and boards that the parish funds.

CONTACTING THE POLICE JURY'S FINANCIAL MANAGEMENT Our financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the Police Jury's finances and to show the Police Jury's accountability for the money it receives. If you have questions about this report or wish to request additional financial information, contact Gina Thomas, Secretary-Treasurer, at the Jackson Parish Police Jury, 500 E. Main Street, Room 301, Jonesboro, Louisiana 71251, telephone number (318) 259-2361.

BASIC FINANCIAL STATEMENTS

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

JACKSON PARISH POLICE JURY

STATEMENT OF NET POSITION
December 31, 2018

Statement A

PRIMARY GOVERNMENT
GOVERNMENTAL
ACTIVITIES

ASSETS:	
Cash and cash equivalents	\$ 10,955,304
Receivables	5,121,783
Net pension asset	227,550
Capital Assets:	
Land	433,912
Capital assets, net of depreciation	15,045,046
TOTAL ASSETS	31,783,595
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	508,391
TOTAL DEFERRED OUTFLOWS OF RESOURCES	508,391
LIABILITIES:	
Accounts, salaries, and other payables	193,533
Security deposits	35,221
Long-term liabilities:	
Due within one year	430,099
Due in more than one year	2,212,995
TOTAL LIABILITIES	2,871,848
DEFERRED INFLOWS	
Deferred inflows related to pensions	678,161
TOTAL DEFERRED INFLOWS	678,161
NET POSITION	
Net investment in capital assets	13,293,958
Restricted for:	
Road maintenance	6,076,554
Waste management	1,329,248
Library	3,845,951
Health unit	426,288
Landfill closure	574,516
Tourism	102,894
Pavilion/Riding Arena	259,284
Grand jury and witness fees	22,982
Debt Service	343,191
Unrestricted	2,467,111
TOTAL NET POSITION	\$ 28,741,977

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

JACKSON PARISH POLICE JURY
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2018

Statement B

	PROGRAM REVENUES			NET (EXPENSE)
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	REVENUE AND CHANGES IN NET POSITION
FUNCTIONS/PROGRAMS				
<i>Primary Government: Governmental Activities:</i>				
General government:				
Legislative	\$ 202,758	\$ -	\$ -	\$ (202,758)
Judicial	300,485	34,480	12,000	(254,005)
Elections	27,028	-	-	(27,028)
Finance and administrative	453,707	-	-	(453,707)
Other general government	475,548	-	-	(475,548)
Public safety	817,034	-	77,836	(739,198)
Public works	5,742,016	181,122	317,020	(5,243,874)
Health and welfare	200,930	-	-	(200,930)
Culture and recreation	1,460,307	37,156	59,783	(1,363,368)
Interest on long-term debt	37,925	-	-	(37,925)
	\$ 9,717,738	\$ 252,758	\$ 466,639	(8,998,341)
General revenues:				
Taxes:				
Ad valorem taxes				4,754,861
Sales and use taxes				2,081,838
State revenue sharing				96,502
Severance tax				687,037
Miscellaneous taxes				160,656
Licenses and permits				10,371
Interest and investment earnings				224,140
Miscellaneous				299,235
				8,314,640
				(683,701)
Change in net position				(683,701)
Net position - beginning				29,425,678
Net position - ending				\$ 28,741,977

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

Jackson Parish Police Jury

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BASIC FINANCIAL STATEMENTS

Fund Financial Statements (FFS)

JACKSON PARISH POLICE JURY

GOVERNMENTAL FUNDS

Balance Sheet

December 31, 2018

	<u>GENERAL</u>	<u>ROAD FUND</u>	<u>SOLID WASTE</u>
ASSETS:			
Cash and cash equivalents	\$ 1,598,671	\$ 2,420,609	\$ 1,129,048
Receivables	<u>1,192,150</u>	<u>1,055,725</u>	<u>203,892</u>
TOTAL ASSETS	<u><u>2,790,821</u></u>	<u><u>3,476,334</u></u>	<u><u>1,332,940</u></u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities:			
Accounts, salaries, and other payables	114,854	51,847	3,692
Security deposits	<u>4,235</u>	<u>30,986</u>	<u>-</u>
TOTAL LIABILITIES	<u><u>119,089</u></u>	<u><u>82,833</u></u>	<u><u>3,692</u></u>
Deferred Inflows of Resources:			
Unavailable Revenue-property taxes	<u>42,551</u>	<u>45,686</u>	<u>-</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u><u>42,551</u></u>	<u><u>45,686</u></u>	<u><u>-</u></u>
Fund balances:			
Restricted	22,982	3,347,815	1,329,248
Committed	799,267	-	-
Unassigned	<u>1,806,932</u>	<u>-</u>	<u>-</u>
TOTAL FUND BALANCES	<u><u>2,629,181</u></u>	<u><u>3,347,815</u></u>	<u><u>1,329,248</u></u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u><u>\$ 2,790,821</u></u>	<u><u>\$ 3,476,334</u></u>	<u><u>\$ 1,332,940</u></u>

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

Statement C

<u>LIBRARY</u>	<u>ASPHALT FUND</u>	<u>NONMAJOR GOVERNMENTAL</u>	<u>TOTAL</u>
\$ 2,388,003	\$ 1,157,669	\$ 2,261,304	\$ 10,955,304
1,479,188	898,571	292,257	5,121,783
<u>3,867,191</u>	<u>2,056,240</u>	<u>2,553,561</u>	<u>16,077,087</u>
21,240	1,181	719	193,533
-	-	-	35,221
<u>21,240</u>	<u>1,181</u>	<u>719</u>	<u>228,754</u>
65,375	39,768	7,160	200,540
<u>65,375</u>	<u>39,768</u>	<u>7,160</u>	<u>200,540</u>
3,780,576	2,015,291	2,327,007	12,822,919
-	-	218,675	1,017,942
-	-	-	1,806,932
<u>3,780,576</u>	<u>2,015,291</u>	<u>2,545,682</u>	<u>15,647,793</u>
<u>\$ 3,867,191</u>	<u>\$ 2,056,240</u>	<u>\$ 2,553,561</u>	<u>\$ 16,077,087</u>

Jackson Parish Police Jury

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JACKSON PARISH POLICE JURY

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

Statement D

Total fund balance, governmental funds \$ 15,647,793

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

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

Costs of capital assets	\$ 42,448,304	
Accumulated depreciation	<u>(26,969,346)</u>	
		15,478,958

Long-term assets that are not available to pay current period expenditures are reported as deferred inflows of resources: unavailable revenue - property taxes in the governmental funds and are reported as revenue in the government-wide statements. 200,540

Net pension asset is not available to pay current period expenditures and therefore are not reported in the governmental funds. 227,550

Deferred outflows of resources are not available to pay current period expenditures and accordingly are not reported in the governmental funds. 508,391

Deferred inflows of resources are not due and payable in the current period and accordingly are not reported in the governmental funds. (678,161)

Long-term liabilities applicable to the Police Jury's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities - Net Position.

Long-term liabilities balances at December 31, 2018 are:

Certificates of indebtedness	(2,185,000)	
Compensated absences payable	(207,446)	
Estimated liability for landfill closure	<u>(250,648)</u>	
		<u>(2,643,094)</u>

Net position of governmental activities \$ 28,741,977

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

JACKSON PARISH POLICE JURY

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

	<u>GENERAL</u>	<u>ROAD FUND</u>	<u>SOLID WASTE</u>
REVENUES			
Local Sources:			
Taxes:			
Ad valorem	\$ 1,035,702	\$ 1,112,275	\$ -
Sales and use	-	-	1,249,102
Other taxes, penalties and interest	160,656	-	-
Licenses and permits	10,371	-	-
Intergovernmental revenues:			
State funds:			
Severance taxes	687,037	-	-
Parish transportation funds	-	262,870	-
State revenue sharing	21,164	22,511	-
State aid grants	12,000	-	-
Federal revenue	77,836	-	-
Fees, charges, and commissions for services	33,819	-	181,122
Fines and forfeitures	10,481	-	-
Miscellaneous revenues	27,858	48,635	31,034
Use of money and property	41,748	52,735	18,926
	<u>2,118,672</u>	<u>1,499,026</u>	<u>1,480,184</u>
TOTAL REVENUES			
EXPENDITURES			
Current:			
General government:			
Legislative	184,985	-	-
Judicial	261,122	-	-
Elections	23,484	-	-
Finance and administration	479,423	-	-
Other general government	433,361	-	-
Public safety	711,437	-	-
Public works	-	1,504,900	1,577,154
Health and welfare	52,130	-	-
Culture and recreation	29,370	-	-
Capital outlay	-	1,170,201	-
Debt service:			
Principal retirement	-	-	-
Interest and bank charges	-	-	-
	<u>2,175,312</u>	<u>2,675,101</u>	<u>1,577,154</u>
TOTAL EXPENDITURES			
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES			
	<u>\$ (56,640)</u>	<u>\$ (1,176,075)</u>	<u>\$ (96,970)</u>

Statement E

LIBRARY	ASPHALT FUND	NONMAJOR GOVERNMENTAL	TOTAL
\$ 1,592,961	\$ 967,635	\$ 169,966	\$ 4,878,539
-	-	832,736	2,081,838
-	-	-	160,656
-	-	-	10,371
-	-	-	687,037
-	-	-	262,870
32,549	20,278	-	96,502
27,880	-	27,775	67,655
-	-	54,150	131,986
27,336	-	-	242,277
-	-	-	10,481
7,967	1,471	259	117,224
37,529	33,318	39,884	224,140
<u>1,726,222</u>	<u>1,022,702</u>	<u>1,124,770</u>	<u>8,971,576</u>
-	-	-	184,985
-	-	-	261,122
-	-	-	23,484
-	-	-	479,423
-	-	-	433,361
-	-	-	711,437
-	951,527	64,013	4,097,594
-	-	119,417	171,547
1,244,307	-	6,273	1,279,950
133,346	182,541	-	1,486,088
-	-	280,000	280,000
-	-	37,925	37,925
<u>1,377,653</u>	<u>1,134,068</u>	<u>507,628</u>	<u>9,446,916</u>
<u>\$ 348,569</u>	<u>\$ (111,366)</u>	<u>\$ 617,142</u>	<u>\$ (475,340)</u>

(Continued)

JACKSON PARISH POLICE JURY

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

	<u>GENERAL</u>	<u>ROAD FUND</u>	<u>SOLID WASTE</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	\$ -	\$ 1,052,483	\$ 500,000
Transfers out	(627,775)	-	-
Total Other Financing Sources (Uses)	<u>(627,775)</u>	<u>1,052,483</u>	<u>500,000</u>
Net Change in Fund Balances	(684,415)	(123,592)	403,030
FUND BALANCES - BEGINNING	<u>3,313,596</u>	<u>3,471,407</u>	<u>926,218</u>
FUND BALANCES - ENDING	<u>\$ 2,629,181</u>	<u>\$ 3,347,815</u>	<u>\$ 1,329,248</u>

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

Statement E

<u>LIBRARY</u>	<u>ASPHALT FUND</u>	<u>NONMAJOR GOVERNMENTAL</u>	<u>TOTAL</u>
\$ -	\$ -	\$ 487,775	\$ 2,040,258
-	(652,483)	(760,000)	(2,040,258)
-	(652,483)	(272,225)	-
348,569	(763,849)	344,917	(475,340)
3,432,007	2,779,140	2,200,765	16,123,133
<u>\$ 3,780,576</u>	<u>\$ 2,015,291</u>	<u>\$ 2,545,682</u>	<u>\$ 15,647,793</u>

(Concluded)

JACKSON PARISH POLICE JURY

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

Statement F

Total net change in fund balances - governmental funds \$ (475,340)

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

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

Capital outlay	\$	1,713,070	
Depreciation expense		<u>(2,188,949)</u>	(475,879)

In the Statement of Activities, scrapping of capital assets are reported as a gain or lost net of book value. Whereas in the governmental funds, there is no recognition because there is no inflow/outflow of current financial resources:

Cost of assets scrapped		(298,267)	
Accumulated depreciation		<u>290,262</u>	(8,005)
Net loss			

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (123,678)

The issuance of long-term debt provides current financial resources of governmental funds, while the repayment of the principal on long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. 280,000

In the Statement of Activities, the estimated liability and expense for landfill closure is based on the landfill capacity to used to date. Whereas in the governmental funds, there is no recognition because there is no inflow/outflow of current financial resources. 171,352

The recognition of pension expense in the Statement of Activities is based on projected benefit payments discounted to actuarial present value and attributed to periods of employee service. Pension expenditures in the fund financial statements are the amounts actually paid. (40,520)

In the Statement of Activities, certain operating expenses-compensated absences (vacations and sick leave) - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). (11,631)

Change in net position of governmental activities \$ (683,701)

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES The Jackson Parish Police Jury (the Police Jury) is the governing authority for Jackson Parish and is a political subdivision of the state of Louisiana. The Police Jury is governed by seven jurors representing the various districts within the parish. The jurors serve four-year terms which expire in January 2020.

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

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

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

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

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

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

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

<u>Component Unit</u>	<u>Method of Inclusion</u>	<u>Fiscal Year End</u>	<u>Criteria Used</u>
Included within the reporting entity:			
Jackson Parish Library	Blended	December 31, 2018	1a
Not included within the reporting entity:			
Jackson Parish Hospital Service District #1	Not included	September 30, 2018	1a
Jackson Parish Recreation District	Not included	December 31, 2018	1a
Ward 2 Fire Protection District	Not included	December 31, 2018	1a
Ward 3 Fire Protection District	Not included	December 31, 2018	1a
Ward 4 Fire Protection District	Not included	December 31, 2018	1a
Quitman Fire Protection District No. 1	Not included	December 31, 2018	1a
Jonesboro Fire Protection District No. 1	Not included	June 30, 2018	1a
Jackson Parish Ambulance Service District	Not included	December 31, 2018	1a
Jackson Parish Watershed District	Not included	December 31, 2018	1a
Jackson Parish Assessor	Not included	December 31, 2018	2
Jackson Parish Clerk of Court	Not included	June 30, 2018	2

The Police Jury has chosen not to include the component units listed above in its basic financial statements. The financial statements only present data of the primary government; however, the data of the component units is necessary in order for the Police Jury to report in conformity with GAAP. If these component units were included, it would be through discrete presentation. Separate financial statements may be obtained from the respective governments.

Considered in the determination of component units of the reporting entity were the Jackson Parish School Board, Jackson Parish Communications District, Jackson Parish Sales Tax Agency, Jackson Parish Council on Aging, Jackson Parish Sheriff, the District Attorney and Judges for the Second Judicial District, and the various municipalities in the parish. It was determined that these governmental entities are not component units of the Jackson Parish Police Jury reporting entity because they have separately elected governing bodies, are legally separate, and are fiscally independent of the Jackson Parish Police Jury.

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

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

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

Road Fund - The road fund accounts for maintenance of parish highways, streets and bridges. Funding is provided by a parish-wide ad valorem tax, parish transportation funds provided by the State, state

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

revenue sharing funds, issuance of debt, operation transfers from the general fund, interest earned on investments, and miscellaneous revenues.

Solid Waste Fund - The solid waste fund accounts for the construction, maintenance and operation of the solid waste system. Funding is provided by a parish-wide sales tax, fees charged for services, interest on investments, and other miscellaneous revenues.

Library Fund - The library fund accounts for maintenance and operation of the parish library. Funding is provided by a parish-wide ad valorem tax, state revenue sharing funds, State Library of Louisiana funds, interest earned on investments, and fine and program revenues.

Asphalt Fund - The asphalt fund accounts for asphaltting parish roads. Financing is provided by a parish-wide ad valorem tax, state revenue sharing funds, miscellaneous revenues and interest earned on investments.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

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

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

Fund Financial Statements (FFS)

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

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

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

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

Sales taxes are susceptible to accrual.

Federal and state grants are recognized when the Police Jury is entitled to the funds.

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

Interest income on time deposits is recognized when the time deposits have matured and the interest is available.

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

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

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

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

D. ENCUMBRANCES Outstanding encumbrances' lapse at year-end. Authorization for the eventual expenditure will be included in the following year's budget appropriations. Encumbrance accounting (e.g., purchase orders, contracts) is not recognized within the accounting records for budgetary control purposes.

E. CASH AND CASH EQUIVALENTS Cash includes amounts in demand deposits and interest-bearing demand deposits, and time deposit accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the Police Jury may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

F. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES During the course of operations, numerous transactions occur between individual funds for services rendered. These receivables and payables are classified as interfund receivables/payables on the balance sheet. Short-term interfund loans are also classified as interfund receivables/payables.

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

G. ELIMINATION AND RECLASSIFICATIONS In the process of aggregating data for the statement of net position and the statement of activities some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities column.

H. INVENTORIES AND PREPAID ITEMS Inventories are valued at cost using the first-in/first-out method and consist of expendable supplies. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the governmental-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

I. CAPITAL ASSETS Capital assets are recorded at either historical cost or estimated historical cost and depreciated over their estimated useful lives (excluding salvage value) for items of \$5,000 or more. Donated capital assets are recorded at their acquisition value at the date of donation. General and infrastructure assets (e.g. roads, bridges, and other assets that are immovable and of value only to the government) are capitalized and valued at historical cost or estimated historical cost. The Police Jury elected not to retroactively report major general infrastructure assets. Interest during construction was not capitalized on capital assets. Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Vehicles and trailers are assigned a salvage value of 10% of historical costs. Straight line depreciation is used based on the following estimated useful lives:

Buildings	40 years
Portable buildings	10 to 20 years
Office equipment	6 or 10 years
Furniture and fixtures	6 or 10 years
Construction equipment	4 to 10 years
Vehicles	4 or 9 years
Books, periodicals and law books	10 years
Infrastructure:	
Airport hangars	40 years
Road surface	10 years
Bridges	40 to 50 years
Intangibles - software	4 to 10 years

J. COMPENSATED ABSENCES All full-time employees of the Police Jury earn annual leave at rates varying from ten to twenty-one days per year, depending on length of service. Employees may accumulate and carry forward no more than twenty days of annual leave. All full-time permanent employees earn five to twenty-one days of sick leave each year. Sick leave can be accumulated without limitation. Upon retirement, unused sick leave of up to 25 days is paid to employees. Upon retirement, resignation, termination or death, an employee (or beneficiary) will be paid for a maximum of 160 hours (20 days) of unused vacation leave that an employee has accrued on the date of his/her separation.

Full-time employees of the Jackson Parish Library earn from ten to 20 days of annual leave, depending on their length of service with the library. Part-time employees working 20 hours or more per week earn one-half of full-time employee leave each year. Vacation leave can be accumulated up to 25 days. All 12-month employees earn 12 days of sick leave each year. Sick leave can be accumulated up to 60 days. Sick leave lapses upon termination of employment.

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

The Police Jury's recognition and measurement criteria for compensated absences are as follows:

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

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

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

GASB Statement No. 16 provides that a liability for sick leave should be accrued using one of the following termination approaches:

An accrual for earned sick leave should be made only to the extent it is probable that the benefits will result in termination payments, rather than be taken as absences due to illness or other contingencies, such as medical appointments and funerals.

Alternatively, a governmental entity should estimate its accrued sick leave liability based on the sick leave accumulated at the balance sheet date by those employees who currently are eligible to receive termination payments as well as other employees who are expected to become eligible in the future to receive such payments.

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

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

L. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow or resources (expense/expenditure) until then. The Police Jury has one item, deferred outflows related to pensions that qualifies in this category and is reported only in the governmental activities.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources until that time. The Police Jury has one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet as unavailable property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The Police Jury also has one item, deferred inflows related to pensions that qualifies in this category and is reported only in the governmental activities.

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M. PENSION PLAN For purposes measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the retirement systems and additions to/deductions from the retirements systems fiduciary net position have been determined on the same basis as they are reported by the retirement systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

N. RESTRICTED NET POSITION For the government-wide statement of net position, net position is reported as restricted if either of the following conditions exist:

- Restrictions are externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments;
- Restrictions are imposed by law through constitutional provisions or enabling legislation.

It is the Police Jury's policy to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available. Restricted net position reported in the statement of net position for road maintenance, waste management, library and health unit are restricted by enabling legislation.

O. FUND BALANCES OF FUND FINANCIAL STATEMENTS GASB 54 requires the fund balance amounts to be reported within the fund balance categories as follows:

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

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

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

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

Unassigned: Fund balance that is the residual classification for the general fund.

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

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

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

Q. SALES TAXES The Police Jury has a 4/10% sales and use tax, which was passed by the voters on April 20, 1996, for a period of ten years. The net proceeds of the tax (after necessary costs of collection) are to be used to black top or seal parish roads and streets. The Policy Jury has a 6/10% sales and use tax, which was passed by the voters on April 20, 1996 for a period of 10 years. The net proceeds of the tax (after necessary costs of collection) are to be used for waste management. Both of these sales taxes were renewed in 2005 and again in 2015 for a period of 10 years.

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

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Excess of Actual Expenditures Over Budgeted Expenditures in Individual Funds The following funds had actual expenditures which exceeded budgeted expenditures for the year ended December 31, 2018:

Fund	Budget	Actual	Variance
Road	\$ 2,655,870	\$ 2,675,101	\$ (19,231)

The negative budget variance is a result of expenditures exceeding the budget in the last month of the year.

NOTE 3 - LEVIED TAXES The Police Jury levies taxes on real and business personal property located within Jackson Parish's boundaries. Property taxes are levied by the Police Jury on property values assessed by the Jackson Parish Tax Assessor and approved by the State of Louisiana Tax Commission.

The Jackson Parish sheriff's office bills and collects property taxes for the Police Jury. Collections are remitted to the Police Jury monthly.

Property Tax Calendar

Jury Levy date	July 30, 2018
Tax bills mailed	On or about November 1, 2018
Due date	December 31, 2018
Lien date	January 1, 2019
Tax sale – 2017 delinquent property	May 16, 2018

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

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

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A revaluation of all property is required after 1978 to be completed no less than every four years. The last revaluation was completed in 2016. Total assessed value was \$234,219,700 in calendar year 2018. Louisiana state law exempts the first \$75,000 of assessed value of a taxpayer's primary residence from parish property taxes. This homestead exemption was \$20,982,950 of the assessed value in calendar year 2018.

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

All property taxes are recorded in the general fund, road, library, asphalt, and nonmajor governmental (health unit) funds. Revenues in such funds are recognized in the accounting period in which they become measurable and available. Property taxes are considered measurable in the calendar year of the tax levy. Estimated uncollectible taxes are those taxes based on past experience which will not be collected in the subsequent year and are primarily due to subsequent adjustments to the tax roll. Available means due, or past due, and receivable within the current period and collected within the current period or expected to be collected soon enough thereafter to pay liabilities of the current period. The remaining property taxes receivable are considered available because they are substantially collected within 60 days subsequent to year-end.

The tax roll is prepared by the parish tax assessor in November of each year; therefore, the amount of 2017 property taxes to be collected occurs in December and January and February of the next year. Historically, virtually all ad valorem taxes receivable were collected since they are secured by property; therefore, there is no allowance for uncollectible taxes.

The following is a summary of the maximum millages allowed and the amounts levied for ad valorem taxes for the year ended December 31, 2018:

	Maximum Allowed <u>Millage</u>	Levied <u>Millage</u>	Expiration <u>Date</u>
Parish-wide taxes:			
Parish general	5.39	4.87	-
Roads and bridges	5.73	5.23	2019
Road asphalt/paving	4.98	4.55	2019
Library & bookmobile	10.11	7.49	2028
Health Unit	0.80	0.80	2022
Forest protection	8 cents/acre	8 cents/acre	-

NOTE 4 - CASH DEPOSITS At December 31, 2018, the Police Jury had cash and cash equivalents (book balances) of \$10,955,304.

Custodial Credit Risk-Deposits: In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned to it. As of December 31, 2018, the Police Jury had a bank balance of \$12,113,078, of which \$11,613,078 was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Police Jury's name.

Even though the pledged securities are considered uncollateralized under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the

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pledged securities within 10 days of being notified by the Police Jury that the fiscal agent has failed to pay deposited funds upon request. The Police Jury's policy does not address custodial credit risk.

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

	Ad Valorem	Sales Tax	Federal	State	Other local	Total
General Fund	\$ 961,769	\$ -	\$ 47,440	\$ 179,294	\$ 3,647	\$ 1,192,150
Road Fund	1,032,867	-	-	22,281	577	1,055,725
Solid Waste	-	201,400	-	-	2,492	203,892
Library	1,479,188	-	-	-	-	1,479,188
Asphalt Fund	898,571	-	-	-	-	898,571
Nonmajor Governmental	157,990	134,267	-	-	-	292,257
Total	<u>\$ 4,530,385</u>	<u>\$ 335,667</u>	<u>\$ 47,440</u>	<u>\$ 201,575</u>	<u>\$ 6,716</u>	<u>\$ 5,121,783</u>

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

NOTE 6 - CAPITAL ASSETS The following schedule presents changes in capital assets for the Police Jury:

	<u>Balance Beginning</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance Ending</u>
Governmental activities:				
Capital assets, not being depreciated				
Land	\$ 433,912	\$ -	\$ -	\$ 433,912
Total capital assets, not being depreciated	<u>433,912</u>	<u>-</u>	<u>-</u>	<u>433,912</u>
Capital assets, being depreciated				
Buildings & Improvements	9,536,904	133,346	-	9,670,250
Vehicles	3,024,477	127,202	20,017	3,131,662
Equipment/Machinery/Furniture	4,519,264	408,582	278,250	4,649,596
Infrastructure/Roads	23,518,944	1,043,940	-	24,562,884
Total capital assets, being depreciated	<u>40,599,589</u>	<u>1,713,070</u>	<u>298,267</u>	<u>42,014,392</u>
Less accumulated depreciation:				
Buildings & Improvements	3,476,938	262,221	-	3,739,159
Vehicles	2,146,660	162,690	20,017	2,289,333
Equipment/Machinery/Furniture	3,358,336	410,618	270,245	3,498,709
Infrastructure/Roads	16,088,725	1,353,420	-	17,442,145
Total	<u>25,070,659</u>	<u>2,188,949</u>	<u>290,262</u>	<u>26,969,346</u>
Total capital assets, being depreciated, net	<u>15,528,930</u>	<u>(475,879)</u>	<u>8,005</u>	<u>15,045,046</u>
Governmental activities capital assets net	<u>\$15,962,842</u>	<u>\$ (475,879)</u>	<u>\$ 8,005</u>	<u>\$ 15,478,958</u>

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Depreciation expense was charged to governmental activities for the Police Jury as follows:

Legislative	\$ 17,773
Judicial	39,363
Elections	3,544
Finance and administrative	54,166
Other general government	71,423
Public safety	105,597
Public works	1,626,182
Health and welfare	28,229
Culture and recreation	242,672
Total	\$ 2,188,949

NOTE 7 - PENSION PLAN The Police Jury is a participating employer in a statewide, public employee retirement system, the Parochial Employees' Retirement System of Louisiana (System). The System has a separate board of trustees and administers a cost-sharing, multiple-employer defined benefit pension plan. The System is composed of two plans, Plan A and Plan B, with separate asset and benefit provisions. All employees of the Police Jury are members of Plan A. The authority to establish and amend the benefit terms of the System was granted to the Board of Trustees and the Louisiana Legislature by Title 11 of the Louisiana Revised Statutes. The System issues a public report that includes financial statements and required supplementary information. Copies of the report for the System may be obtained at www.persla.org.

General Information about the Pension Plan

Plan Descriptions/Benefits Provided:

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

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

Generally, the monthly amount of the retirement allowance shall consist of an amount equal to 3% of the member's final average compensation multiplied by the member's years of creditable service. However, under certain conditions as outlined in the statutes the benefits are limited to specified amounts.

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

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

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Deferred Retirement Option Plan:

In lieu of terminating employment and accepting a service retirement, any member who is eligible to retire may elect to participate in the Deferred Retirement Option Plan (DROP) in which they are enrolled for 3 years and defer the receipt of benefits. During participation in the plan, employer contributions are payable but employee contributions cease. The monthly retirement benefits that would be payable, had the person elected to cease employment and receive a service retirement allowance, are paid into the DROP fund. Upon termination of employment prior to or at the end of the specified period of participation, a participant in the DROP may receive, at the participant's option, a lump sum from the account equal to the payments into the account, a true annuity based upon the account balance in that fund, or roll over the fund to an individual retirement account.

Cost of Living Adjustments

The Board is authorized to provide a cost of living allowance for those retirees who retired prior to July 1973. The adjustment cannot exceed 2% of the retiree's original benefit for each full calendar year since retirement and may only be granted if sufficient funds are available from investment income in excess of normal requirements. In addition, the Board may provide an additional cost of living increase to all retirees and beneficiaries who are over age 65 equal to 2% of the member's benefit paid on October 1, 1977, (or the member's retirement date, if later). Also the Board may provide a cost of living increase up to 2.5% for retirees 62 and older (RS 11:1937). Lastly, Act 270 of 2009 provided for further reduced actuarial payments to provide an annual 2.5% cost of living adjustment commencing at age 55. These ad hoc COLAs are not considered to be substantively automatic.

Contributions

Contributions for all members are established by statute at 9.5% of compensation and are deducted from the member's salary and remitted by the participating employer. According to state statute, contributions for all employers are actuarially determined each year. For the year ended December 31, 2018, the actuarially determined contribution rate was 9.99% of member's compensation. However, the actual rate for fiscal year ending December 31, 2018 was 11.5% or \$217,435. According to state statute, the System also receives ¼ of 1% of ad valorem taxes collected within the respective parishes except for Orleans and East Baton Rouge parishes. The System also receives revenue sharing funds each year as appropriated by the Legislature. Tax monies and revenue sharing monies are apportioned between Plan A and Plan B in proportion to the member's compensation. These additional sources of income are used as additional employer contributions and are considered support from non-contributing entities. The Police Jury's proportionate share of nonemployer contributions was \$22,792 and was recognized as revenue by the Police Jury.

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

At December 31, 2018, the Police Jury reported a net pension liability (asset) of \$(227,550) for its proportionate share of the Net Pension Liability (Asset) (NPL). The NPL was measured as of December 31, 2017, and the total pension liability (assets) used to calculate the NPL were determined by actuarial valuations as of that date. The Police Jury's proportions of the NPL were based on projections of the Police Jury's long-term share of contributions to the pension plan relative to the projected contribution of all participating employers, actuarially determined. As of December 31, 2017, the most recent measurement date, the Police Jury's proportion was 0.306569% and the changes in proportion from the prior measurement date was a decrease of 0.011059%.

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For the year ended December 31, 2018, the Police Jury recognized a total pension expense of \$280,747. The Police Jury reported deferred outflows of resources and deferred inflows of resources related to pensions as components of unrestricted net position from the following sources:

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Differences between expected and actual experience	\$ -	\$ 147,298
Changes in assumptions	287,202	
Net difference between projected and actual earnings on pension plan investments		525,706
Changes in proportion and differences between employer contributions and proportionate share of contributions	3,754	5,157
Employer contributions subsequent to the measurement date	217,435	
Total	<u>\$ 508,391</u>	<u>\$ 678,161</u>

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

2018	\$ 33,496
2019	(35,212)
2020	(177,130)
2021	(208,359)

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

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

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Discount Rate: The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers and non-employer contributing entities will be made at the actuarially determined contribution rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, the pension plan'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 discount rate used in the December 31, 2017 net pension liability (asset) was decreased from the 7.00% used in the December 31, 2016 valuation to 6.75%. The discount rate was reduced in accordance with the System's desire for conservatism in the Plan and the desire to reduce the long-term risk of the retirement fund.

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

The resulting expected long-term rate of return is 7.62% for the year ended December 31, 2017. Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of December 31, 2017 are summarized in the following table:

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

Sensitivity of the proportionate share of the NPL/NPA to changes in the discount rate. The following presents the Police Jury's proportionate share of the NPL/NPA using the current discount rate as well as what the Police Jury's proportionate share of the NPL would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate:

1% Decrease (5.75%)	Current Discount Rate (6.75%)	1.0% Increase (7.75%)
\$ 1,121,903	\$ (227,550)	\$ (1,429,148)

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

Payables to the Pension Plan. At December 31, 2018, the Police Jury had \$13,946 in payables for the December 2018 employee and employer legally required contributions.

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NOTE 8 - ACCOUNTS, SALARIES, AND OTHER PAYABLES The following is a summary of payables at December 31, 2018:

	General Fund	Road Fund	Solid Waste	Library Fund	Asphalt Fund	Nonmajor Governmental	Total
Vendor Payable	\$ 49,926	\$ 50,666	\$ 527	\$ 19,297	\$ -	\$ 628	\$ 121,044
Salaries and Benefits Payable	64,928	1,181	3,165	1,943	1,181	91	72,489
	<u>\$ 114,854</u>	<u>\$ 51,847</u>	<u>\$ 3,692</u>	<u>\$ 21,240</u>	<u>\$ 1,181</u>	<u>\$ 719</u>	<u>\$ 193,533</u>

NOTE 9 - COMPENSATED ABSENCES Employees of the Police Jury had accumulated and vested \$207,466 of employee leave benefits at December 31, 2018, which includes \$2,965 of employee related benefits. These benefits were computed in accordance with GASB Codification, Section C60. This amount has been recorded as a long-term obligation.

NOTE 10 - LONG-TERM LIABILITIES The following is a summary of the long-term liabilities transactions and balances for the year ended December 31, 2018:

	Beginning Balance	Additions	Deletions	Ending Balance	Amounts Due Within One Year
Governmental activities:					
Certificate of indebtedness	\$ 2,465,000	\$ -	\$ 280,000	\$ 2,185,000	\$ 285,000
Net pension liability	608,607	-	608,607	-	-
Compensated absences	195,815	156,730	145,099	207,446	145,099
Estimated liability for landfill closure	422,000	-	171,352	250,648	-
Total Long-term liabilities	<u>\$ 3,691,422</u>	<u>\$ 156,730</u>	<u>\$ 1,205,058</u>	<u>\$ 2,643,094</u>	<u>\$ 430,099</u>

Principal and interest payments on the certificate of indebtedness are paid by the Debt Service Fund which is funded through transfers from the Road Sales Tax Fund.

Compensated absences are liquidated by the General Fund, Road Fund, Solid Waste Fund, Library Fund, and Nonmajor Governmental (Health Unit). The net pension liabilities will be liquidated through contributions to the pension plan from the governmental fund in which the related salary was paid.

On June 22, 2015, the Police Jury issued \$3,000,000 in certificate of indebtedness, series 2015 for the purpose of constructing and improving the Police Jury's roads and bridges. The certificates mature serially beginning June 1, 2016 with final payment due June 1, 2025. Interest rates range from 0.729% for certificates due June 1, 2016 to 2.066% for certificates due June 1, 2025.

Future debt service requirements for payment of principal and interest are due as follows:

Year Ending December 31,	Principal Payments	Interest Payments	Total
2019	\$ 285,000	\$ 34,685	\$ 319,685
2020	295,000	30,994	325,994
2021	305,000	26,787	331,787
2022	310,000	21,945	331,945
2023	320,000	16,408	336,408
2024-2025	670,000	13,761	683,761
	<u>\$ 2,185,000</u>	<u>\$ 144,580</u>	<u>\$ 2,329,580</u>

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

For the current fiscal year, the Parochial Employees' Retirement System of Louisiana's fiduciary net position exceeded its total pension liability, resulting in a net pension asset; therefore, the Police Jury's net proportional share of the System's net pension asset is reported as an asset on the Statement of Net Position. See Note 7 for additional information.

NOTE 11 - LEASES The Jackson Parish Police Jury had the following operating leases for the fiscal year ended December 31, 2018:

<u>Asset</u>	<u>Contract Date</u>	<u>Term</u>	<u>Monthly Rental</u>	<u>Minimum Rental Payment for December 31, 2018</u>
Volvo Trackhoe	March 23, 2015	48 months	\$ 2,425	\$ 29,100
Volvo ECR Compact Excavator	October 21, 2015	36 months	2,200	19,800
Two Caterpillar 12M3 Roadgraders	January 13, 2016	36 months	1,900	22,800
Caterpillar CT660 Dump Truck	April 28, 2016	36 months	1,500	18,000
John Deere Bull Dozer	November 29, 2016	48 months	1,348	16,173
Two John Deere Motor Graders	November 15, 2018	36 months	4,659	4,659
Total				<u>\$ 110,532</u>

The future minimum rental payments are as follows:

	<u>Future Minimum Rental Payment</u>
2019	\$ 83,858
2020	69,388
2021	51,252
Total	<u>\$ 204,498</u>

NOTE 12 - SOLID WASTE LANDFILL COSTS State and federal laws and regulations require the Jackson Parish Police Jury to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for three years after closure.

The Jackson Parish Landfill is a Type III facility that accepts only construction and demolition debris. The Jackson Parish Landfill has an estimated final closing during fiscal year 2034. The current permit expires during 2019.

The estimated liability for landfill closure and post closure care costs has a balance of \$250,648 as of December 31, 2018, which is based on 38.8% usage of the landfill. The recognition of the liability for closure and post closure cost is based on landfill capacity used to date.

The estimated total cost of the landfill closure and post closure care is \$646,000. This is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfill were acquired as of December 31, 2018. However, the actual cost of closure and post closure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations.

The Jackson Parish Police Jury has established a special revenue fund to account for the contributions to finance closure costs and post closure care. The Jackson Parish Police Jury has funded \$574,516 of the estimated closure costs as of December 31, 2018.

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

NOTE 13 - INTERFUND TRANSACTIONS

Transfers In/Out: Operating transfers for the year ended December 31, 2018, were as follows:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
Road Fund	Asphalt Fund	\$ 652,483
Road Fund	Nonmajor Governmental	400,000
Solid Waste	General Fund	500,000
Nonmajor Governmental	General Fund	127,775
Nonmajor Governmental	Nonmajor Governmental	360,000
Totals		<u>\$ 2,040,258</u>

The purpose of the interfund transfers are as follows:

- General fund transferred \$100,000 to the Nonmajor Governmental (Capital Fund) to commit funds for current year and future capital projects; \$500,000 to the Solid Waste fund to fund a future model bin site and cover the current year’s operating shortfall; and \$27,775 to the Nonmajor Governmental (Tourism) to transfer last year’s State sales tax dedication grant.
- The Asphalt Fund transferred \$652,483 to the Road Fund to fund current year road projects.
- The Nonmajor Governmental fund (Road Sales Tax Fund) transferred \$360,000 to Non-major Governmental (Debt Service Fund) for principal and interest payments and \$400,000 to the Road Fund to fund current year road projects.

NOTE 14 - LITIGATION AND CLAIMS

Litigation – The Police Jury is a defendant in several lawsuits. Management and legal counsel for the Police Jury believe that the potential claims against the Police Jury not covered by insurance would not materially affect the Police Jury’s financial position.

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

NOTE 15 - RISK MANAGEMENT The Police Jury is at risk for property damage, liability and theft which are covered by insurance policies. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

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

NOTE 16 - FUND BALANCE CLASSIFICATION DETAILS

	General	Road Fund	Solid Waste	Library	Asphalt Fund	Nonmajor Governmental	Total
Restricted:							
Road maintenance	\$ -	\$ 3,347,815	\$ -	\$ -	\$ 2,015,291	\$ 627,994	\$ 5,991,100
Solid waste	-	-	1,329,248	-	-	-	1,329,248
Library	-	-	-	3,780,576	-	-	3,780,576
Health unit	-	-	-	-	-	419,128	419,128
Landfill closure	-	-	-	-	-	574,516	574,516
Tourism	-	-	-	-	-	102,894	102,894
Pavilion/Riding Arena	-	-	-	-	-	259,284	259,284
Court and witness fees	22,982	-	-	-	-	-	22,982
Debt service	-	-	-	-	-	343,191	343,191
Committed:	-	-	-	-	-	-	-
Contingencies	799,267	-	-	-	-	-	799,267
Facility improvements	-	-	-	-	-	218,675	218,675
Unassigned	1,806,932	-	-	-	-	-	1,806,932
Total	\$ 2,629,181	\$ 3,347,815	\$ 1,329,248	\$ 3,780,576	\$ 2,015,291	\$ 2,545,682	\$ 15,647,793

NOTE 17 - TAX ABATEMENTS The Police Jury is subject to tax abatements granted by the Louisiana Department of Economic Development, Office of Commerce and Industry. Louisiana has a ten-year industrial exemption law that provides any manufacturing establishment entering Louisiana, or any manufacturing establishment expanding its Louisiana facilities is eligible to receive exemption on buildings and equipment from state, parish and local property taxes for a period of ten years. The exemption is for the “contract” value of buildings or equipment used by the business. When the exemption expires, the property is to be placed on the tax roll at 15% of its current market value. The amount of tax abatement under this program during the fiscal year ended December 31, 2018 by authorized millage is as follows:

Tax Code	Millage	Assessed Valuate Lost to ITEP	Estimated Tax Dollar Lost to ITEP
Parish general	4.87	\$ 20,455,320	\$ 99,617
Roads & bridges	5.23	20,455,320	106,981
Roads asphalt/paving	4.55	20,455,320	93,072
Library & bookmobile	7.49	20,455,320	153,210
Health Unit	0.80	20,455,320	16,364
			<u>\$ 469,245</u>

NOTE 18 - SUBSEQUENT EVENTS On May 17, 2019, Police Jury purchased a building and land located in the Town of Jonesboro on Industrial Drive, for a total cost of \$472,500. The land and building was purchased using monies from the Statutory Reserve Fund that was committed by the Jury for special projects and unforeseen events.

REQUIRED SUPPLEMENTARY INFORMATION

Jackson Parish Police Jury

**Schedule of Employer's Proportionate Share of the Net Pension Liability (Asset)
Last Four Years**

Exhibit 1-1

<u>Fiscal Year</u>	<u>Employer's Proportion of the Net Pension Liability</u>	<u>Employer's Proportionate Share of the Net Pension Liability (Asset)</u>	<u>Employer's Covered Payroll</u>	<u>Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
2015	0.306734%	\$ 85,899	\$ 1,564,644	5%	99.15%
2016	0.302500%	796,267	1,734,414	46%	92.23%
2017	0.295510%	608,607	1,752,538	35%	94.15%
2018	0.306569%	(227,550)	1,846,305	-12%	101.98%

Notes:

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

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

Jackson Parish Police Jury

**Schedule of Employer Contributions to Pension Plan
Last Four Years**

Exhibit 1-2

<u>Fiscal Year</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Payroll</u>	<u>Contributions as a Percentage of Covered Employee Payroll</u>
2015	\$ 251,490	\$ 251,490	\$ -	\$ 1,734,414	14.5%
2016	227,830	227,830	-	1,752,538	13.0%
2017	230,789	230,789	-	1,846,305	12.5%
2018	217,435	217,435	-	1,890,738	11.5%

Notes:

The amounts presented were determined of the fiscal year end.

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

Jackson Parish Police Jury

Notes to Required Supplemental Information for Pensions

Changes in Benefit Terms A 2.5% COLA effective January 1, 2015, provided by State statutes. This COLA is reflected in amounts reported after 2015.

Change in Assumptions: For amounts reported in 2015, an investment rate of return of 7.25% and an inflation rate of 3.00% were used and expectations and mortality were based on January 1, 2006 – December 31, 2010 experience study. The RP-2000 Combined Healthy Tables set back 1 year for males and RP-2000 Combined Healthy Female Table for females were used for annuitant, beneficiary and employee mortality and the RP-2000 Disabled Lives Mortality Tables for Males and Females were used for disabled annuitants.

For amounts reported in 2016 and later, expectations and mortality were based on a January 2, 2010 – December 31, 2014 experience study. The RP-2000 Healthy Annuitant Sex Distinct Tables (set forward 2 years for males and set forward 1 year for females) projected to 2031 using Scale AA were used for annuitant and beneficiary mortality, the RP-2000 Employees Sex Distinct Tables (set back 4 years for males and 3 years for females) were used for employee mortality and the RP-2000 Disabled Lives Mortality Tables (set back 5 years for males and set back 3 years for females) were used for disabled annuitants mortality.

For amounts reported in 2016 and later, an inflation rate of 2.50% was used.

For amounts reported in 2016 and 2017, an investment rate of return of 7.00% was used. For amounts reported in 2018, an investment rate of return of 6.75% was used.

Jackson Parish Police Jury

Budgetary Comparison Schedules

General Fund and Major Special Revenue Funds with Legally Adopted Annual Budgets

GENERAL FUND

The general fund accounts for all activities of the Police Jury except those that are accounted for in other funds.

ROAD FUND

The road fund accounts for maintenance of parish highways, streets and bridges. Funding is provided by a parish-wide ad valorem tax, parish transportation funds provided by the state, state revenue sharing funds, issuance of debt, operating transfers from the general fund, interest earned on investments and miscellaneous revenues.

SOLID WASTE FUND

The solid waste fund accounts for the construction, maintenance and operation of solid waste system. Funding is provided by a parish-wide sales tax, fees charged for services, interest on investments, and other miscellaneous revenues.

LIBRARY FUND

The library fund accounts for maintenance and operation of the parish library. Funding is provided by a parish-wide ad valorem tax, state revenue sharing funds, State Library of Louisiana funds, interest earned on investments, and fine and program revenues.

ASPHALT FUND

The asphalt fund accounts for asphaltting parish roads. Financing is provided by a parish-wide ad valorem tax, state revenue sharing funds, miscellaneous revenues and interest earned on investments.

JACKSON PARISH POLICE JURY

GENERAL FUND
 Budgetary Comparison Schedule
 For the Year Ended December 31, 2018

Exhibit 2-1

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		POSITIVE (NEGATIVE)
BUDGETARY FUND BALANCES, BEGINNING	\$ 2,310,462	\$ 3,313,596	\$ 3,313,596	\$ -
Resources (Inflows)				
Local Sources:				
Taxes:				
Ad valorem	980,000	986,465	1,035,702	49,237
Other taxes, penalties and interest	154,000	162,148	160,656	(1,492)
Licenses and permits	7,670	10,270	10,371	101
Intergovernmental revenues:				
State funds:				
Severance taxes	650,000	636,743	687,037	50,294
State revenue sharing	22,000	21,164	21,164	-
State aid grants	12,000	13,000	12,000	(1,000)
Federal revenue	25,000	28,324	77,836	49,512
Fees, charges, and commissions for services	28,450	33,213	33,819	606
Fines and forfeitures	12,500	10,482	10,481	(1)
Miscellaneous revenues	22,700	26,884	27,858	974
Use of money and property	18,700	42,548	41,748	(800)
Amounts available for appropriations	<u>4,243,482</u>	<u>5,284,837</u>	<u>5,432,268</u>	<u>147,431</u>
Charges to appropriations (Outflows)				
Current:				
General government:				
Legislative	143,500	184,848	184,985	(137)
Judicial	265,900	258,093	261,122	(3,029)
Elections	34,200	23,638	23,484	154
Finance and administration	507,000	508,743	479,423	29,320
Other general government	482,400	456,041	433,361	22,680
Public safety	712,650	692,040	711,437	(19,397)
Health and welfare	49,450	52,491	52,130	361
Culture and recreation	39,700	28,736	29,370	(634)
Transfers to other funds	600,000	627,775	627,775	-
Total charges to appropriations	<u>2,934,800</u>	<u>2,832,370</u>	<u>2,803,087</u>	<u>29,283</u>
BUDGETARY FUND BALANCES, ENDING	<u>\$ 1,308,682</u>	<u>\$ 2,452,467</u>	<u>\$ 2,629,181</u>	<u>\$ 176,714</u>

JACKSON PARISH POLICE JURY
ROAD FUND
Budgetary Comparison Schedule
For the Year Ended December 31, 2018

Exhibit 2-2

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>(NEGATIVE)</u>
BUDGETARY FUND BALANCES, BEGINNING	\$ 2,572,931	\$ 3,471,407	\$ 3,471,407	\$ -
Resources (Inflows)				
Local Sources:				
Taxes:				
Ad valorem	980,000	1,059,387	1,112,275	52,888
Intergovernmental revenues:				
State funds:				
Parish transportation funds	200,000	261,589	262,870	1,281
State revenue sharing	22,000	22,511	22,511	-
Miscellaneous revenues	11,500	48,635	48,635	-
Use of money and property	18,250	52,735	52,735	-
Transfers in	650,000	1,057,871	1,052,483	(5,388)
Amounts available for appropriations	<u>4,454,681</u>	<u>5,974,135</u>	<u>6,022,916</u>	<u>48,781</u>
Charges to appropriations (Outflows)				
Current:				
Public works	1,563,750	1,581,868	1,504,900	76,968
Capital outlay	1,116,131	1,074,002	1,170,201	(96,199)
Total charges to appropriations	<u>2,679,881</u>	<u>2,655,870</u>	<u>2,675,101</u>	<u>(19,231)</u>
BUDGETARY FUND BALANCES, ENDING	<u>\$ 1,774,800</u>	<u>\$ 3,318,265</u>	<u>\$ 3,347,815</u>	<u>\$ 29,550</u>

JACKSON PARISH POLICE JURY
SOLID WASTE FUND
Budgetary Comparison Schedule
For the Year Ended December 31, 2018

Exhibit 2-3

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>(NEGATIVE)</u>
BUDGETARY FUND BALANCES, BEGINNING	\$ 687,074	\$ 926,218	\$ 926,218	\$ -
Resources (Inflows)				
Local Sources:				
Taxes:				
Sales and use	1,200,000	1,216,651	1,249,102	32,451
Fees, charges, and commissions for services	151,000	180,272	181,122	850
Miscellaneous revenues	46,000	32,365	31,034	(1,331)
Use of money and property	5,000	18,926	18,926	-
Transfers in	500,000	500,000	500,000	-
	<u>2,589,074</u>	<u>2,874,432</u>	<u>2,906,402</u>	<u>31,970</u>
Amounts available for appropriations				
Charges to appropriations (Outflows)				
Current:				
Public works	1,630,500	1,594,339	1,577,154	17,185
	<u>1,630,500</u>	<u>1,594,339</u>	<u>1,577,154</u>	<u>17,185</u>
Total charges to appropriations	<u>1,630,500</u>	<u>1,594,339</u>	<u>1,577,154</u>	<u>17,185</u>
BUDGETARY FUND BALANCES, ENDING	<u>\$ 958,574</u>	<u>\$ 1,280,093</u>	<u>\$ 1,329,248</u>	<u>\$ 49,155</u>

JACKSON PARISH POLICE JURY

LIBRARY FUND

Budgetary Comparison Schedule
For the Year Ended December 31, 2018

Exhibit 2-4

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
BUDGETARY FUND BALANCES, BEGINNING	\$ 2,003,674	\$ 3,432,007	\$ 3,432,007	\$ -
Resources (Inflows)				
Local Sources:				
Taxes:				
Ad valorem	1,350,000	1,517,167	1,592,961	75,794
Intergovernmental revenues:				
State funds:				
State revenue sharing	-	32,549	32,549	-
State aid grants	2,500	27,876	27,880	4
Fees, charges, and commissions for services	30,000	30,000	27,336	(2,664)
Miscellaneous revenues	1,500	4,500	7,967	3,467
Use of money and property	12,600	36,855	37,529	674
Amounts available for appropriations	<u>3,400,274</u>	<u>5,080,954</u>	<u>5,158,229</u>	<u>77,275</u>
Charges to appropriations (Outflows)				
Current:				
Culture and recreation	1,353,500	1,272,429	1,244,307	28,122
Capital outlay	482,000	171,466	133,346	38,120
Total charges to appropriations	<u>1,835,500</u>	<u>1,443,895</u>	<u>1,377,653</u>	<u>66,242</u>
BUDGETARY FUND BALANCES, ENDING	<u>\$ 1,564,774</u>	<u>\$ 3,637,059</u>	<u>\$ 3,780,576</u>	<u>\$ 143,517</u>

JACKSON PARISH POLICE JURY
ASPHALT FUND
Budgetary Comparison Schedule
For the Year Ended December 31, 2018

Exhibit 2-5

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>(NEGATIVE)</u>
BUDGETARY FUND BALANCES, BEGINNING	\$ 1,926,499	\$ 2,779,140	\$ 2,779,140	\$ -
Resources (Inflows)				
Local Sources:				
Taxes:				
Ad valorem	907,000	921,646	967,635	45,989
Intergovernmental revenues:				
State funds:				
State revenue sharing	17,500	20,278	20,278	-
Miscellaneous revenues	1,300	1,471	1,471	-
Use of money and property	15,000	33,318	33,318	-
	<u>2,867,299</u>	<u>3,755,853</u>	<u>3,801,842</u>	<u>45,989</u>
Amounts available for appropriations				
Charges to appropriations (Outflows)				
Current:				
Public works	1,139,000	980,486	951,527	28,959
Capital outlay	-	179,640	182,541	(2,901)
Transfers to other funds	250,000	657,871	652,483	5,388
	<u>1,389,000</u>	<u>1,817,997</u>	<u>1,786,551</u>	<u>31,446</u>
Total charges to appropriations				
BUDGETARY FUND BALANCES, ENDING	<u>\$ 1,478,299</u>	<u>\$ 1,937,856</u>	<u>\$ 2,015,291</u>	<u>\$ 77,435</u>

Jackson Parish Police Jury

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

A. BUDGETS

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

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

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

For the year ended December 31, 2018, budgets were adopted for the general fund and all special revenue funds.

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

Budget Basis of Accounting All governmental funds' budgets are prepared on the modified accrual basis of accounting. Budgeted amounts are as originally adopted or as amended by the Jury. Legally, the Jury must adopt a balanced budget; that is, total budgeted revenues and other financing sources including fund balance must equal or exceed total budgeted expenditures and other financing uses. State statutes require the Jury to amend its budgets when revenues plus projected revenues within a fund are expected to be less than budgeted revenues by 5% or more and/or expenditures within a fund are expected to exceed budgeted expenditures by 5% or more.

B. UNFAVORABLE BUDGET VARIANCE

The following funds had actual appropriations exceed budgeted appropriations:

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Road	\$ 2,655,870	\$ 2,675,101	\$ (19,231)

The negative budget variance is a result of expenditures exceeding the budget in the last month of the year.

Jackson Parish Police Jury

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

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

	<u>General</u>	<u>Road</u>	<u>Solid Waste</u>	<u>Library</u>	<u>Asphalt</u>
<u>Sources/Inflows of resources:</u>					
Actual amounts (budgetary basis) "available for appropriation" from the Budgetary Comparison Schedule.	\$ 5,432,268	\$ 6,022,916	\$ 2,906,402	\$ 5,158,229	\$ 3,801,842
The fund balance at the beginning of the year is a budgetary resource but is not a current-year revenue for financial reporting purposes.	(3,313,596)	(3,471,407)	(926,218)	(3,432,007)	(2,779,140)
Transfers from other funds, issuance of debt and insurance proceeds are classified as revenue for budgetary purposes but are not revenues for financial reporting.	-	(1,052,483)	(500,000)	-	-
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds.	<u>\$ 2,118,672</u>	<u>\$ 1,499,026</u>	<u>\$ 1,480,184</u>	<u>\$ 1,726,222</u>	<u>\$ 1,022,702</u>
<u>Uses/Outflows of resources:</u>					
Actual amounts (budgetary basis) "Total charges to appropriations" from the Budgetary Comparison Schedule.	\$ 2,803,087	\$ 2,675,101	\$ 1,577,154	\$ 1,377,653	\$ 1,786,551
Transfers to other funds classified as expenditures for budgetary purposes and as an operating transfer for financial reporting.	(627,775)	-	-	-	(652,483)
Total expenditures as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 2,175,312</u>	<u>\$ 2,675,101</u>	<u>\$ 1,577,154</u>	<u>\$ 1,377,653</u>	<u>\$ 1,134,068</u>

SUPPLEMENTARY INFORMATION

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

JACKSON PARISH POLICE JURY
NONMAJOR GOVERNMENTAL FUNDS
Combining Balance Sheet - By Fund Type
December 31, 2018

Exhibit 3

	<u>SPECIAL REVENUE</u>	<u>DEBT SERVICE</u>	<u>CAPITAL PROJECTS</u>	<u>TOTAL</u>
ASSETS:				
Cash and cash equivalents	\$ 1,440,154	\$ 343,191	\$ 477,959	\$ 2,261,304
Receivables	292,257	-	-	292,257
TOTAL ASSETS	<u>1,732,411</u>	<u>343,191</u>	<u>477,959</u>	<u>2,553,561</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts, salaries, and other payables	719	-	-	719
TOTAL LIABILITIES	<u>719</u>	<u>-</u>	<u>-</u>	<u>719</u>
Deferred Inflows of Resources:				
Unavailable Revenue-property taxes	7,160	-	-	7,160
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>7,160</u>	<u>-</u>	<u>-</u>	<u>7,160</u>
Fund balances:				
Restricted	1,724,532	343,191	259,284	2,327,007
Committed	-	-	218,675	218,675
TOTAL FUND BALANCES	<u>1,724,532</u>	<u>343,191</u>	<u>477,959</u>	<u>2,545,682</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 1,732,411</u>	<u>\$ 343,191</u>	<u>\$ 477,959</u>	<u>\$ 2,553,561</u>

JACKSON PARISH POLICE JURY

NONMAJOR GOVERNMENTAL FUNDS
 Combining Statement of Revenues, Expenditures,
 and Changes in Fund Balances - By Fund Type
 For the Year Ended December 31, 2018

Exhibit 4

	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	TOTAL
REVENUES				
Local Sources:				
Taxes:				
Ad valorem	\$ 169,966	\$ -	\$ -	\$ 169,966
Sales and use	832,736	-	-	832,736
Intergovernmental revenues:				
State funds:				
State aid grants	27,775	-	-	27,775
Federal revenue	-	-	54,150	54,150
Miscellaneous revenues	259	-	-	259
Use of money and property	26,881	5,077	7,926	39,884
TOTAL REVENUES	1,057,617	5,077	62,076	1,124,770
EXPENDITURES				
Current:				
Public works	9,863	-	54,150	64,013
Health and welfare	119,417	-	-	119,417
Culture and recreation	6,273	-	-	6,273
Debt service:				
Principal retirement	-	280,000	-	280,000
Interest and bank charges	-	37,925	-	37,925
TOTAL EXPENDITURES	135,553	317,925	54,150	507,628
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	922,064	(312,848)	7,926	617,142
OTHER FINANCING SOURCES (USES)				
Transfers in	27,775	360,000	100,000	487,775
Transfers out	(760,000)	-	-	(760,000)
Total Other Financing Sources (Uses)	(732,225)	360,000	100,000	(272,225)
Net Change in Fund Balances	189,839	47,152	107,926	344,917
FUND BALANCES - BEGINNING	1,534,693	296,039	370,033	2,200,765
FUND BALANCES - ENDING	<u>\$ 1,724,532</u>	<u>\$ 343,191</u>	<u>\$ 477,959</u>	<u>\$ 2,545,682</u>

Jackson Parish Police Jury

NONMAJOR SPECIAL REVENUE FUNDS

HEALTH UNIT

The health unit fund accounts for a portion of the maintenance and operation of the parish health unit. Financing is provided by a parish-wide ad valorem tax, miscellaneous revenues, and interest earned on investments.

LANDFILL CLOSURE

The landfill closure fund accounts for estimated closure cost and post-closure care expenses of the parish landfill site. Financing is provided by contributions and interest on investments.

TOURISM

The tourism fund accounts for promoting tourism in the parish. Financing is provided by a hotel/motel tax and interest earned on investments.

ROAD SALES TAX

The road sales tax fund accounts for the blacktopping and sealing of parish roads financed by a parish-wide sales tax and interest earned on investments.

JACKSON PARISH POLICE JURY

NONMAJOR SPECIAL REVENUE FUNDS
 Combining Balance Sheet
 December 31, 2018

Exhibit 5

	HEALTH UNIT	LANDFILL CLOSURE	TOURISM	ROAD SALES TAX	TOTAL
ASSETS:					
Cash and cash equivalents	\$ 269,017	\$ 574,516	\$ 102,894	\$ 493,727	\$ 1,440,154
Receivables	157,990	-	-	134,267	292,257
TOTAL ASSETS	427,007	574,516	102,894	627,994	1,732,411
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts, salaries, and other payables	719	-	-	-	719
TOTAL LIABILITIES	719	-	-	-	719
Deferred Inflows of Resources:					
Unavailable Revenue-property taxes	7,160	-	-	-	7,160
TOTAL DEFERRED INFLOWS OF RESOURCES	7,160	-	-	-	7,160
Fund balances:					
Restricted	419,128	574,516	102,894	627,994	1,724,532
TOTAL FUND BALANCES	419,128	574,516	102,894	627,994	1,724,532
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 427,007	\$ 574,516	\$ 102,894	\$ 627,994	\$ 1,732,411

JACKSON PARISH POLICE JURY

NONMAJOR SPECIAL REVENUE FUNDS
 Combining Statement of Revenues, Expenditures,
 and Changes in Fund Balances
 For the Year Ended December 31, 2018

Exhibit 6

	HEALTH UNIT	LANDFILL CLOSURE	TOURISM	ROAD SALES TAX	TOTAL
REVENUES					
Local Sources:					
Taxes:					
Ad valorem	\$ 169,966	\$ -	\$ -	\$ -	\$ 169,966
Sales and use	-	-	-	832,736	832,736
Intergovernmental revenues:					
State funds:					
State aid grants	-	-	27,775	-	27,775
Miscellaneous revenues	259	-	-	-	259
Use of money and property	5,291	10,511	1,030	10,049	26,881
TOTAL REVENUES	<u>175,516</u>	<u>10,511</u>	<u>28,805</u>	<u>842,785</u>	<u>1,057,617</u>
EXPENDITURES					
Current:					
Public works	-	-	-	9,863	9,863
Health and welfare	119,417	-	-	-	119,417
Culture and recreation	-	-	6,273	-	6,273
TOTAL EXPENDITURES	<u>119,417</u>	<u>-</u>	<u>6,273</u>	<u>9,863</u>	<u>135,553</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>56,099</u>	<u>10,511</u>	<u>22,532</u>	<u>832,922</u>	<u>922,064</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	27,775	-	27,775
Transfers out	-	-	-	(760,000)	(760,000)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>27,775</u>	<u>(760,000)</u>	<u>(732,225)</u>
Net Change in Fund Balances	56,099	10,511	50,307	72,922	189,839
FUND BALANCES - BEGINNING	<u>363,029</u>	<u>564,005</u>	<u>52,587</u>	<u>555,072</u>	<u>1,534,693</u>
FUND BALANCES - ENDING	<u>\$ 419,128</u>	<u>\$ 574,516</u>	<u>\$ 102,894</u>	<u>\$ 627,994</u>	<u>\$ 1,724,532</u>

Jackson Parish Police Jury

NONMAJOR CAPITAL PROJECT FUNDS

CAPITAL FUND

This fund accounts for capital improvements as well as significant repairs and maintenance throughout Jackson Parish.

LCDBG

The fund accounts for capital improvements that are funded by the Louisiana Community Development Block Grant (LCDBG) within Jackson Parish.

PAVILION / RIDING ARENA

The Pavilion/Riding area fund accounts for the Police Jury's commitment, as outlined in the Cooperative Endeavor Agreement with the Jackson Recreation District Board and Louisiana Division of Administration, to provide dirt work, clearing and grubbing and construction of the parking lot for the Jackson Parish Riding Arena and Livestock Pavilion.

JACKSON PARISH POLICE JURY
NONMAJOR CAPITAL PROJECT FUNDS
Combining Balance Sheet
December 31, 2018

Exhibit 7

	<u>CAPITAL FUND</u>	<u>LCDBG</u>	<u>PAVILION/ RIDING ARENA</u>	<u>TOTAL</u>
ASSETS:				
Cash and cash equivalents	\$ 218,665	\$ 10	\$ 259,284	\$ 477,959
TOTAL ASSETS	<u>218,665</u>	<u>10</u>	<u>259,284</u>	<u>477,959</u>
Fund balances:				
Restricted	-	-	259,284	259,284
Committed	<u>218,665</u>	<u>10</u>	<u>-</u>	<u>218,675</u>
TOTAL FUND BALANCES	<u>218,665</u>	<u>10</u>	<u>259,284</u>	<u>477,959</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 218,665</u>	<u>\$ 10</u>	<u>\$ 259,284</u>	<u>\$ 477,959</u>

JACKSON PARISH POLICE JURY

NONMAJOR CAPITAL PROJECT FUNDS
 Combining Statement of Revenues, Expenditures,
 and Changes in Fund Balances
 For the Year Ended December 31, 2018

Exhibit 8

	CAPITAL FUND	LCDBG	PAVILION/ RIDING ARENA	TOTAL
REVENUES				
Intergovernmental revenues:				
Federal revenue	\$ -	\$ 54,150	\$ -	\$ 54,150
Use of money and property	3,183	-	4,743	7,926
TOTAL REVENUES	3,183	54,150	4,743	62,076
EXPENDITURES				
Current:				
Public works	-	54,150	-	54,150
TOTAL EXPENDITURES	-	54,150	-	54,150
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	3,183	-	4,743	7,926
OTHER FINANCING SOURCES (USES)				
Transfers in	100,000	-	-	100,000
Total Other Financing Sources (Uses)	100,000	-	-	100,000
Net Change in Fund Balances	103,183	-	4,743	107,926
FUND BALANCES - BEGINNING	115,482	10	254,541	370,033
FUND BALANCES - ENDING	\$ 218,665	\$ 10	\$ 259,284	\$ 477,959

Jackson Parish Police Jury

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

COMPENSATION PAID POLICE JURORS The schedule of compensation paid to police jurors is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Compensation of the Jackson Parish Police Jury members is included in the general administrative expenditures of the general fund. Members of the governing board receive compensation pursuant to Louisiana Revised Statute 33:1233.

Regina Rowe, President	\$ 16,200
John McCarty, Vice President	14,400
Todd Culpepper	14,400
Eddie Langston	14,400
Amy Magee	14,400
Tarneshala Cowans	6,324
Maxie F. Monroe	7,404
Lynn Treadway	14,400
Total	<u>\$ 101,928</u>

Jackson Parish Police Jury

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

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 72,127
Benefits-insurance	21,837
Benefits-retirement	8,295
Benefits-medicare	1,046
Reimbursements	285
Travel	4,438
Registration fees	834
	<u>\$ 108,862</u>

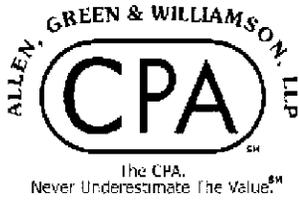
Jackson Parish Police Jury

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Jackson Parish Police Jury

OTHER REPORTS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

The report following this page is a report on compliance and on internal control over financial reporting based on an audit of financial statements performed in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States of America. The section of the report on compliance is based solely on the audit of the financial statements and presents, where applicable, compliance matters that would be material to the financial statements. The section of the report on internal control over financial reporting is, likewise, based solely on the audit of the financial statements and includes, where appropriate, any significant deficiencies and/or material weaknesses.



ALLEN, GREEN & WILLIAMSON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

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Principal: Cindy Thomason, CPA

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

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

Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Independent Auditor's Report

Police Jurors
Jackson Parish Police Jury
Jonesboro, Louisiana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Jackson Parish Police Jury as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Police Jury's basic financial statements, and have issued our report thereon dated July 1, 2019. We issued an adverse opinion on the aggregate discretely presented component units due to the omission of the discretely presented component units and an unmodified opinion on the governmental activities, each major fund, and the aggregate remaining fund information on the primary government.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Responses as item 2018-001 that we consider to be a significant deficiency.

Compliance and Other Matters

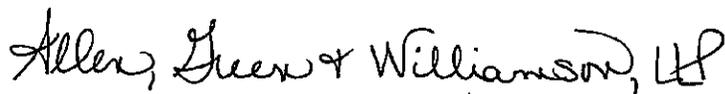
As part of obtaining reasonable assurance about whether the Police Jury's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings and Responses as item 2018-001.

The Police Jury's Response to Findings

The Police Jury's response to the findings identified in our audit are described in the accompanying Schedule of Findings and Responses and Corrective Action Plan for Current Year Findings and Responses. The 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 Police Jury's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Police Jury's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Office of the Louisiana Legislative Auditor as a public document.



ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
July 1, 2019

**Jackson Parish Police Jury
Schedule of Findings and Responses
For the Year Ended December 31, 2018**

PART I - Summary of the Auditor's Results

Financial Statement Audit

- i. The type of audit report issued was an adverse opinion on the aggregate discretely presented component units and an unmodified opinion on the governmental activities, each major fund, and the aggregate remaining fund information on the primary government.
- ii. There was one significant deficiency required to be disclosed by *Government Auditing Standards* issued by the Comptroller General of the United States of America. We did not consider the significant deficiency to be a material weakness.
- iii. There was one instance of noncompliance considered material to the financial statements, as defined by the *Government Auditing Standards*.

**Jackson Parish Police Jury
Schedule of Findings and Responses
For the Year Ended December 31, 2018**

PART II – Findings related to the financial statements which are required to be reported in accordance with *Government Auditing Standards* generally accepted in the United States of America:

Reference # and title: 2018-001 Road Program

Entity-wide or program/department specific: This finding is related to the road program.

Criteria or specific requirement: The Louisiana Parish Transportation Act covered under LSA R.S. 48:753 states “each parish and municipal governing authority shall make a determination of whether a road, or portion thereof, within their respective road systems, meets the definition of a public road for the purpose of the parish transportation system”. The statute also defines a public road as “any road, or portion thereof, dedicated as a public road and/or accepted for maintenance by a parish or municipal governing authority, or constructed or maintained for an uninterrupted period of three years, by a parish or municipal governing authority, provided such road, or portion thereof, serves a public purpose that is in the best interest of the parish or municipality and their respective road systems.

Condition found: Through road observations, review of Jury minutes and discussions with management the following issues were noted:

- Several roads that do not appear to meet the definition of a public road have not been removed from the road listing.
- Roads that were deemed “nonpublic” were added back to the listing because of outside pressures.
- Requests for additions and/or changes to the Road Priority Listing were made directly to the parish engineer instead of the Road Department in accordance with the Jury’s policy and procedures.

Context: Exceptions above were noted in testing compliance with the Louisiana Parish Transportation Act and with the Policy Jury’s Road Capital Improvement Program and appears to be systemic.

Possible asserted effect (cause and effect):

Cause: The Police Jury has not taken action to remove roads that do not meet a public purpose.

Effect: Police Jury may have expended funds on roads that do not serve a public purpose.

Recommendation to prevent future occurrences: The Police Jury should follow its policies and procedures established for the Road Program. The Police Jury should add to its existing policy a clear and decisive criteria for the definition of a “public purpose” as it relates to its road program. This criteria should be in sufficient detail that would eliminate any personal or political influences for maintaining roads that don’t serve a public purpose. A public hearing should be held and all roads not meeting the definition of a “public road” should be removed from the parish road listing. Requests for additions/deletions to the parish road listing should be evaluated by the Road Department for compliance with the Jury’s road program’s policies and procedures before seeking written approval from the parish road engineer.

Origination date and prior year reference (if applicable): This finding originated fiscal year ended December 31, 2017.

View of responsible official: The Road Committee discussed the need for a definition of a public road on September 4, 2018 and authorized the Road Superintendent to provide a list of parish roads that are dead-end roads with no houses and one land owner and dead-end roads with no house and one land owner. The Road Superintendent provided the lists and they were reviewed at the October 1, 2018 Road Committee Meeting with no action or recommendation for removal.

**Jackson Parish Police Jury
Schedule of Findings and Responses
For the Year Ended December 31, 2018**

PART II – Findings related to the financial statements which are required to be reported in accordance with *Government Auditing Standards* generally accepted in the United States of America:

Bell Lane was removed from the Parish Road System in October 2018 at the landowner's request.

The Police Jury has not established a definition of what constitutes a public road other than general guidance from the Transportation Act and the actions of prior years.

Individual jurors continue to request action from the Road Superintendent and Parish Engineers that result in chargeable services without an approved vote of the jury.

OTHER INFORMATION

Summary Schedule of Prior Year Audit Findings and Responses (continued)



JACKSON PARISH POLICE JURY

Courthouse
500 East Court Street, Room 301
Jonesboro, Louisiana 71251-3446
Phone: (318) 259-2361
Fax: (318) 259-5660
www.jacksonparishpolicejury.org

**Summary Schedule of Prior Year Audit Findings and Responses
For the Year Ended December 31, 2018**

MEMBERS

WARD 1
TODD CULPEPPER
 P. O. Box 323
 Quitman, LA. 71268
 (318) 259-4184 (Work)
 (318) 243-1084

WARD 2
EDDIE M. LANGSTON
 770 Taylor Road
 Jonesboro, LA. 71251
 (318) 259-7448

WARD 3
AMY C. MAGEE
 2332 Walker Road
 Jonesboro, LA. 71251
 (318) 235-0002

WARD 4
JOHN W MCCARTY
 2766 Hwy 155
 Quitman, LA 71268
 (318) 259-9694

WARD 5
TARNESHALA COWANS
 598 Beech Springs Road
 Jonesboro, LA. 71251
 (318) 480-9095

WARD 6
REGINA H. ROWE
 159 Hughes Rd.
 Jonesboro, LA 71251
 (318) 259-7923

WARD 7
LYNN TREADWAY
 505 Fifth Street
 Jonesboro, LA 71251
 (318) 259-7673
 (318) 680-8510

Reference # and title: 2017-001 Under Secured Deposits

Entity-wide or program/department specific: This finding is related to the Library.

Condition: Louisiana Revised Statute 39:1218 states that “any bank selected as fiscal agency shall give security for the safekeeping and payment of deposits”.

During the test of cash deposits it was determined that deposits held for Library’s Special Fund bank were not fully secured. The bank account had a total balance of \$662,550, of which \$250,000 was secured by FDIC insurance and the remaining balance of \$412,550 was uninsured and uncollateralized.

Corrective action taken: The Bank has taken corrective action and the Library now receives monthly pledge statements from the department at the Main Branch. This finding is considered cleared.

Reference # and title: 2017-002 Road Program

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

Condition: The Louisiana Parish Transportation Act covered under LSA R.S. 48:753 states “each parish and municipal governing authority shall make a determination of whether a road, or portion thereof, within their respective road systems, meets the definition of a public road for the purpose of the parish transportation system”. The statute also defines a public road as “any road, or portion thereof, dedicated as a public road and/or accepted for maintenance by a parish or municipal governing authority, or constructed or maintained for an uninterrupted period of three years, by a parish or municipal governing authority, provided such road, or portion thereof, serves a public purpose that is in the best interest of the parish or municipality and their respective road systems.

Through road observations, review of Jury minutes and discussions with management the following issues were noted:

- Several roads that do not appear to meet the definition of a public road have not been removed from the road listing.
- Roads that were deemed “nonpublic” were added back to the listing because of outside pressures.

Summary Schedule of Prior Year Audit Findings and Responses (continued)

- Requests for additions and/or changes to the Road Priority Listing were made directly to the parish engineer instead of the Road Department in accordance with the Jury's policy and procedures.

Corrective action planned: See current year finding 2018-001.

Reference # and title: **2017-003** **Internal Controls over Cooperative Endeavors**

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

Condition: Article 7, Section 14 of the LA Constitution prohibits, except as otherwise provided by this constitution, the funds, credit, property, or things of value of the state or of any political subdivision being loaned, pledged, or donated to or for any person, association, or corporation, public or private. For a public purpose, the state and its political corporations may engage in cooperative endeavors with each other, with the United States or its agencies, or with any public or private association, corporation, or individual.

In reviewing the minutes and through discussion with management, three appropriations to other governments were tested. Of the three appropriations tested, it was noted that the Police Jury provided funds to the Town of East Hodge for road repairs of approximately \$30,000 without obtaining a cooperative endeavor agreement describing the public benefit or purpose. It was also noted that the Police Jury has no policies and procedures in place for monitoring the entity to ensure the funds provided were used for the purpose agreed upon.

Corrective action taken: All appropriations to other governments and organizations of funds, resources, etc. are documented with a vote by the Jury and a completed Cooperative Endeavor Agreement. A filing system of both hard copy and electronic copies has been implemented, and follow-up reviews on the resources provided are scheduled. This finding is considered cleared.

Respectively Submitted,



Gina Thomas, Secretary/Treasurer



JACKSON PARISH POLICE JURY

Courthouse

500 East Court Street, Room 301
Jonesboro, Louisiana 71251-3446

Phone: (318) 259-2361

Fax: (318) 259-5660

www.jacksonparishpolicejury.org

Corrective Action Plan for Current Year Findings and Responses For the Year ended December 31, 2018

Reference # and title: 2018-001 Road Program

MEMBERS

WARD 1

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(318) 259-4184 (Work)
(318) 243-1084

WARD 2

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(318) 259-7448

WARD 3

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WARD 4

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WARD 5

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Jonesboro, LA. 71251
(318) 480-9095

WARD 6

REGINA H. ROWE
159 Hughes Rd.
Jonesboro, LA 71251
(318) 259-7923

WARD 7

LYNN TREADWAY
505 Fifth Street
Jonesboro, LA 71251
(318) 259-7673
(318) 680-8510

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

Condition: The Louisiana Parish Transportation Act covered under LSA R.S. 48:753 states “each parish and municipal governing authority shall make a determination of whether a road, or portion thereof, within their respective road systems, meets the definition of a public road for the purpose of the parish transportation system”. The statute also defines a public road as “any road, or portion thereof, dedicated as a public road and/or accepted for maintenance by a parish or municipal governing authority, or constructed or maintained for an uninterrupted period of three years, by a parish or municipal governing authority, provided such road, or portion thereof, serves a public purpose that is in the best interest of the parish or municipality and their respective road systems.

Through road observations, review of Jury minutes and discussions with management the following issues were noted:

- Several roads that do not appear to meet the definition of a public road have not been removed from the road listing.
- Roads that were deemed “nonpublic” were added back to the listing because of outside pressures.
- Requests for additions and/or changes to the Road Priority Listing were made directly to the parish engineer instead of the Road Department in accordance with the Jury’s policy and procedures.

Corrective action planned: The Jury should review the Transportation Act along with their historical activities for road removals and road additions and develop a specific criteria for what defines a public road. From this criteria, the Road Superintendent should provide a listing of the roads that do not qualify as serving a “public purpose”. These roads should be reviewed by the Jury with a public hearing held to remove the roads not serving a public purpose. Any road from this list that is not removed should have documentation as to why it serves a public purpose.

Along with a definition of a public road, the Jury needs to develop a policy to remove the roads that do not meet the defined criteria. This must be a systematic process involving public hearings and notifications to property owners and interested parties in order to assure that roads are not removed arbitrarily and then later added back because of unforeseen public uses.

Corrective Action Plan for Current Year Findings and Responses (continued)

Person responsible for corrective action:

Gina Thomas
Jackson Parish Police Jury
500 East Court Street, Room 301
Jonesboro, LA 71051

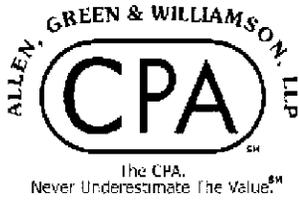
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Anticipated completion date: 7/1/2020

Respectively Submitted,



Gina Thomas, Secretary/Treasurer



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Austin Hogue, CPA
Mallory Stone, CPA
Audit Manager: Margie Williamson, CPA

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

Management Letter

Police Jurors
Jackson Parish Police Jury
Jonesboro, Louisiana

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

However, during our audit, we noted a certain matter involving internal control that is presented for your consideration. This letter does not affect our report dated July 1, 2019, on the financial statements of the Police Jury. We will review the status of this comment during our next audit engagement. Our comment and recommendation, which has been discussed with appropriate members of management, is intended to improve the internal control or result in other operating efficiencies. We will be pleased to discuss this comment in further detail at your convenience, to perform any additional study of this matter, or to assist you in implementing the recommendation. Our comments and management's response are summarized as follows:

2018-M001 Accounting and Financial Reporting

Comment: Two sets of books are being kept for the Library. One at the Police Jury that accounts only for the ad valorem revenues and expenses. The second set maintained at the Library commingles special funds along with ad valorem revenues and expenses. In reviewing the two trial balances, it was noted that the Library's records for ad valorem did not agree to the Police Jury's. Due to this discrepancy in the two sets of accounting records, the Library is not producing accurate financial information to its Board during the year. An audit adjustment was required to correct the beginning fund balance related to prior year cash to accrual entries that were not made by the library.

The Library's capital asset additions included amounts for building repairs that did not extend the life of the building.

In performing the search for unrecorded liabilities, an exception was noted for a road construction invoice not being recorded in the appropriate reporting period.

The Police Jury updated their software program during the year. Due to lack of knowledge on how the software processes year end accruals, bank reconciliations were updated several times after the initial preparation in which the final reconciliation contained noncash reconciling items that required balance sheet adjustments. The Police Jury was also late in paying state withholding liabilities due to a misunderstanding by the payroll clerk on how these liabilities were to be paid under the new accounting system. In addition, the software conversion did not produce a reliable capital asset depreciation schedule. The schedule had to be manually converted to excel which delayed the Police in providing the schedule to the auditor.

Recommendation: The Police Jury should establish monitoring procedures to ensure adequate internal controls over accounting are being followed. The Police Jury should maintain only one set of accounting records for the library. This can be accomplished by adding the special funds to the Police Jury's general ledger or by the Library removing the ad valorem revenues and expenditures from their accounting records. Only expenses that extend the life of an existing building on the depreciation schedule should be capitalized. The Police Jury should perform a careful review of invoices paid after year end to ensure they are reported in appropriate accounting period.

Management's response: The Secretary-Treasurer of the Police Jury has met with the Library Director and Business Manager and have begun the process of integrating the Library Special Funds into the Police Jury's financial system in order to eliminate the need for keeping two sets of books. In the interim as the special funds account is being considered, the Business Manager now enters invoices directly into the financial system and no longer accounts for them in a separate system. The Library has been notified about the appropriate capitalization procedures.

Additional procedures have been built into the Accounts Payable process to ensure a more thorough review of year-end expenses.

The Police Jury has contracted with a local CPA firm that will take over the processing of payroll and all associated billing and reporting. This will ensure timely and appropriate filings and payments.

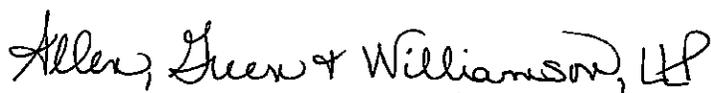
As the Police Jury staff has become more proficient with the updated software, the understanding of reporting and processes has increased and more timely and accurate reporting will be available in subsequent years. Through the use of the software support portal, the Police Jury has also made requests and recommendations for upgrades and enhancements to the software that are being considered for future updates

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

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

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

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



Allen, Green & Williamson, LLP

Monroe, Louisiana
July 1, 2019



JACKSON PARISH POLICE JURY

Courthouse

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Jonesboro, Louisiana 71251-3446

Phone: (318) 259-2361

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Status of Prior Year Management Letter Item

2017-M001

Accounting and Financial Reporting

MEMBERS

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WARD 7

LYNN TREADWAY
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Comment: In testing beginning fund balance, the following issues were noted:

- Entry made to correct the beginning fund balance related to prior year cash to accrual entries were not made by the library.
- A prior year client journal entry for insurance was not posted to the general ledger and one entry was posted twice, once as a client journal entry and the other as a cash to accrual adjustment.

The Library's 2017 trial balance included accounts payable accrual entries and did not include accruals for receivables. The cash to accrual entries provided by the Police Jury for the Library included both the receivables and payable.

In testing of capital assets, it was noted that the capital asset depreciation schedule was requested to be revised to reclassify capital assets into their proper classification and correct amount. Once the listing was corrected, the Police Jury's depreciation expense did not include the changes causing depreciation expense to be overstated. One road that received asphalt overlay was not added to the capital asset listing. The Library's capital asset additions for books and periodicals included amounts that did not appear to have a useful life greater than one year.

During our internal control walkthroughs and inquiry of management, it appears that Jury's needs to improve efficiencies in their expenditure process. The Police Jury's procurement policy requires that all "nonemergency" purchase orders in excess of \$400 be approved by the Jury in their next meeting. This low approval threshold and the timing between Jury meeting causes delays in the purchasing of materials and supplies needed for the day-to-day operations. In addition, this creates extra demands on the Jury and the Secretary-Treasurer.

Recommendation: The Police Jury should establish monitoring procedures to ensure adequate internal controls over accounting are being followed. Additionally, the Library and Police Jury should determine what accounting basis for the Library's financial records should be kept, the cash basis or the modified accrual basis. All purchases and only those over the capitalization threshold with expected useful life of over one reporting period should be added to the capital asset listing and depreciated over its estimated useful life. The Police Jury should consider revising its procurement policy to allow the Secretary-Treasurer to approve all purchase orders between the ranges of \$400 to \$10,000, as long as

Status of Prior Year Management Letter Item (continued)

the purchase does not exceed the amount provided in the approved budget. In addition, the Police Jury should consider raising its capitalization threshold for infrastructure road surfaces to \$100,000.

Management's response: The Police Jury has reviewed their Purchases and Disbursements policy and has increased the threshold of purchase orders from \$400 to \$10,000. The Police Jury will also review their capitalization policy and useful life structure as it relates to roads and other items. These matters are considered cleared.

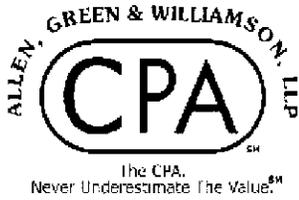
See current year management letter 2018-M1 for the matters related to the Library's accounting records and the Library's depreciation schedule.

Respectively Submitted,

A handwritten signature in blue ink that reads "Gina M. Thomas". The signature is written in a cursive style with a large initial "G" and a long, sweeping underline.

Gina Thomas, Secretary/Treasurer

AGREED-UPON PROCEDURES



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Mallory Stone, CPA
Audit Manager: Margie Williamson, CPA

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

Independent Accountant's Report On Applying Statewide Agreed-Upon Procedures

Board Members
Jackson Parish Police Jury
Jonesboro, Louisiana

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

The procedures and associated findings are as follows:

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
 - b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
 - c) **Disbursements**, including processing, reviewing, and approving
 - d) **Receipts**, including receiving, recording, and preparing deposits
 - e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
 - f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process

- g) ***Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)***, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage
- h) ***Travel and expense reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers
- i) ***Ethics***, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy. Note: Ethics requirements are not applicable to nonprofits.
- j) ***Debt Service***, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements

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

Board (or Finance Committee, if applicable)

- 2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds. *Alternately, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
 - c) For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.

Comment: This section was not tested in the current year due to no exceptions in the prior year.

Bank Reconciliations

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

- c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Comment: The December bank reconciliations for the Police Jury Master Account Fund, Police Jury – Federal Programs Fund, Police Jury Court/Witness Fund, Police Jury Payroll Fund and Library Special Fund were included in this procedure.

All five bank accounts did not include evidence of reconciliation review by a member of management who does not handle cash, post ledgers or issue checks. The Police Jury Court/Witness Fund account did not contain documentation reflecting items older than twelve months from the statement closing date have been reviewed by management.

Management’s Response: Due to limitations in staffing, the same employee may handle a portion of the transactions involved in preparing payments, recording transactions, or signing checks. In order to achieve proper checks and balances, the deposit process is divided into three steps by having one employee prepare the payments and accounts, one employee prepares the deposit ticket and delivers to the bank, and another employee records the transaction in the financial system. Two employees review and sign off on the monthly bank reconciliations.

In coordination with the Clerk of Court’s Office, the Police Jury Office will work to research and document outstanding Court/Witness Fund checks older than 12 months.

Collections

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management’s representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
5. For each deposit site selected, obtain a listing of collection locations and management’s representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
 - a) Employees that are responsible for cash collections do not share cash drawers/registers.
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
 - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.
6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.
7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under “Bank Reconciliations” above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day).

Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc. Obtain supporting documentation for each of the 10 deposits and:

- a) Observe that receipts are sequentially pre-numbered.
- b) Trace sequentially pre-numbered receipts, system reports, and other related collection
- c) Trace the deposit slip total to the actual deposit per the bank statement.
- d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).
- e) Trace the actual deposit per the bank statement to the general ledger.

Comment: The Police Jury Main Building, Library Central Office and Chatham Library Branch collection locations were included in this agreed upon procedure.

Staff at all three locations either have access to cash collections or share cash drawers. Both the Library Central Office and Chatham Library Branch had an employee who collects cash is also responsible for reconciling and /or recording the deposit.

Management's Response: The Police Jury does not have adequate staffing to support separation of duties at the cash collection level. Instead, additional controls and separation of duties are built into the preparation and processing of the daily deposits, manual review of the cash collection receipt book, and preparation and approval of the monthly bank reconciliations. The Library is encouraged to separate the duties of the Business Manager for the preparation, deposit, and reconciliation of cash collections. While all Library employees share a single cash drawer at each location, the amounts collected are minimal.

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

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

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:
 - a) Observe that the disbursement matched the related original invoice/billing statement.
 - b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

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

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

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

Comment: This section was not tested in the current year due to no exceptions in the prior year.

Travel and Expense Reimbursement

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
 - a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
 - b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

- c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Comment: This section was not tested in the current year due to no exceptions in the prior year.

Contracts

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

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

Payroll and Personnel

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

calculations, agree the hours to the employee/officials' cumulate leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.

19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

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

Ethics (excluding nonprofits)

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

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

Debt Service (excluding nonprofits)

21. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.
22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants.

Comment: This section was not tested in the current year due to no exceptions in the prior year.

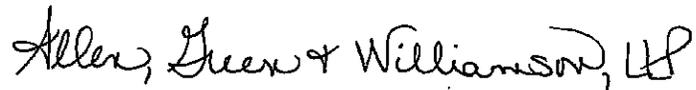
Other

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

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

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

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

A handwritten signature in black ink that reads "Allen, Green & Williamson, LLP". The signature is written in a cursive, flowing style.

Allen, Green & Williamson, LLP

Monroe, Louisiana
July 1, 2019