

**Jackson Parish Police Jury
Jonesboro, Louisiana**

**Annual Financial Report
As of and for the Year Ended December 31, 2017**

Jackson Parish Police Jury

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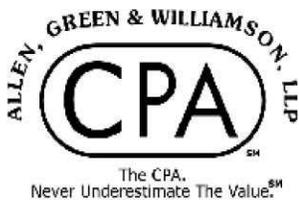
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Jackson Parish Police Jury

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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, 2017, 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 of the Police Jury's legally separate component units. Accounting principles generally accepted in the United States of America require the financial data for those component units to be reported with the financial data of the Police Jury's primary government unless the Police Jury also issues financial statements for the financial reporting entity that include the financial data for its component units. The Police Jury has not issued such reporting entity financial statements. The amount by which this departure would affect the assets, 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, 2017, or the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions

In our opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Police Jury as of December 31, 2017, 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, 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

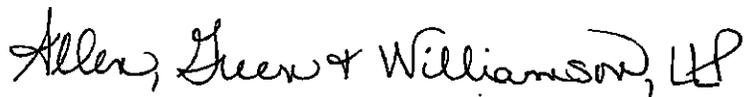
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of the Police Jury’s primary government. The accompanying supplementary information and other information, as listed in the table of contents, are presented 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 June 26, 2018 on our consideration of the Police Jury's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Police Jury's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Police Jury's internal control over financial reporting and compliance.



ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
June 26, 2018

**Jackson Parish Police Jury
Jonesboro, Louisiana**

REQUIRED SUPPLEMENTARY INFORMATION

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

**Jackson Parish Police Jury
Management's Discussion and Analysis (MD&A)
December 31, 2017**

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, 2017.

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 2017 by \$29,426 thousand (net position). Of this amount, \$2,970 thousand 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 \$253 thousand mainly because a decrease in capital assets, net of depreciation expense offset by an increase in revenues.

Total spending for all our governmental activities was \$9,750 thousand 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 \$264 thousand, finance and administrative \$410 thousand, other general government \$521 thousand, public safety \$752 thousand, public works \$5,324 thousand, and culture and recreation \$1,355 thousand.

At the end of 2017, the Police Jury's governmental funds reported a combined fund balances of \$16,123 thousand, a decrease of \$145 thousand in comparison with prior year. \$2,508 thousand or 15.6% 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 \$3,293 thousand, or approximately 146.0% of total general fund expenditures.

NEW GASB STANDARDS In fiscal year 2017, the Police Jury adopted the following statement of financial accounting standard issued by the Governmental Accounting Standards Board:

- *Statement No. 82 – Pension Issues:* This Statement establishes standards to improve consistency in the application of pension accounting and financial reporting requirements by addressing certain issues that have been raised with respect to statements No. 67, No. 68, and No. 73. This Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements.

The adoption of this standard had no impact on the government-wide or the governmental fund financial statements.

**Jackson Parish Police Jury
Management's Discussion and Analysis (MD&A)
December 31, 2017**

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.

Required Supplementary Information

Management's Discussion & Analysis (MD&A)

Basic Financial Statements

**Government-wide
Financial Statements**



**Fund
Financial Statements**

Notes to the Financial Statements

Required Supplementary Information

**Schedule of Employer's Proportionate Share of the Net Pension Liability
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*

Jackson Parish Police Jury
Management's Discussion and Analysis (MD&A)
December 31, 2017

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 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

Jackson Parish Police Jury
Management's Discussion and Analysis (MD&A)
December 31, 2017

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.

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 \$29,426 thousand. 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)

	<u>2017</u>	<u>2016</u>	<u>Variance</u>	Percentage of Change
Other assets	\$ 16,843	\$ 16,738	\$ 105	0.6
Capital assets	<u>15,963</u>	<u>16,457</u>	<u>(494)</u>	(3.0)
Total assets	<u>32,806</u>	<u>33,195</u>	<u>(389)</u>	(1.2)
Deferred outflows of resources	<u>819</u>	<u>1,135</u>	<u>(316)</u>	(27.8)
Other liabilities	396	388	8	2.1
Long-term liabilities	<u>3,691</u>	<u>4,127</u>	<u>(436)</u>	(10.6)
Total liabilities	<u>4,087</u>	<u>4,515</u>	<u>(428)</u>	(9.5)
Deferred inflows of resources	<u>112</u>	<u>136</u>	<u>(24)</u>	(17.6)
Net position				
Net investment in capital assets	13,498	13,722	(224)	(1.6)
Restricted	12,958	12,580	378	3.0
Unrestricted	<u>2,970</u>	<u>3,377</u>	<u>(407)</u>	(12.1)
Total net position	<u>\$ 29,426</u>	<u>\$ 29,679</u>	<u>\$ (253)</u>	(0.9)

The largest portion of the Police Jury's net position (\$13,498 thousand or 45.9%) 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 (\$12,958 thousand or 44.0%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$2,970 thousand 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 \$253 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, 2017

Governmental Activities During the current fiscal year, net position for the governmental activities decreased \$253 thousand from the prior fiscal year for an ending balance of \$29,426 thousand. The Police Jury's governmental activities experienced an increase in revenues of \$264 thousand. This change can mainly be attributed to an increase in miscellaneous revenues from contractor reimbursement payments for damaged roads. Expenses increased \$365 thousand or 3.9% to \$9,750 thousand from the \$9,385 thousand reported in the prior fiscal year. In comparison with prior year, this change can be attributed to an increase in maintenance and repair expenses, an increase in our net pension liability expense and an increase in the cost of incarceration of prisoners at the parish detention center.

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

	<u>2017</u>	<u>2016</u>	<u>Variance</u>	<u>Percent of Change</u>
Revenues:				
Program revenues:				
Charges for services	\$ 208	\$ 218	\$ (10)	(4.6)
Operating grants and contributions	440	598	(158)	(26.4)
General revenues:				
Ad valorem taxes	5,137	4,955	182	3.7
Sales taxes	2,197	2,368	(171)	(7.2)
Severance taxes	706	621	85	13.7
Interest and investment earnings	131	66	65	98.5
Miscellaneous	<u>678</u>	<u>407</u>	<u>271</u>	66.6
Total revenues	<u>9,497</u>	<u>9,233</u>	<u>264</u>	2.9
Functions/Program Expenses:				
General government:				
Legislative	135	129	6	4.7
Judicial	298	272	26	9.6
Elections	29	60	(31)	(51.7)
Finance and administrative	410	282	128	45.4
Other general government	530	424	106	25.0
Public safety	803	723	80	11.1
Public works	5,793	5,598	195	3.5
Health and welfare	272	289	(17)	(5.9)
Culture and recreation	1,439	1,565	(126)	(8.1)
Interest on long-term debt	<u>41</u>	<u>43</u>	<u>(2)</u>	(4.7)
Total expenses	<u>9,750</u>	<u>9,385</u>	<u>365</u>	3.9
Increase (decrease) in net position	(253)	(152)	(101)	(66.4)
Net Position, beginning	<u>29,679</u>	<u>29,831</u>	<u>(152)</u>	(0.5)
Net Position, ending	<u>\$ 29,426</u>	<u>\$ 29,679</u>	<u>\$ (253)</u>	(0.9)

**Jackson Parish Police Jury
Management's Discussion and Analysis (MD&A)
December 31, 2017**

As reported in the Statement of Activities, the cost of all of our governmental activities this year was \$9,750 thousand, the amount that our taxpayers ultimately financed for these activities through Police Jury taxes and other general revenue was only \$9,102 thousand because some of the cost was paid by other governments and organizations who subsidized certain programs with grants and contributions \$440 thousand; also charges for services totaled \$208 thousand.

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, 2017 – 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 2017	Net Cost of Services 2017	Total Cost of Services 2016	Net Cost of Services 2016
Judicial	\$ 298	\$ 264	\$ 272	\$ 225
Finance and administration	410	410	282	282
Other general government	530	521	424	333
Public safety	803	752	723	697
Public works	5,793	5,324	5,598	5,053
Culture and recreation	1,439	1,355	1,565	1,456
All others	477	476	521	522
Totals	\$ 9,750	\$ 9,102	\$ 9,385	\$ 8,568

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 \$16,123 thousand which is a decrease of \$145 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 \$301 thousand from the \$3,615 thousand reported in prior year to \$3,314 thousand. This decrease is mainly due to increased expenses for building improvements, the hiring of administrative staff, and an increase in the costs of incarceration of prisoners at the parish detention center.

The Road Fund is our road maintenance fund. The fund balance in the Road Fund increased from \$3,266 thousand to \$3,471 thousand. This increase was due to increased miscellaneous revenues from contractor reimbursement payments for damaged roads in the current year.

Jackson Parish Police Jury
Management's Discussion and Analysis (MD&A)
December 31, 2017

Our Solid Waste Fund is used to collect, dispose, and maintain garbage throughout Jackson Parish. The fund balance in the Solid Waste Fund decreased from \$1,097 thousand to \$926 thousand. This decrease was mainly due to the increase in equipment purchases and repairs in the current year.

Our Library Fund accounts for the Parish Library activities. The fund balance increased from \$2,917 thousand to \$3,432 thousand mainly due to the continuation of the Library's revenues exceeding its expenditures. There were no significant changes in the current year from prior year.

Our Asphalt Fund accounts for asphaltting parish roads. The fund balance in the Asphalt Fund decreased from \$3,110 thousand to \$2,779 thousand. This decrease was due to an increase in equipment purchases and repairs in the current year.

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, decreased from \$2,264 thousand to \$2,201 thousand or 2.8% 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 actual amounts available for appropriations for the General Fund were \$80 thousand more than the amount budgeted. This was mainly due to special project appropriations to municipalities based on specific needs. The Jury deemed it prudent to budget conservatively. Actual charges to appropriations were \$81 thousand less than budgeted mainly due to management and the jury's conservative approach to utilizing the taxpayer's dollars in an efficient manner.

The amounts available for appropriations for the General Fund final budget were \$1,838 thousand 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 2016. 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 \$200 thousand more than the original budget. This was due mainly to projects and appropriations that were not planned prior to be adoption of the 2017 budget.

**Jackson Parish Police Jury
Management's Discussion and Analysis (MD&A)
December 31, 2017**

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets At December 31, 2017, the Police Jury had \$15,963 thousand 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 \$494 thousand or 3.0%, from last year.

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

	2017	2016
Land	\$ 434	\$ 434
Buildings & Improvements	6,060	6,222
Vehicles	878	702
Equipment/Machinery/Furniture	1,161	1,245
Infrastructure/Roads	7,430	7,854
Total net capital assets	\$ 15,963	\$ 16,457

The infrastructure/road classification includes \$1,097 thousand in additions for resurfacing of parish roads. See Note 5 for further information regarding capital assets of the Police Jury at December 31, 2017.

Debt

At the end of this year, the Police Jury had \$2,465 thousand in certificates of indebtedness outstanding versus \$2,735 thousand last year, a decrease of 9.9%. The certificates are payable over the next 8 years.

The Police Jury also has an obligation for the landfill closure liability at year end. The landfill liability is \$422 thousand. We present more detailed information about our long-term liabilities in Note 8 and Note 10 in the Notes to the Financial Statements.

The Policy Jury also has liabilities accrued for compensated absences (Note 7) and net pension liability (Note 6). 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 2018 based on historical data. 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 pending legislation could substantially have an adverse effect on the 2018 General Fund. This 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, 2017

Statement A

PRIMARY GOVERNMENT
GOVERNMENTAL
ACTIVITIES

ASSETS:	
Cash and cash equivalents	\$ 11,378,946
Receivables	5,452,171
Inventories	1,486
Prepaid items	10,928
Capital assets:	
Land	433,912
Capital assets, net of depreciation	<u>15,528,930</u>
TOTAL ASSETS	<u>32,806,373</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	<u>819,211</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>819,211</u>
LIABILITIES	
Accounts payable	362,159
Security deposits	34,021
Long-term liabilities	
Due within one year	412,195
Due in more than one year	<u>3,279,227</u>
TOTAL LIABILITIES	<u>4,087,602</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pensions	<u>112,304</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>112,304</u>
NET POSITION	
Net investment in capital assets	13,497,842
Restricted for:	
Road maintenance (Road, Sales Tax and Asphalt Funds)	6,943,843
Waste management	926,218
Library	3,527,819
Health unit	374,335
Landfill closure	564,005
Tourism	52,587
Pavilion/Riding Arena	254,541
Grand jury and witness fees	18,094
Debt Service	296,039
Unrestricted	<u>2,970,355</u>
TOTAL NET POSITION	<u>\$ 29,425,678</u>

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

JACKSON PARISH POLICE JURY

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2017

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			Statement B
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	PRIMARY GOVERNMENT GOVERNMENTAL ACTIVITIES
				NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION
<i>Primary Government: Governmental Activities:</i>				
General government:				
Legislative	\$ 134,868	\$ -	\$ -	\$ (134,868)
Judicial	297,779	23,468	10,187	(264,124)
Elections	28,851	-	-	(28,851)
Finance and administrative	410,307	-	-	(410,307)
Other general government	529,830	8,665	-	(521,165)
Public safety	803,182	-	51,240	(751,942)
Public works	5,793,577	147,638	322,351	(5,323,588)
Health and welfare	271,980	-	-	(271,980)
Culture and recreation	1,439,086	28,118	56,270	(1,354,698)
Interest on long-term debt	40,624	-	-	(40,624)
Total Governmental Activities	<u>\$ 9,750,084</u>	<u>\$ 207,889</u>	<u>\$ 440,048</u>	<u>(9,102,147)</u>
General revenues:				
Taxes:				
Property taxes				5,137,368
Sales taxes				2,197,378
State revenue sharing				94,998
Severance tax				706,292
Miscellaneous taxes				155,250
Licenses and permits				12,415
Interest and investment earnings				131,120
Miscellaneous				414,460
Total general revenues				<u>8,849,281</u>
Changes in net position				(252,866)
Net position- beginning				<u>29,678,544</u>
Net position - ending				<u>\$ 29,425,678</u>

THE NOTES TO THE BASIC 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, 2017

	GENERAL	ROAD FUND	SOLID WASTE	LIBRARY
ASSETS:				
Cash and cash equivalents	\$ 2,310,462	\$ 2,572,931	\$ 687,074	\$ 2,003,674
Receivables	1,222,661	1,097,397	294,218	1,541,319
Inventories	-	-	-	1,486
Prepaid items	2,368	-	-	8,560
TOTAL ASSETS	3,535,491	3,670,328	981,292	3,555,039
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	150,030	94,018	55,074	17,174
Security deposits	3,035	30,986	-	-
Total Liabilities	153,065	125,004	55,074	17,174
Deferred Inflows of Resources:				
Unavailable revenue-property taxes	68,830	73,917	-	105,858
Total Deferred Inflows of Resources	68,830	73,917	-	105,858
Fund Balances:				
Nonspendable	2,368	-	-	10,046
Restricted	18,094	3,471,407	926,218	3,421,961
Committed	784,643	-	-	-
Unassigned	2,508,491	-	-	-
Total fund balances	3,313,596	3,471,407	926,218	3,432,007
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 3,535,491	\$ 3,670,328	\$ 981,292	\$ 3,555,039

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

Statement C

ASPHALT FUND	NONMAJOR GOVERNMENTAL	TOTAL
\$ 1,926,499	\$ 1,878,306	\$ 11,378,946
936,317	360,259	5,452,171
-	-	1,486
-	-	10,928
<u>2,862,816</u>	<u>2,238,565</u>	<u>16,843,531</u>
19,369	26,494	362,159
-	-	34,021
<u>19,369</u>	<u>26,494</u>	<u>396,180</u>
<u>64,307</u>	<u>11,306</u>	<u>324,218</u>
<u>64,307</u>	<u>11,306</u>	<u>324,218</u>
-	-	12,414
2,779,140	2,085,273	12,702,093
-	115,492	900,135
-	-	2,508,491
<u>2,779,140</u>	<u>2,200,765</u>	<u>16,123,133</u>
<u>\$ 2,862,816</u>	<u>\$ 2,238,565</u>	<u>\$ 16,843,531</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, 2017**

Statement D

Total fund balances - governmental funds \$ 16,123,133

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	\$ 41,033,501	
Accumulated depreciation	<u>(25,070,659)</u>	15,962,842

Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as deferred inflows of resources - unavailable revenue in the governmental funds. 324,218

Deferred outflows of resources are not available to pay current period expenditures and therefore, are not reported in the governmental funds. 819,211

Deferred inflows of resources are not due and payable in the current period and accordingly are not reported in the governmental funds. (112,304)

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

Balances at December 31, 2017 are:

Long-term liabilities		
Certificates of indebtedness	(2,465,000)	
Net pension liability	(608,607)	
Compensated absences payable	(195,815)	
Estimated liability for landfill closure	<u>(422,000)</u>	<u>(3,691,422)</u>

Net position of governmental activities \$ 29,425,678

JACKSON PARISH POLICE JURY

GOVERNMENTAL FUNDS
 Statement of Revenues, Expenditures,
 and Changes in Fund Balances
 For the Year Ended December 31, 2017

	GENERAL	ROAD FUND	SOLID WASTE	LIBRARY
REVENUES				
Local sources:				
Taxes:				
Ad valorem	\$ 1,038,401	\$ 1,118,162	\$ -	\$ 1,597,037
Sales and use	-	-	1,318,427	-
Other taxes, penalties and interest	155,250	-	-	-
Licenses and permits	12,415	-	-	-
Intergovernmental revenues:				
State funds:				
Severance taxes	706,292	-	-	-
Parish transportation funds	-	255,426	-	-
State revenue sharing	21,144	22,489	-	31,779
State aid grants	77,112	-	-	2,750
Federal revenue	51,240	-	-	-
Fees, charges, and commissions for services	22,074	-	147,638	28,118
Fines and forfeitures	10,059	-	-	-
Miscellaneous revenues	31,101	289,894	52,605	6,578
Use of money and property	29,608	31,498	8,629	17,558
	<u>2,154,696</u>	<u>1,717,469</u>	<u>1,527,299</u>	<u>1,683,820</u>
Total Revenues				
EXPENDITURES				
Current:				
General government:				
Legislative	127,427	-	-	-
Judicial	282,224	-	-	-
Elections	25,413	-	-	-
Finance and administrative	388,358	-	-	-
Other general government	512,089	-	-	-
Public safety	757,113	-	-	-
Public works	30,106	1,288,921	1,580,192	-
Health and welfare	110,088	-	-	-
Culture and recreation	22,792	-	-	1,168,363
Capital outlay	-	1,284,040	117,846	-
Debt service:				
Principal retirement	-	-	-	-
Interest and bank charges	-	-	-	-
	<u>2,255,610</u>	<u>2,572,961</u>	<u>1,698,038</u>	<u>1,168,363</u>
Total Expenditures				
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES				
	<u>\$ (100,914)</u>	<u>\$ (855,492)</u>	<u>\$ (170,739)</u>	<u>\$ 515,457</u>

Statement E		
ASPHALT FUND	NONMAJOR GOVERNMENTAL	TOTAL
\$ 970,170	\$ 170,579	\$ 4,894,349
-	878,951	2,197,378
-	-	155,250
-	-	12,415
-	-	706,292
-	-	255,426
19,586	-	94,998
-	53,520	133,382
-	-	51,240
-	-	197,830
-	-	10,059
1,451	255	381,884
23,959	19,868	131,120
<u>1,015,166</u>	<u>1,123,173</u>	<u>9,221,623</u>
-	-	127,427
-	-	282,224
-	-	25,413
-	-	388,358
-	-	512,089
-	-	757,113
784,010	84,564	3,767,793
-	136,441	246,529
-	65,884	1,257,039
111,799	188,797	1,702,482
-	270,000	270,000
-	40,624	40,624
<u>895,809</u>	<u>786,310</u>	<u>9,377,091</u>
<u>\$ 119,357</u>	<u>\$ 336,863</u>	<u>\$ (155,468)</u>

(Continued)

JACKSON PARISH POLICE JURY

GOVERNMENTAL FUNDS
 Statement of Revenues, Expenditures,
 and Changes in Fund Balances
 For the Year Ended December 31, 2017

	<u>GENERAL</u>	<u>ROAD FUND</u>	<u>SOLID WASTE</u>	<u>LIBRARY</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ 1,050,000	\$ -	\$ -
Transfers out	(200,000)	-	-	-
Insurance proceeds	-	10,747	-	-
Total Other Financing Sources (Uses)	<u>(200,000)</u>	<u>1,060,747</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(300,914)	205,255	(170,739)	515,457
FUND BALANCES - BEGINNING	<u>3,614,510</u>	<u>3,266,152</u>	<u>1,096,957</u>	<u>2,916,550</u>
FUND BALANCES - ENDING	<u>\$ 3,313,596</u>	<u>\$ 3,471,407</u>	<u>\$ 926,218</u>	<u>\$ 3,432,007</u>

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

Statement E		
ASPHALT FUND	NONMAJOR GOVERNMENTAL	TOTAL
\$ -	\$ 560,000	\$ 1,610,000
(450,000)	(960,000)	(1,610,000)
-	-	10,747
(450,000)	(400,000)	10,747
(330,643)	(63,137)	(144,721)
3,109,783	2,263,902	16,267,854
<u>\$ 2,779,140</u>	<u>\$ 2,200,765</u>	<u>\$ 16,123,133</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, 2017**

		Statement F
Total net change in fund balances - governmental funds		\$ (144,721)
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	\$ 1,878,711	
Depreciation expense	<u>(2,373,050)</u>	(494,339)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		243,019
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.		270,000
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.		(104,614)
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).		(22,211)
		<hr/>
Change in net position of governmental activities.		<u><u>\$ (252,866)</u></u>

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

Jackson Parish Police Jury
Notes to the Financial Statements
December 31, 2017

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Jackson Parish Police Jury
Notes to the Financial Statements
December 31, 2017

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, 2017**

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, 2017	1a
Not included within the reporting entity:			
Jackson Parish Hospital Service District #1	Not included	September 30, 2016	1a
Jackson Parish Recreation District	Not included	December 31, 2017	1a
Ward 2 Fire Protection District	Not included	December 31, 2017	1a
Ward 3 Fire Protection District	Not included	December 31, 2017	1a
Ward 4 Fire Protection District	Not included	December 31, 2017	1a
Quitman Fire Protection District No. 1	Not included	December 31, 2017	1a
Jonesboro Fire Protection District No. 1	Not included	June 30, 2017	1a
Jackson Parish Ambulance Service District	Not included	December 31, 2017	1a
Jackson Parish Watershed District	Not included	December 31, 2017	1a
Jackson Parish Assessor	Not included	December 31, 2017	2
Jackson Parish Clerk of Court	Not included	June 30, 2017	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, 2017

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

Jackson Parish Police Jury
Notes to the Financial Statements
December 31, 2017

and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

With this measurement focus, only current assets 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.

**Jackson Parish Police Jury
Notes to the Financial Statements
December 31, 2017**

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.

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.

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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.

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.

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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.

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

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.

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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.

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 - 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	August 7, 2017
Tax bills mailed	On or about November 1, 2017
Due date	December 31, 2017
Lien date	January 1, 2018
Tax sale – 2017 delinquent property	May 16, 2017

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 \$244,727,840 in calendar year 2017. 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 \$20,631,280 of the assessed value in calendar year 2017.

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, 2017:

	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	2018
Health Unit	0.80	0.80	2022
Forest protection	8 cents/acre	8 cents/acre	-

NOTE 3 - CASH DEPOSITS At December 31, 2017, the Police Jury had cash and cash equivalents (book balances) of \$11,378,946.

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, 2017, the Police Jury had a bank balance of \$11,638,532, of which \$11,138,532 was exposed to custodial credit risk. Of the \$11,138,532 exposed to custodial credit risk, \$10,725,982 was collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Police Jury's name and \$412,550 was uncollateralized.

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

NOTE 4 - RECEIVABLES The following is a summary of receivables at December 31, 2017:

	Ad Valorem	Sales Tax	Federal	State	Other local	Total
General Fund	\$ 1,002,169	\$ -	\$ 28,196	\$ 187,418	\$ 4,878	\$ 1,222,661
Road Fund	1,076,249	-	-	21,148	-	1,097,397
Solid Waste	-	293,449	-	-	769	294,218
Library	1,541,319	-	-	-	-	1,541,319
Asphalt Fund	936,317	-	-	-	-	936,317
Nonmajor Governmental	164,626	195,633	-	-	-	360,259
Total	<u>\$ 4,720,680</u>	<u>\$ 489,082</u>	<u>\$ 28,196</u>	<u>\$ 208,566</u>	<u>\$ 5,647</u>	<u>\$ 5,452,171</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 accounts receivable is expected to be collected in full; no allowance for doubtful accounts has been established.

NOTE 5 - CAPITAL ASSETS The following schedule presents changes in capital assets for the Police Jury:

	Balance Beginning	Additions	Deletions	Balance Ending
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	9,440,525	96,379	-	9,536,904
Vehicles	2,731,756	336,569	43,848	3,024,477
Equipment/Machinery/Furniture	4,234,875	349,081	64,692	4,519,264
Infrastructure/Roads	22,422,262	1,096,682	-	23,518,944
Total capital assets, being depreciated	<u>38,829,418</u>	<u>1,878,711</u>	<u>108,540</u>	<u>40,599,589</u>
Less accumulated depreciation:				
Buildings & Improvements	3,218,306	258,632	-	3,476,938
Vehicles	2,030,282	160,226	43,848	2,146,660
Equipment/Machinery/Furniture	2,989,545	433,483	64,692	3,358,336
Infrastructure/Roads	14,568,016	1,520,709	-	16,088,725
Total	<u>22,806,149</u>	<u>2,373,050</u>	<u>108,540</u>	<u>25,070,659</u>
Total capital assets, being depreciated, net	<u>16,023,269</u>	<u>(494,339)</u>	<u>-</u>	<u>15,528,930</u>
Governmental activities capital assets net	<u>\$16,457,181</u>	<u>\$ (494,339)</u>	<u>\$ -</u>	<u>\$15,962,842</u>

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

Legislative	\$ 7,441
Judicial	15,555
Elections	3,438
Finance and administrative	15,977
Other general government	23,309
Public safety	46,069
Public works	1,966,553
Health and welfare	21,227
Culture and recreation	273,481
Total	<u><u>\$ 2,373,050</u></u>

NOTE 6 - 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.

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

A member is eligible to retire and receive disability benefits if the member has at least 5 years of creditable service, 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.

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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.

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, 2017, the actuarially determined contribution rate was 9.35% of member's compensation. However, the actual rate for fiscal year ending December 31, 2017 was 12.5% or \$230,789. 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 \$21,829 and was recognized as revenue by the Police Jury.

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

At December 31, 2017, the Police Jury reported a liability of \$608,607 for its proportionate share of the Net Pension Liability (NPL). The NPL was measured as of December 31, 2016, and the total pension liabilities 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, 2016, the most recent measurement date, the Police Jury's proportions and the changes in proportion from the prior measurement date were 0.29551%, or a decrease of 0.00699%.

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For the year ended December 31, 2017, the Police Jury recognized a total pension expense of \$357,232. 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:

	Deferred Outflows	Deferred Inflows
Differences between expected and actual experience	\$ -	\$ 106,500
Changes in assumptions	115,547	-
Net difference between projected and actual earnings on pension plan investments	472,301	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	574	5,804
Employer contributions subsequent to the measurement date	230,789	-
Total	\$ 819,211	\$ 112,304

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

2018	\$ 174,608
2019	190,246
2020	124,025
2021	(12,761)

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Actuarial Assumptions

The total pension liability for PERS in the December 31, 2016, actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurements:

Valuation Date	December 31, 2016
Actuarial Cost Method	Entry Age Normal Cost
Expected Remaining Service Lives	4 years
Investment Rate of Return	7.00%
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

Discount Rate: The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers and non-employer contributing entities will be made at the actuarially determined 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 long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the CAPM pricing model (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward looking basis in equilibrium, in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.00% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.66% for the year ended December 31, 2016.

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

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Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed income	35%	1.24%
Equity	52%	3.63%
Alternatives	11%	0.67%
Real assets	2%	0.12%
Total	100%	5.66%
Inflation		2.00%
Expected arithmetic nominal return		7.66%

Sensitivity of the proportionate share of the NPL to changes in the discount rate. The following presents the Police Jury's proportionate share of the NPL 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:

<u>1.0% Decrease</u>	<u>Current Discount Rate</u>	<u>1.0% Increase</u>
\$ 1,820,587	\$ 608,607	\$ (416,160)

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, 2017, the Police Jury had \$9,881 in payables for the December 2017 employee and employer legally required contributions.

NOTE 7 - COMPENSATED ABSENCES Employees of the Police Jury had accumulated and vested \$195,815 of employee leave benefits at December 31, 2017, which includes \$2,799 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 8 - LONG-TERM LIABILITIES The following is a summary of the long-term liabilities transactions and balances for the year ended December 31, 2017:

	Beginning Balance	Additions	Deletions	Ending Balance	Amounts Due Within One Year
Governmental activities:					
Certificate of indebtedness	\$ 2,735,000	\$ -	\$ 270,000	\$ 2,465,000	\$ 280,000
Net pension liability	796,267	40,170	227,830	608,607	-
Compensated absences	173,604	154,406	132,195	195,815	132,195
Estimated liability for landfill closure	422,000	-	-	422,000	-
Total Long-term liabilities	\$ 4,126,871	\$ 194,576	\$ 630,025	\$ 3,691,422	\$ 412,195

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.

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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:

<u>Year Ending December 31,</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total</u>
2018	\$ 280,000	\$ 37,925	\$ 317,925
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
2023-2025	990,000	30,169	1,020,169
	<u>\$ 2,465,000</u>	<u>\$ 182,505</u>	<u>\$ 2,647,505</u>

NOTE 9 - LEASES The Jackson Parish Police Jury had the following operating leases for the fiscal year ended December 31, 2017:

<u>Asset</u>	<u>Contract Date</u>	<u>Term</u>	<u>Monthly Rental</u>	<u>Minimum Rental Payment for December 31, 2017</u>
Volvo Trackhoe	March 25, 2015	48 months	\$ 2,425	\$ 29,100
Volvo ECR Compact Excavator	October 21, 2015	36 months	2,200	26,400
Two Caterpillar 12M3 Roadgraders	January 13, 2016	36 months	1,900	22,800
Caterpillar 2016 CT660	April 28, 2016	36 months	1,500	18,000
John Deere Bull Dozer	November 29, 2016	48 months	1,348	16,173
Total				<u>\$ 112,473</u>

The future minimum rental payments are as follows:

	<u>Future Minimum Rental Payment</u>
2018	\$ 105,873
2019	27,948
2020	13,477
Total	<u>\$ 147,298</u>

NOTE 10 - 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.

**Jackson Parish Police Jury
Notes to the Financial Statements
December 31, 2017**

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 2036. The current permit expires during 2019.

The estimated liability for landfill closure and post closure care costs has a balance of \$422,000 as of December 31, 2017, which is based on 65% 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 \$647,600. 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, 2017. 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 \$584,005 of the estimated closure costs as of December 31, 2017.

NOTE 11 - INTERFUND TRANSACTIONS

Transfers In/Out: Operating transfers for the year ended December 31, 2017, were as follows:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
Road Fund	Asphalt Fund	\$ 450,000
Road Fund	Nonmajor Governmental	600,000
Nonmajor Governmental	Nonmajor Governmental	360,000
Nonmajor Governmental	General Fund	200,000
Totals		<u>\$ 1,610,000</u>

The purpose of the interfund transfers are as follows:

- General fund transferred \$200,000 to the Nonmajor Governmental (Capital Fund) to commit funds for current year and future capital projects.
- The Nonmajor Governmental fund (Road Sales Tax Fund) transferred \$600,000 and the Asphalt Fund transferred \$450,000 to the Road Fund to fund current year road projects.
- The Nonmajor Governmental fund (Road Sales Tax Fund) transferred \$360,000 to Nonmajor Governmental (Debt Service Fund) for principal and interest payments.

NOTE 12 - LITIGATION AND CLAIMS

Litigation - Per legal counsel, the Police Jury was not involved in any lawsuits at December 31, 2017.

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 13 - 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, 2017**

NOTE 14 - FUND BALANCE CLASSIFICATION DETAILS

	General	Road Fund	Solid Waste	Library	Asphalt Fund	Nonmajor Governmental	Total
Nonspendable:							
Inventories	\$ -	\$ -	\$ -	\$ 1,486	\$ -	\$ -	\$ 1,486
Prepaid items	2,368	-	-	8,560	-	-	10,928
Restricted:							
Road maintenance	-	3,471,407	-	-	2,779,140	555,072	6,805,619
Solid waste	-	-	926,218	-	-	-	926,218
Library	-	-	-	3,421,961	-	-	3,421,961
Health unit	-	-	-	-	-	363,029	363,029
Landfill closure	-	-	-	-	-	564,005	564,005
Tourism	-	-	-	-	-	52,587	52,587
Pavilion/Riding Arena	-	-	-	-	-	254,541	254,541
Court and witness fees	18,094	-	-	-	-	-	18,094
Debt service	-	-	-	-	-	296,039	296,039
Committed:							
Contingencies	784,643	-	-	-	-	-	784,643
Facility improvements	-	-	-	-	-	115,492	115,492
Unassigned	2,508,491	-	-	-	-	-	2,508,491
Total	\$ 3,313,596	\$ 3,471,407	\$ 926,218	\$ 3,432,007	\$ 2,779,140	\$ 2,200,765	\$ 16,123,133

NOTE 15 - 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, 2017 by authorized millage is as follows:

Tax Code	Millage	Assessed Valuate Lost to ITEP	Estimated Tax Dollar Lost to ITEP
Parish general	4.87	\$ 21,098,160	\$ 102,748
Roads & bridges	5.23	21,098,160	110,343
Roads asphalt/paving	4.55	21,098,160	95,997
Library & bookmobile	7.49	21,098,160	158,025
Health Unit	0.80	21,098,160	16,879
			\$ 483,992

**Jackson Parish Police Jury
Notes to the Financial Statements
December 31, 2017**

NOTE 16 - NEW GASB STANDARDS In fiscal year 2017, the Police Jury adopted the following statement of financial accounting standard issued by the Governmental Accounting Standards Board:

- *Statement No. 82 – Pension Issues:* This Statement establishes standards to improve consistency in the application of pension accounting and financial reporting requirements by addressing certain issues that have been raised with respect to statements No. 67, No. 68, and No. 73. This Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements.

The adoption of this standard had no impact on the government-wide or the governmental fund financial statements.

NOTE 17 - CHANGE IN FINANCIAL STATEMENT PRESENTATION The following funds were reported as major funds for the fiscal years ended December 31,:

Governmental Fund:	2017	2016
General Fund	Yes	Yes
Road Fund	Yes	Yes
Solid Waste	Yes	Yes
Library	Yes	Yes
Asphalt Fund	Yes	Yes
Road Sales Tax	No	Yes

REQUIRED SUPPLEMENTARY INFORMATION

Jackson Parish Police Jury

**Schedule of Employer's Proportionate Share of the Net Pension Liability
Last Three Years**

Exhibit 1-1

<u>Fiscal Year</u>	<u>Employer's Proportion of the Net Pension Liability</u>	<u>Employer's Share of the Net Pension Liability</u>	<u>Employer's Covered Payroll</u>	<u>Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
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%

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 Three 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%

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, an investment rate of return of 7.00% and an inflation rate of 2.50% were used and 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.

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, 2017

Exhibit 2-1

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		POSITIVE (NEGATIVE)
BUDGETARY FUND BALANCES, BEGINNING	\$ 1,812,178	\$ 3,614,510	\$ 3,614,510	\$ -
Resources (inflows)				
Local sources:				
Taxes:				
Ad valorem	1,000,000	1,000,000	1,038,401	38,401
Other taxes, penalties and interest	159,000	155,204	155,250	46
Licenses and permits	8,600	9,600	12,415	2,815
Intergovernmental revenues:				
State funds:				
Severance taxes	650,000	650,000	706,292	56,292
State revenue sharing	22,000	22,000	21,144	(856)
State aid grants	63,000	89,775	77,112	(12,663)
Federal revenue	53,000	51,000	51,240	240
Fees, charges, and commissions for services	29,900	32,400	22,074	(10,326)
Fines and forfeitures	12,500	12,500	10,059	(2,441)
Miscellaneous revenues	30,050	28,750	31,101	2,351
Use of money and property	10,900	23,400	29,608	6,208
Amounts available for appropriations	<u>3,851,128</u>	<u>5,689,139</u>	<u>5,769,206</u>	<u>80,067</u>
Charges to appropriations (outflows)				
Current:				
General government:				
Legislative	132,500	144,000	127,427	16,573
Judicial	284,400	271,900	282,224	(10,324)
Elections	33,200	48,200	25,413	22,787
Finance and administrative	372,500	360,500	388,358	(27,858)
Other general government	521,000	582,500	512,089	70,411
Public safety	794,700	767,214	757,113	10,101
Public works	-	9,690	30,106	(20,416)
Health and welfare	110,600	121,900	110,088	11,812
Culture and recreation	38,000	31,000	22,792	8,208
Transfers to other funds	50,000	200,000	200,000	-
Total charges to appropriations	<u>2,336,900</u>	<u>2,536,904</u>	<u>2,455,610</u>	<u>81,294</u>
BUDGETARY FUND BALANCES, ENDING	<u>\$ 1,514,228</u>	<u>\$ 3,152,235</u>	<u>\$ 3,313,596</u>	<u>\$ 161,361</u>

JACKSON PARISH POLICE JURY

ROAD FUND
 Budgetary Comparison Schedule
 For the Year Ended December 31, 2017

Exhibit 2-2

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
BUDGETARY FUND BALANCES, BEGINNING	\$ 2,513,923	\$ 3,266,152	\$ 3,266,152	\$ -
Resources (inflows)				
Local sources:				
Taxes:				
Ad valorem	1,000,000	1,000,000	1,118,162	118,162
Intergovernmental revenues:				
State funds:				
Parish transportation funds	150,000	240,000	255,426	15,426
State revenue sharing	22,000	22,000	22,489	489
Miscellaneous revenues	1,500	288,500	289,894	1,394
Use of money and property	14,250	26,750	31,498	4,748
Insurance Proceeds	-	11,000	10,747	(253)
Transfers from other funds	900,000	1,050,000	1,050,000	-
Amounts available for appropriations	<u>4,601,673</u>	<u>5,904,402</u>	<u>6,044,368</u>	<u>139,966</u>
Charges to appropriations (outflows)				
Current:				
Public works	1,288,500	1,421,650	1,288,921	132,729
Capital outlay	<u>1,157,500</u>	<u>1,266,850</u>	<u>1,284,040</u>	<u>(17,190)</u>
Total charges to appropriations	<u>2,446,000</u>	<u>2,688,500</u>	<u>2,572,961</u>	<u>115,539</u>
BUDGETARY FUND BALANCES, ENDING	<u>\$ 2,155,673</u>	<u>\$ 3,215,902</u>	<u>\$ 3,471,407</u>	<u>\$ 255,505</u>

JACKSON PARISH POLICE JURY

SOLID WASTE FUND
 Budgetary Comparison Schedule
 For the Year Ended December 31, 2017

Exhibit 2-3

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
BUDGETARY FUND BALANCES, BEGINNING	\$ 876,272	\$ 1,096,957	\$ 1,096,957	\$ -
Resources (inflows)				
Local sources:				
Taxes:				
Sales and use	1,200,000	1,200,000	1,318,427	118,427
Fees, charges, and commissions for services	125,000	135,500	147,638	12,138
Miscellaneous revenues	49,000	53,500	52,605	(895)
Use of money and property	2,500	6,500	8,629	2,129
Amounts available for appropriations	<u>2,252,772</u>	<u>2,492,457</u>	<u>2,624,256</u>	<u>131,799</u>
Charges to appropriations (outflows)				
Current:				
Public works	1,548,000	1,552,000	1,580,192	(28,192)
Capital outlay	200,000	200,000	117,846	82,154
Total charges to appropriations	<u>1,748,000</u>	<u>1,752,000</u>	<u>1,698,038</u>	<u>53,962</u>
BUDGETARY FUND BALANCES, ENDING	<u>\$ 504,772</u>	<u>\$ 740,457</u>	<u>\$ 926,218</u>	<u>\$ 185,761</u>

JACKSON PARISH POLICE JURY

LIBRARY FUND
 Budgetary Comparison Schedule
 For the Year Ended December 31, 2017

Exhibit 2-4

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		POSITIVE (NEGATIVE)
BUDGETARY FUND BALANCES, BEGINNING	\$ 1,142,818	\$ 2,916,550	\$ 2,916,550	\$ -
Resources (inflows)				
Local sources:				
Taxes:				
Ad valorem	1,050,000	1,280,000	1,597,037	317,037
Intergovernmental revenues:				
State funds:				
State revenue sharing	35,000	30,000	31,779	1,779
State aid grants	2,500	5,250	2,750	(2,500)
Fees, charges, and commissions for services	30,000	30,000	28,118	(1,882)
Miscellaneous revenues	2,200	500	6,578	6,078
Use of money and property	10,600	10,600	17,558	6,958
	<u>2,273,118</u>	<u>4,272,900</u>	<u>4,600,370</u>	<u>327,470</u>
Amounts available for appropriations				
Charges to appropriations (outflows)				
Current:				
Culture and recreation	<u>1,570,100</u>	<u>1,320,100</u>	<u>1,168,363</u>	<u>151,737</u>
Total charges to appropriations	<u>1,570,100</u>	<u>1,320,100</u>	<u>1,168,363</u>	<u>151,737</u>
BUDGETARY FUND BALANCES, ENDING	<u>\$ 703,018</u>	<u>\$ 2,952,800</u>	<u>\$ 3,432,007</u>	<u>\$ 479,207</u>

JACKSON PARISH POLICE JURY

ASPHALT FUND
 Budgetary Comparison Schedule
 For the Year Ended December 31, 2017

Exhibit 2-5

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		POSITIVE (NEGATIVE)
BUDGETARY FUND BALANCES, BEGINNING	\$ 2,397,677	\$ 3,109,783	\$ 3,109,783	\$ -
Resources (inflows)				
Local sources:				
Taxes:				
Ad valorem	925,000	925,000	970,170	45,170
Intergovernmental revenues:				
State funds:				
State revenue sharing	17,500	17,500	19,586	2,086
Miscellaneous revenue	1,300	1,300	1,451	151
Use of money and property	10,000	20,000	23,959	3,959
Amounts available for appropriations	<u>3,351,477</u>	<u>4,073,583</u>	<u>4,124,949</u>	<u>51,366</u>
Charges to appropriations (outflows)				
Current:				
Public works	1,269,000	982,000	784,010	197,990
Capital outlay	112,000	112,000	111,799	201
Transfers to other funds	-	450,000	450,000	-
Total charges to appropriations	<u>1,381,000</u>	<u>1,544,000</u>	<u>1,345,809</u>	<u>198,191</u>
BUDGETARY FUND BALANCES, ENDING	<u>\$ 1,970,477</u>	<u>\$ 2,529,583</u>	<u>\$ 2,779,140</u>	<u>\$ 249,557</u>

Jackson Parish Police Jury

Notes to Budgetary Comparison Schedules For the Year Ended December 31, 2017

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, 2017, 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.

JACKSON PARISH POLICE JURY

Notes to Budgetary Comparison Schedules
For the Year Ended December 31, 2017

B. 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.	\$ 5,769,206	\$ 6,044,368	\$ 2,624,256	\$ 4,600,370	\$ 4,124,949
The fund balance at the beginning of the year is a budgetary resource but is not a current-year revenue for financial reporting purposes.	(3,614,510)	(3,266,152)	(1,096,957)	(2,916,550)	(3,109,783)
Transfers from other funds, issuance of debt and insurance proceeds are classified as revenue for budgetary purposes but are not revenues for financial reporting.	-	(1,060,747)	-	-	-
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds.	<u>\$ 2,154,696</u>	<u>\$ 1,717,469</u>	<u>\$ 1,527,299</u>	<u>\$ 1,683,820</u>	<u>\$ 1,015,166</u>
<u>Uses/Outflows of resources:</u>					
Actual amounts (budgetary basis) "Total charges to appropriations" from the Budgetary Comparison Schedule.	\$ 2,455,610	\$ 2,572,961	\$ 1,698,038	\$ 1,168,363	\$ 1,345,809
Transfers to other funds classified as expenditures for budgetary purposes and as an operating transfer for financial reporting.	(200,000)	-	-	-	(450,000)
Total expenditures as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 2,255,610</u>	<u>\$ 2,572,961</u>	<u>\$ 1,698,038</u>	<u>\$ 1,168,363</u>	<u>\$ 895,809</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, 2017

Exhibit 3

	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	TOTAL
ASSETS				
Cash and cash equivalents	\$ 1,186,946	\$ 296,039	\$ 395,321	\$ 1,878,306
Receivables	360,259	-	-	360,259
TOTAL ASSETS	1,547,205	296,039	395,321	2,238,565
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	1,206	-	25,288	26,494
Total Liabilities	1,206	-	25,288	26,494
Deferred Inflows of Resources:				
Unavailable revenue-property taxes	11,306	-	-	11,306
Total Deferred Inflows of Resources	11,306	-	-	11,306
Fund Balances:				
Restricted	1,534,693	296,039	254,541	2,085,273
Committed	-	-	115,492	115,492
Total Fund balances	1,534,693	296,039	370,033	2,200,765
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 1,547,205	\$ 296,039	\$ 395,321	\$ 2,238,565

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, 2017

Exhibit 4

	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	TOTAL
REVENUES				
Local sources:				
Taxes:				
Ad valorem	\$ 170,579	\$ -	\$ -	\$ 170,579
Sales and use	878,951	-	-	878,951
Intergovernmental revenues:				
State funds:				
State aid grants	-	-	53,520	53,520
Miscellaneous revenue	255	-	-	255
Use of money and property	13,039	2,535	4,294	19,868
Total Revenues	<u>1,062,824</u>	<u>2,535</u>	<u>57,814</u>	<u>1,123,173</u>
EXPENDITURES				
Current:				
Public works	55,476	-	29,088	84,564
Health and welfare	136,441	-	-	136,441
Culture and recreation	12,064	-	53,820	65,884
Capital outlay	-	-	188,797	188,797
Debt service:				
Principal retirement	-	270,000	-	270,000
Interest and bank charges	-	40,624	-	40,624
Total Expenditures	<u>203,981</u>	<u>310,624</u>	<u>271,705</u>	<u>786,310</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>858,843</u>	<u>(308,089)</u>	<u>(213,891)</u>	<u>336,863</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	360,000	200,000	560,000
Transfers out	(960,000)	-	-	(960,000)
Total Other Financing Sources (Uses)	<u>(960,000)</u>	<u>360,000</u>	<u>200,000</u>	<u>(400,000)</u>
Net Change in Fund Balances	(101,157)	51,911	(13,891)	(63,137)
FUND BALANCES - BEGINNING	<u>1,635,850</u>	<u>244,128</u>	<u>383,924</u>	<u>2,263,902</u>
FUND BALANCES - ENDING	<u>\$ 1,534,693</u>	<u>\$ 296,039</u>	<u>\$ 370,033</u>	<u>\$ 2,200,765</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, 2017

Exhibit 5

	HEALTH UNIT	LANDFILL CLOSURE	TOURISM	ROAD SALES TAX	TOTAL
ASSETS:					
Cash and cash equivalents	\$ 210,915	\$ 564,005	\$ 52,587	\$ 359,439	\$ 1,186,946
Receivables	164,626	-	-	195,633	360,259
TOTAL ASSETS	375,541	564,005	52,587	555,072	1,547,205
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts payable	1,206	-	-	-	1,206
Total Liabilities	1,206	-	-	-	1,206
Deferred Inflows of Resources:					
Unavailable revenue-property taxes	11,306	-	-	-	11,306
Total Deferred Inflows of Resources	11,306	-	-	-	11,306
Fund Balances:					
Restricted	363,029	564,005	52,587	555,072	1,534,693
Total Fund balances	363,029	564,005	52,587	555,072	1,534,693
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 375,541	\$ 564,005	\$ 52,587	\$ 555,072	\$ 1,547,205

JACKSON PARISH POLICE JURY

NONMAJOR SPECIAL REVENUE FUNDS
 Combining Statement of Revenues, Expenditures,
 and Changes in Fund Balances
 For the Year Ended December 31, 2017

Exhibit 6

	HEALTH UNIT	LANDFILL CLOSURE	TOURISM	ROAD SALES TAX	TOTAL
REVENUES					
Local sources:					
Taxes:					
Ad valorem	\$ 170,579	\$ -	\$ -	\$ -	\$ 170,579
Sales and use	-	-	-	878,951	878,951
Miscellaneous revenue	255	-	-	-	255
Use of money and property	2,570	5,611	551	4,307	13,039
Total Revenues	173,404	5,611	551	883,258	1,062,824
EXPENDITURES					
Current:					
Public works	-	-	-	55,476	55,476
Health and welfare	136,441	-	-	-	136,441
Culture and recreation	-	-	12,064	-	12,064
Total Expenditures	136,441	-	12,064	55,476	203,981
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	36,963	5,611	(11,513)	827,782	858,843
OTHER FINANCING SOURCES (USES)					
Transfers out	-	-	-	(960,000)	(960,000)
Total Other Financing Sources (Uses)	-	-	-	(960,000)	(960,000)
Net Change in Fund Balances	36,963	5,611	(11,513)	(132,218)	(101,157)
FUND BALANCES - BEGINNING	326,066	558,394	64,100	687,290	1,635,850
FUND BALANCES - ENDING	\$ 363,029	\$ 564,005	\$ 52,587	\$ 555,072	\$ 1,534,693

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, 2017

Exhibit 7

	<u>CAPITAL FUND</u>	<u>LCDBG</u>	<u>PAVILION / RIDING ARENA</u>	<u>TOTAL</u>
ASSETS:				
Cash and cash equivalents	\$ 140,770	\$ 10	\$ 254,541	\$ 395,321
TOTAL ASSETS	140,770	10	254,541	395,321
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	25,288	-	-	25,288
Total Liabilities	25,288	-	-	25,288
Fund Balances:				
Restricted	-	-	254,541	254,541
Committed	115,482	10	-	115,492
Total fund balances	115,482	10	254,541	370,033
TOTAL LIABILITIES AND FUND BALANCES	\$ 140,770	\$ 10	\$ 254,541	\$ 395,321

JACKSON PARISH POLICE JURY

NONMAJOR CAPITAL PROJECT FUNDS
 Combining Statement of Revenues, Expenditures,
 and Changes in Fund Balances
 For the Year Ended December 31, 2017

Exhibit 8

	CAPITAL FUND	LCDBG	PAVILION / RIDING ARENA	TOTAL
REVENUES				
Intergovernmental revenues:				
State funds:				
State aid grants	\$ -	\$ -	\$ 53,520	\$ 53,520
Use of money and property	1,746	-	2,548	4,294
Total Revenues	1,746	-	56,068	57,814
EXPENDITURES				
Current:				
Public works	29,088	-	-	29,088
Culture and recreation	-	-	53,820	53,820
Capital outlay	188,797	-	-	188,797
Total Expenditures	217,885	-	53,820	271,705
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(216,139)	-	2,248	(213,891)
OTHER FINANCING SOURCES (USES)				
Transfers in	200,000	-	-	200,000
Total Other Financing Sources (Uses)	200,000	-	-	200,000
Net Change in Fund Balances	(16,139)	-	2,248	(13,891)
FUND BALANCES - BEGINNING	131,621	10	252,293	383,924
FUND BALANCES - ENDING	\$ 115,482	\$ 10	\$ 254,541	\$ 370,033

Jackson Parish Police Jury

**Schedule of Compensation Paid Police Jurors
For the Year Ended December 31, 2017**

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.

Eddie Langston, President	\$ 16,161
Regina Rowe, Vice President	14,400
Todd Culpepper	14,439
Amy Magee	14,400
John McCarty	14,400
Maxie F. Monroe	14,400
Lynn Treadway	<u>14,400</u>
Total	<u><u>\$ 102,600</u></u>

Jackson Parish Police Jury

**Schedule of Compensation, Benefits and Other Payments to Agency Head
For the Year Ended December 31, 2017**

Agency Head Name: Kenneth Pardue, Secretary-Treasurer

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 78,853
Benefits-insurance	7,718
Benefits-retirement	7,491
Benefits-medicare	1,143
Registration fees	48
	<u>\$ 95,253</u>

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.



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Jennie Henry, CPA
Ronnie Jacola, 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, 2017, and the related notes to the financial statements, which collectively comprise the Police Jury's basic financial statements, and have issued our report thereon dated June 26, 2018. 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 2017-003 that we consider to be a significant deficiency.

Compliance and Other Matters

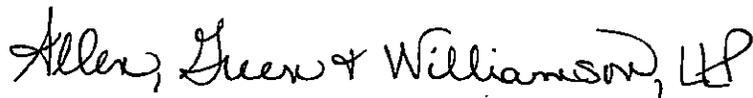
As part of obtaining reasonable assurance about whether the Police Jury's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Responses as items 2017-001, 2017-002, and 2017-003.

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
June 26, 2018

**Jackson Parish Police Jury
Schedule of Findings and Responses
For the Year ended December 31, 2017**

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 were three instances 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, 2017

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: **2017-001** **Under Secured Deposits**

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

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

Condition found: 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.

Context: The Police Jury’s deposits are held at two banks. One bank did not provide collateral for deposits over the FDIC insurance limit. This appears to be an isolated incident.

Possible asserted effect (cause and effect):

Cause: Library did not have pledged securities for the new account.

Effect: The Police Jury is not in compliance with Louisiana State Law and are exposed to custodial credit risk whenever the bank deposits are not fully collateralized.

Recommendation to prevent future occurrences: The Police Jury should establish policies and procedures to ensure all bank deposits are fully collateralized.

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

View of responsible official: We reached out to the Main Branch of the bank and received this response. “Unfortunately, our department was not notified by the Jonesboro Branch that an account for the Library was opened back in June 2017 so no pledges were put in place at that time. As soon as we were aware that the Library had funds on deposit, securities were pledged to cover balances in excess of FDIC coverage.”

Reference # and title: **2017-002** **Road Program**

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

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.

**Jackson Parish Police Jury
Schedule of Findings and Responses
For the Year ended December 31, 2017**

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:

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 Police Jury has not had a clear definition of what constitutes a public road other than general guidance from the Transportation Act and the policies of prior juries. Along with a definition of a public road, we need a clear policy to remove the roads that do not meet the defined criteria. This must be a systematic process in order to assure that roads are not removed arbitrarily and then later need to be added back in because of unforeseen public uses.

Jackson Parish Police Jury
Schedule of Findings and Responses
For the Year ended December 31, 2017

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: **2017-003** **Internal Controls over Cooperative Endeavors**

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

Criteria or specific requirement: 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.

Condition found: 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.

Context: Three appropriations to other governments were tested to ensure a cooperative endeavor agreement was obtained and monitored. One exception was noted for not having an agreement which appears to be an isolated incident. No monitoring procedures were noted.

Possible asserted effect (cause and effect):

Cause: The Police Jury provided funds to the Town of East Hodge without a cooperative endeavor.

Effect: The Police Jury may not have complied with Article 7, Section 14 of the LA Constitution: Donation, Loan or Pledge of Public Credit.

Recommendation to prevent future occurrences: The Police Jury should establish policies and procedures to ensure the Police Jury obtains a cooperative endeavor agreement with all entities before appropriating funds to entities and to provide a system for monitoring the funds provided to ensure the funds are spent in accordance with the agreement. The cooperative endeavor agreement must also detail the public benefit or purpose of the agreement.

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

View of responsible official: Cooperative Endeavor Agreements are to the benefit of all parties involved to assure that public funds and resources are used in a proper manner and provide value to parish residents. All appropriations are to be accompanied by the appropriate documentation and a completed Cooperative Endeavor Agreement. Staffing changes may be the cause for not being able to provide the requested documentation.

OTHER INFORMATION

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, 2017

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 planned: The Bank has taken corrective action and the Library now receives monthly pledge statements from the department at the Main Branch.

Person responsible for corrective action:

Marcie Nelson, Library Director
Jackson Parish Library
314 South Polk Avenue
Jonesboro, LA 71051

Telephone: (318) 259-5697
Fax: (318) 259-3374

Anticipated completion date: April 19, 2018.

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.

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

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

Person responsible for corrective action:

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

Telephone: (318) 259-2361
Fax: (318) 259-5660

Anticipated completion date: December 31, 2019.

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 planned: 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.

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

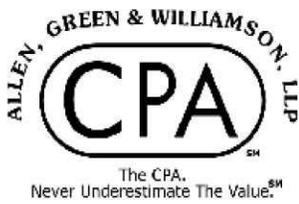
Telephone: (318) 259-2361
Fax: (318) 259-5660

Anticipated completion date: December 31, 2018.

Respectively Submitted,



Gina Thomas, Secretary/Treasurer



ALLEN, GREEN & WILLIAMSON, LLP

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Nicia Bamburg, CPA, CFE
Principal: Cindy Thomason, CPA

Eddi Hernandez, CPA
Jennie Henry, CPA
Ronnie Jacola, 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, 2017, 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 June 26, 2018, 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:

2017-M001 Accounting and Financial Reporting

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 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.

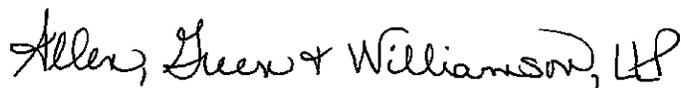
Management's response: The Library will be trained on the proper accounting basis for financial records under modified accrual and for capitalization of assets under their capitalization policy. The Police Jury has reviewed their Purchases and Disbursements policy and has increased the threshold of purchase 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.

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, 2017, 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
June 26, 2018

JACKSON PARISH POLICE JURY

Courthouse

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www.jacksonparishpolicejury.org

Status of Prior Year Management Letter Item

2016-M001

Parish Road Listing

Revised Statute 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”.

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

- Several roads that do not 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.

Recommendation: The Police Jury should follow its policies and procedures established for the Road Program. 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.

Management’s response: See current year finding 2017-002.

Respectively Submitted,



Gina Thomas, Secretary/Treasurer

AGREED-UPON PROCEDURES



ALLEN, GREEN & WILLIAMSON, LLP

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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, 2017. 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 agreed upon procedures.

Board (or Finance Committee, if applicable)

- 2. Obtain and review the board/committee minutes for the fiscal period, and:
 - a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.
 - b) Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).
 - If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.
 - c) Report whether the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period.

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

Bank Reconciliations

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

- b) Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation; and
- c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.

Comment: Five bank accounts were tested. Exceptions for four bank accounts were noted regarding the person reviewing the bank reconciliations was also involved with handling transactions within the accounts by preparing payments, recording transactions, or being a signatory authority on the accounts.

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 prepare the deposit ticket and deliver to the bank, and another employee record the transaction in the financial system. Two employees review and sign off on the monthly bank reconciliations.

Collections

- 5. Obtain a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.
- 6. Using the listing provided by management, select all of the entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three year rotating basis (if more than 5 locations). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. For each cash collection location selected:
 - a) Obtain existing written documentation (e.g. insurance policy, policy manual, job description) and report whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.
 - b) Obtain existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.
 - c) Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:
 - Using entity collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.
 - Using sequentially numbered receipts, system reports, or other related collection documentation, verify that daily cash collections are completely supported by documentation and report any exceptions.
- 7. Obtain existing written documentation (e.g. policy manual, written procedure) and report whether the entity has a process specifically defined (identified as such by the entity) to determine completeness of all collections, including electronic transfers, for each revenue source and agency fund additions (e.g.

periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation) by a person who is not responsible for collections.

Comment: The Police Jury's named dishonesty bond policy was not updated to include new employees. As a result, employees that collect cash were not bonded. The Library employees share the same cash drawer. No formal written process exists for cash collection at the Library location. Both locations tested had an employee that collects the cash is also responsible for reconciling and/or recording the deposit.

Management's Response: The Police Jury's bond policy has been updated. The Library is reviewing their policy and is drafting a written policy to be applied for cash collections. Due to limitations in staffing, the same employee may collect the cash and record the deposit, but additional reviews are performed by other members of staff and management to ensure accuracy.

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

8. Obtain a listing of entity disbursements from management or, alternately, obtain the general ledger and sort/filter for entity disbursements. Obtain management's representation that the listing or general ledger population is complete.
9. Using the disbursement population from #8 above, randomly select 25 disbursements (or randomly select disbursements constituting at least one-third of the dollar disbursement population if the entity had less than 25 transactions during the fiscal period), excluding credit card/debit card/fuel card/P-card purchases or payments. Obtain supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and report whether the supporting documentation for each transaction demonstrated that:
 - a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.
 - b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.
 - c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice.
10. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the person responsible for processing payments is prohibited from adding vendors to the entity's purchasing/disbursement system.
11. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.
12. Inquire of management and observe whether the supply of unused checks is maintained in a locked location, with access restricted to those persons that do not have signatory authority, and report any exceptions. Alternately, if the checks are electronically printed on blank check stock, review entity documentation (electronic system control documentation) and report whether the persons with signatory authority have system access to print checks.
13. If a signature stamp or signature machine is used, inquire of the signer whether his or her signature is maintained under his or her control or is used only with the knowledge and consent of the signer. Inquire

of the signer whether signed checks are likewise maintained under the control of the signer or authorized user until mailed. Report any exceptions.

Comment: Personnel responsible for processing payments are not prohibited from adding new vendors. Persons that have signatory authority are not restricted access to unused checks. The office in which the Library's Special Fund checks are kept is not always locked. The signed checks are mailed by someone other than the check signer.

Management's Response: Due to limitations in staffing, the same employee may process payments and add new vendors. Management is able to run a report of all new vendors added for a time period and these new vendors can be reviewed. A W-9 is also required for all new setups to ensure they are a legitimate vendor. The Library will be more diligent with locking up their checks.

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

14. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards), including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

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

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

- a) Report whether there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]
- b) Report whether finance charges and/or late fees were assessed on the selected statements.

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

- a) For each transaction, report whether the transaction is supported by:
 - An original itemized receipt (i.e., identifies precisely what was purchased)
 - Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.
 - Other documentation that may be required by written policy (e.g., purchase order, written authorization.)
- b) For each transaction, compare the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity's written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e. transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and report any exceptions.

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

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

Travel and Expense Reimbursement

17. Obtain from management a listing of all travel and related expense reimbursements, by person, during the fiscal period or, alternately, obtain the general ledger and sort/filter for travel reimbursements. Obtain management's representation that the listing or general ledger is complete.
18. Obtain the entity's written policies related to travel and expense reimbursements. Compare the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration (www.gsa.gov) and report any amounts that exceed GSA rates.
19. Using the listing or general ledger from #17 above, select the three persons who incurred the most travel costs during the fiscal period. Obtain the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and choose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:
 - a) Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the entity does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates.
 - b) Report whether each expense is supported by:
 - An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]
 - Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).
 - Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance)
 - c) Compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.
 - d) Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

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

Contracts

20. Obtain a listing of all contracts in effect during the fiscal period or, alternately, obtain the general ledger and sort/filter for contract payments. Obtain management's representation that the listing or general ledger is complete.
21. Using the listing above, select the five contract "vendors" that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). Obtain the related contracts and paid invoices and:
 - a) Report whether there is a formal/written contract that supports the services arrangement and the amount paid.
 - b) Compare each contract's detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:
 - If yes, obtain/compare supporting contract documentation to legal requirements and report whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder)
 - If no, obtain supporting contract documentation and report whether the entity solicited quotes as a best practice.
 - c) Report whether the contract was amended. If so, report the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.
 - d) Select the largest payment from each of the five contracts, obtain the supporting invoice, compare the invoice to the contract terms, and report whether the invoice and related payment complied with the terms and conditions of the contract.
 - e) Obtain/review contract documentation and board minutes and report whether there is documentation of board approval, if required by policy or law (e.g. Lawrason Act or Home Rule Charter).

Comment: One exception noted due to Police Jury not obtaining quotes for items purchased under state contract.

Management's Response: Management will be diligent in obtaining quotes and bids when necessary, regardless of the purchase being under a state contract. This will ensure that the parish gets the best price possible.

Payroll and Personnel

22. Obtain a listing of employees (and elected officials, if applicable) with their related salaries, and obtain management's representation that the listing is complete. Randomly select five employees/officials, obtain their personnel files, and:
 - a) Review compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.
 - b) Review changes made to hourly pay rates/salaries during the fiscal period and report whether those changes were approved in writing and in accordance with written policy.
23. Obtain attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period, randomly select 25 employees/officials (or randomly

select one-third of employees/officials if the entity had less than 25 employees during the fiscal period), and:

- a) Report whether all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
- b) Report whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.
- c) Report whether there is written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.

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

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

Comment: The Police Jury's third quarter 941 form and three monthly State withholding payments were not made timely.

Management's Response: Timely reporting is essential and this delay has been addressed with the staff. More detailed reviews by Management have been implemented.

Ethics (excluding nonprofits)

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

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

Comment: Two of the five employees tested did not have documentation that the ethics training was completed.

Management's Response: The employees had attended ethics training, but the documents were not filed in their individual folders. Going forward, we will have these filed in a timelier manner.

Debt Service (excluding nonprofits)

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

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

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

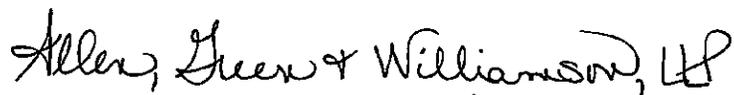
Other

31. Inquire of management whether the entity had any misappropriations of public funds or assets. If so, obtain/review supporting documentation and report whether the entity reported the misappropriation to the legislative auditor and the district attorney of the parish in which the entity is domiciled.
32. Observe and report whether the entity has posted on its premises and website, the notice required by R.S. 24:523.1. This notice (available for download or print at www.la.gov/hotline) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.
33. If the practitioner observes or otherwise identifies any exceptions regarding management's representations in the procedures above, report the nature of each exception.

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

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

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



Allen, Green & Williamson, LLP

Monroe, Louisiana
June 26, 2018