

Rapides Parish Police Jury

Alexandria, Louisiana

December 31, 2017

**Rapides Parish Police Jury
Alexandria, Louisiana**

December 31, 2017

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CERTIFIED PUBLIC ACCOUNTANTS

Established 1945

Independent Auditor's Report

To the Jurors
Rapides Parish Police Jury
Alexandria, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major governmental fund, and the aggregate remaining fund information of the Rapides Parish Police Jury (Police Jury), Alexandria, Louisiana, as of and for the year ended December 31, 2017, and business-type activities and the Coliseum Enterprise Fund (a major fund) for the four months 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.





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

Basis for Adverse Opinion on Aggregate Discretely Presented Component Units

The financial statements referred to above do not include financial data for the Police Jury's legally separate component units. Accounting principles generally accepted in the United States of America require 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 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 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 Rapides Parish Police Jury, as of December 31, 2017, or the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions

In our opinions, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major governmental fund, and the aggregate remaining fund information of the primary government of the Rapides Parish 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. Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the Coliseum Enterprise Fund of the primary government of the Rapides Parish Police Jury, as of December 31, 2017, and the respective changes in financial position, and cash flows thereof for the four months then ended in accordance with accounting principles generally accepted in the United States of America.



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To the Jurors
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Emphasis of Matter

As disclosed in Note 1, the Rapides Parish Coliseum Authority (the Authority) and its board of commissioners were dissolved by action of the Rapides Parish Police Jury as of August 31, 2017. The financial statements herein reflect the financial position, results of operations, and cash flows of the operations of Rapides Parish Coliseum for the four month period beginning September 1, 2017 and ending December 31, 2017. Rapides Parish Coliseum is classified as an enterprise fund of the primary government of Rapides Parish Police Jury. The Rapides Parish Police Jury contracted with SMG for management of the coliseum operations upon dissolution of the board of commissioners. All assets and liabilities of the Authority that existed as of August 31, 2017 were transferred to Rapides Parish Police Jury effective September 1, 2017.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedules, schedule of other postemployment benefits funding progress, schedules of employer's share of net pension liability, schedules of employer contributions, and notes to the required supplemental information labeled "Required Supplemental Information" in the table of contents (Part 1 and Part II) 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.

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 schedule of compensation, benefits, and other payments to agency head or chief executive officer, the schedule of taxes collected on behalf of other taxing authorities, and the schedule of compensation paid to police jurors are presented for purposes of additional analysis and are not a required part of the basic financial



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statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements. The schedule of expenditures of federal awards, the schedule of taxes collected on behalf of other taxing authorities, the schedule of compensation, benefits and other payments to agency head or chief executive officer, and the schedule of compensation paid to police jurors are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards, the schedule of taxes collected on behalf of other taxing authorities, the schedule of compensation, benefits and other payments to agency head or chief executive officer, and the schedule of compensation paid to police jurors are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2018, on our consideration of the Rapides Parish Police Jury's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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.

A handwritten signature in blue ink that reads "Payne, Moore, & Herrington, LLP".

Certified Public Accountants
Alexandria, Louisiana

June 28, 2018

Required Supplemental Information – Part I
Management’s Discussion and Analysis

**Rapides Parish Police Jury
Alexandria, Louisiana
Management's Discussion and Analysis
December 31, 2017**

The Management's Discussion and Analysis (MD&A) of the Rapides Parish Police Jury's financial performance provides an overview of the police jury's financial activities for the year ended December 31, 2017, with comparative totals presented for the year ended December 31, 2016. The MD&A is designed to focus on the current year's activities, resulting changes and currently known facts.

Overview of the Financial Statements

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

In addition to the basic financials and other supplementary information the Rapides Parish Police Jury includes financial information for the Coliseum Enterprise Fund. Effective August 31, 2017, the Police Jury dissolved the Rapides Parish Coliseum Authority and transferred operations back to the Police Jury. In the past operations of the coliseum were accounted for by the Coliseum Authority while the assets and debt service were under the Police Jury. Now all assets, liabilities and operations will be accounted for under one entity.

Government-Wide Financial Statements.

The government-wide financial statements are designed to provide readers with a broad overview of the Rapides Parish Police Jury's finances, in a manner similar to a private-sector business. These statements for the first time, combine governmental fund's current financial resources with capital assets and long-term debt obligations.

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

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. The focus on the statement of activities is on both the gross and net cost of various activities which are provided by the government's general tax and other revenues. This is intended to summarize information and simplify the user's analysis of cost of various governmental services.

The government-wide financial statements distinguish the different functions of the Rapides Parish Police Jury that is principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the Rapides Parish Police Jury include general government, public safety, public works, health and welfare, economic development, and culture and recreation. The business-type activities report operations of the newly created Rapides Parish Coliseum Enterprise Fund.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Traditional users of governmental financial statements will find the fund financial statements presentations more familiar. The focus now is on the major fund types

**Rapides Parish Police Jury
Alexandria, Louisiana
Management's Discussion and Analysis
December 31, 2017**

rather than the non-major fund types. The Rapides Parish Police Jury, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

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

The Rapides Parish Police Jury maintains numerous individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Statement C and Statement E, respectively. At December 31, 2017, these funds are considered to be major funds of the Police Jury. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The Rapides Parish Police Jury adopts an annual appropriated budget for its general, special revenue, and debt service funds. Budgetary comparison statements have been provided at the fund type level for the major funds to demonstrate legal compliance with these budgets.

The basic governmental fund financial statements can be found in the Basic Financial Statements Section of this financial report.

Proprietary funds – The Police Jury's only proprietary fund is the Coliseum Enterprise Fund, created September 1, 2017. Enterprise funds account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or where the governing body has decided that the periodic determination of revenue earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The principal operating revenues of the Police Jury's Coliseum Enterprise Fund are charges for events and rental of facilities. Operating expenses for the enterprise fund include the costs of services, administrative expenses, and depreciation on capital assets.

The Police Jury's Coliseum Enterprise Fund is the same as the business-type actives reported in the government-wide financial statements but provides more detail.

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December 31, 2017**

Infrastructure Assets

General capital assets include land, improvements to land, easements, buildings, vehicles, machinery and equipment, infrastructure, and all other intangible assets that are used in operations and that have initial useful lives greater than one year. The parish has capitalized all purchased general capital and infrastructure assets.

Notes to the Financial Statements

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

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplemental information* and *supplemental information*.

Required Supplemental Information as listed in the table of contents (Part 1 and Part II) is 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. Required Supplement Information includes this MD&A, budgetary comparison schedules for the general fund and the major special revenue funds, and various schedules related to the Police Jury's post-retirement benefits and retirement systems.

Supplemental information as listed in the table of contents provides information relative the Police Jury's federal awards or to present information required by state statute.

Government-Wide Financial Analysis

Net assets may serve over time as a useful indicator of a government's financial position. In the case of the Rapides Parish Police Jury, assets exceeded liabilities by \$77 million at the close of the most recent fiscal year.

A large portion of the Rapides Parish Police Jury's net assets reflects its investment in capital assets (land, buildings, machinery, equipment, and infrastructure), less any related debt used to acquire those assets that is still outstanding. The Rapides Parish Police Jury uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the police jury's investment in its capital assets is reported net of related debt, it is not a spendable resource. The resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Total net assets for Governmental activities are \$68.574 million and \$8.540 for business-type activities. The negative \$37.469 million in unrestricted net assets of governmental activities represents the accumulated results of all operations including accrued liabilities from other postemployment benefits and pensions. The following table presents, in millions, the comparative statement of net assets in a condensed format. The amounts represent combined totals of governmental activities and business-type activities.

**Rapides Parish Police Jury
Alexandria, Louisiana
Management's Discussion and Analysis
December 31, 2017**

**Condensed Statement of Net Position (in millions)
December 31, 2017**

	<u>2016</u>	<u>2017</u>
Assets		
Current and other assets	\$ 54.376	\$ 60.645
Capital assets, net	<u>86.276</u>	<u>89.275</u>
Total Assets	140.652	\$ 149.920
Liabilities		
Current and other liabilities	2.661	3.252
Long-term liabilities	<u>73.927</u>	<u>74.272</u>
Total Liabilities	76.588	77.524
Net Assets		
Invested in capital assets, net of related debt	59.656	62.713
Restricted	47.087	51.525
Unrestricted (deficit)	<u>(34.850)</u>	<u>(37.125)</u>
Total Net Position	\$ 71.893	\$ 77.113

The results of current year's operations for the police jury are reported on the Statement of Activities. The following table presents, condensed comparative financial information (in millions) from that statement.

**Condensed Changes in Net Position (in Millions)
Year ended December 31, 2017**

Revenues

General Revenues:

	<u>2016</u>	<u>2017</u>
Ad valorem taxes	\$ 22.138	\$ 24.622
Sales and use taxes – general purposes	2.446	2.184
Sales and use taxes – public works	3.185	2.873
Other taxes and licenses	2.770	3.738
Entitlements and shared revenues	.320	.806
Investment earnings and change in market value	(.048)	.019
Gain (loss) on sale of assets	<u>(.033)</u>	<u>.000</u>
Total General Revenues	30.778	34.242

	<u>2016</u>	<u>2017</u>
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Expenses:

Governmental Activities:

General Government	\$ 10.811	\$ 11.096
Public Safety	15.706	16.118
Public works	9.968	9.518
Health and welfare	2.119	2.325
Culture and recreation	.286	.402
Economic development and assistance	2.894	4.576
Interest and finance charges	<u>.983</u>	<u>.162</u>
Totals	\$ 42.767	\$ 44.197

**Rapides Parish Police Jury
Alexandria, Louisiana
Management's Discussion and Analysis
December 31, 2017**

	2016	2017
Business-Type Activities:		
Coliseum	-	1.790

Total revenues from governmental activities, including program revenues, were \$40.806 million. Sales taxes received this year were \$5.057 million a decrease of \$.574 million over the previous year. Ad valorem taxes collected were \$24.622 million, an increase of \$2.484 million over the previous year.

Total expenditures in support of governmental activities were \$44.197 million. Expenditures for public work projects (roads, bridges, etc.) totaled \$9.518 million, a decrease of \$0.450 million from the previous year expenditures.

Financial Analysis of the Government's Funds

As noted earlier, the Rapides Parish Police Jury uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the Rapides Parish Police Jury's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Rapides Parish Police Jury's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Rapides Parish Police Jury's governmental funds reported combined ending fund balances of approximately \$56.591 million, an increase of \$4.535 million from the previous year. Total fund balance for the general fund is \$4.060 million, an increase of \$.057 million from the previous year. The unassigned fund balance in the general fund was \$3.234 million, which constitutes an amount which is available for spending at the government's discretion. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. The remainder of fund balance is in special purpose funds to indicate that it is not necessarily available for new spending because it has already been committed to pay for a variety of other special purposes for which the funds were created.

Budgetary Highlights

The major funds of the Rapides Parish police Jury includes the governmental funds presented on Statements C and E of the police jury's basic financial statements. Budgetary comparisons for the general fund and major special revenue funds is presented, as required supplemental information, in Schedules 1 through 4.

Capital Asset and Debt Administration

The Coliseum Enterprise Fund was created on September 1, 2017 to manage the operations of the Rapides Parish Coliseum. The Rapides Parish Coliseum Authority and its board of commissioners were dissolved by action of the Rapides Parish Police Jury as of August 31, 2017, and all assets and liabilities of the Authority that existed as of August 31, 2017 were transferred to the Police Jury effective September 1, 2017. In addition, certain assets, such as the coliseum building, and related liabilities, such as the public improvement bonds to finance the Coliseum renovations, were transferred from governmental activities capital assets to the new enterprise fund. To some extent these transfers distort the information present below.

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Capital Assets - the Rapides Parish Police Jury's capital assets for its governmental activities at December 31, 2017, amounts to \$63.840 million (net of accumulated depreciation) and \$25.435 million for business-type activities. Capital assets includes land, buildings, improvements, machinery and equipment, and infrastructure added this year. Additional information on Rapides Parish Police Jury's capital assets can be found in the Notes to the Financial Statements section of this report. The following table shows the combined total capital assets (in millions), net of accumulated depreciation, for the year ended December 31, 2017:

	<u>2016</u>	<u>2017</u>
Land	\$ 6.042	\$ 6.490
Construction in progress	26.070	3.020
Buildings and improvements	9.988	33.480
Furniture and equipment	10.820	11.816
Infrastructure	<u>33.356</u>	<u>34.469</u>
Total	\$ 86.276	\$ 89.275

Debt Administration - at December 31, 2017, the Rapides Parish Police Jury had total debt outstanding of \$74.273 million. Of this amount, \$20.445 million is comprised of general obligation bonds, \$3.191 million is comprised of certificates on indebtedness, \$2.927 million is comprised of capital lease agreements, \$.412 million in compensated absences, \$47.298 million relating to the recognition of the estimates liabilities for other post-employment benefits and net pension liabilities. Additional information on the Rapides Parish Police Jury's long-term debt can be found in the Note section of this report.

Economic Factors and Next Year's Budgets and Rates

Police Jurors and appointed officials use citizen input and consider many factors when setting the upcoming year's budget and tax millages. Our ad valorem taxes, state revenue sharing, severance taxes and sales tax collections are very important in this process, accounting for a majority of the 2017 revenues. Budgetary estimates for the ad valorem and state revenue sharing are based upon expectations of what the tax rolls and approved millages will provide. The Police Jury budgeted the severance taxes and sales tax revenues conservatively for the ensuing year's budget. Sales tax revenues have continued a slow trend of increasing over the past 20 years, but with the current economic conditions, this trend had declined in 2017, but is expected to slowly increase in future years. Severance taxes are primarily controlled by the amount of timber harvested in the parish with some amount of oil activity. One major timberland owner recently sold all its mills and timberlands to a partnership and the timberlands were sold again to a private corporation. It is expected that they will continue to harvest timber to supply fiber to mills in the surrounding area.

Requests for Information

This financial report is designed to provide a general overview of the Rapides Parish Police Jury's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional finance information should be addressed to the Rapides Parish Police Jury, Attn: Treasurer, 701 Murray Street, Suite 201, Alexandria, LA 71301, phone (318) 473-6660.

**Primary Government
Basic Financial Statements**

**Government-Wide
Financial Statements**

Rapides Parish Police Jury
Alexandria, Louisiana
Statement of Net Position
December 31, 2017

Exhibit A

	Primary Government		
	Governmental Activities	Business- Type Activities	Total
Assets			
Cash and cash equivalents	\$ 28,850,301	\$ 222,238	\$ 29,072,539
Investments	4,242,445	-	4,242,445
Receivables	23,497,139	763,136	24,260,275
Prepaid expenses	1,431	907	2,338
Restricted assets	-	3,067,156	3,067,156
Capital assets, net of depreciation where applicable			
Nondepreciable	8,411,216	1,100,000	9,511,216
Depreciable	55,429,012	24,334,843	79,763,855
Total Assets	120,431,544	29,488,280	149,919,824
Deferred Outflows of Resources			
Deferred outflow of pension resources	6,782,846	-	6,782,846
Liabilities			
Bank overdraft	-	500,270	500,270
Accounts payable	2,265,472	57,912	2,323,384
Accrued expenses	102,086	287,861	389,947
Unearned revenues	-	37,928	37,928
Long-term liabilities			
Due within one year			
Bonds, certificates of indebtedness, and capital leases	1,229,642	915,000	2,144,642
Due in more than one year			
Bonds, certificates of indebtedness, and capital leases	5,267,325	19,150,000	24,417,325
Compensated absences	412,172	-	412,172
Other noncurrent liabilities			
Post employment benefit obligations	35,955,696	-	35,955,696
Net pension liabilities	11,342,764	-	11,342,764
Total Liabilities	56,575,157	20,948,971	77,524,128
Deferred Inflows of Resources			
Deferred inflow of pension resources	2,065,482	-	2,065,482
Net Position			
Investment in capital assets, net of related debt	57,343,261	5,369,843	62,713,104
Restricted	48,698,700	2,826,042	51,524,742
Unrestricted (deficit)	(37,468,210)	343,424	(37,124,786)
Total Net Position	\$ 68,573,751	\$ 8,539,309	\$ 77,113,060

The accompanying notes are an integral part of the financial statements.

Rapides Parish Police Jury
Alexandria, Louisiana
Statement of Activities
Year Ended December 31, 2017 for Governmental Activities
Four Months Ended December 31, 2017 for Business-Type Activities

Exhibit B

	Expenses	Program Revenue			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Total
Functions/Programs							
Primary Government							
Governmental activities							
General government	\$ 11,095,821	\$ 4,744,498	\$ 1,565,050	\$ 41,743	\$ (4,744,530)	\$	\$ (4,744,530)
Public safety	16,118,281	2,596,181	526,313	22,500	(12,973,287)		(12,973,287)
Public works	9,517,724	134,002	83,877	1,256,222	(8,043,623)		(8,043,623)
Health and welfare	2,324,592	65,976	678,120	-	(1,580,496)		(1,580,496)
Culture and recreation	402,249	119,169	12,769	-	(270,311)		(270,311)
Economic development and assistance	4,576,847	-	3,340,327	-	(1,236,520)		(1,236,520)
Interest expense	162,405	-	-	-	(162,405)		(162,405)
Total Governmental Activities	44,197,919	7,659,826	6,206,456	1,320,465	(29,011,172)		(29,011,172)
Business-type activities							
Coliseum	1,789,626	223,280	110,427	1,372,189		(83,730)	(83,730)
Total Business-Type Activities	1,789,626	223,280	110,427	1,372,189	-	(83,730)	(83,730)
Total Primary Government	\$ 45,987,545	\$ 7,883,106	\$ 6,316,883	\$ 2,692,654	(29,011,172)	(83,730)	(29,094,902)
General Revenues							
Taxes							
Ad valorem taxes							
Levied for general purposes					2,397,725	-	2,397,725
Levied for specific purposes					19,390,101	2,834,767	22,224,868
Sales and use taxes							
Authorized for general purposes					2,184,432	-	2,184,432
Authorized for specific purposes					2,872,562	-	2,872,562
Other taxes and licenses					3,737,998	-	3,737,998
Entitlements and shared revenues					805,639	-	805,639
Investment earnings and changes in market value					17,392	1,585	18,977
Transfers					(5,786,687)	5,786,687	-
Total General Revenues					25,619,162	8,623,039	34,242,201
Change in Net Position					(3,392,010)	8,539,309	5,147,299
Net Position, Beginning of Year					71,892,804	-	71,892,804
Prior Period Adjustment - Correction of Error					72,957	-	72,957
Net Position, Beginning of Year, as Restated					71,965,761	-	71,965,761
Net Position, End of Year					\$ 68,573,751	\$ 8,539,309	\$ 77,113,060

The accompanying notes are an integral part of the financial statements.

Fund Financial Statements

**Rapides Parish Police Jury
Alexandria, Louisiana
Balance Sheet
Governmental Funds
December 31, 2017**

Exhibit C

	<u>General Fund</u>	<u>Fire Protection District #2</u>	<u>Road and Bridge Fund</u>	<u>Road District 2C</u>	<u>Capital Improvement Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets							
Cash and cash equivalents	\$ 669,022	\$ 3,571,733	\$ 171,557	\$ 4,243,238	\$ 5,336	\$ 20,189,419	\$ 28,850,305
Investments	747,660	247,443	68,799	465,664	-	2,712,879	4,242,445
Receivables	2,815,622	4,820,636	331,589	1,981,861	1,604,024	11,943,407	23,497,139
Other assets	-	-	-	-	-	1,431	1,431
Total Assets	\$ 4,232,304	\$ 8,639,812	\$ 571,945	\$ 6,690,763	\$ 1,609,360	\$ 34,847,136	\$ 56,591,320
Liabilities and Fund Balances							
Liabilities							
Accounts payable and other current liabilities	\$ 172,289	\$ 22,459	\$ 22,892	\$ -	\$ 1,604,023	\$ 443,811	\$ 2,265,474
Total Liabilities	172,289	22,459	22,892	-	1,604,023	443,811	2,265,474
Fund Balances							
Restricted	-	8,617,353	549,053	6,690,763	-	32,841,531	48,698,700
Committed	825,421	-	-	-	-	1,561,794	2,387,215
Unassigned	3,234,594	-	-	-	5,337	-	3,239,931
Total Fund Balances	4,060,015	8,617,353	549,053	6,690,763	5,337	34,403,325	54,325,846
Total Liabilities and Fund Balances	\$ 4,232,304	\$ 8,639,812	\$ 571,945	\$ 6,690,763	\$ 1,609,360	\$ 34,847,136	\$ 56,591,320

The accompanying notes are an integral part of the financial statements.

**Rapides Parish Police Jury
Alexandria, Louisiana
Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Position
December 31, 2017**

Exhibit D

Total Fund Balance, Governmental Funds	\$ 54,325,846
 Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the Fund Financial Statements but are reported in the governmental activities of the Statement of Net Position.	63,840,228
Pension related deferred outflows of resources and deferred inflows of resources are not current financial resources and, therefore, are not reported in the Fund Financial Statements but are reported in the governmental activities of the Statement of Net Position.	
Deferred outflow of pension resources	6,782,846
Deferred inflow of pension resources	(2,065,482)
Some liabilities are not due and payable in the current period and are not included in the Fund Financial Statements but are included in the governmental activities of the Statement of Net Position.	
Bonds, certificates of indebtedness, and capital leases	(6,496,967)
Compensated absences	(412,172)
Post employment retirement benefit obligations	(35,955,696)
Pension liabilities	(11,342,764)
Interest on long-term debt is accrued in the Statement of Net Position, but not in the Fund Financial Statements.	<u>(102,088)</u>
Net Position of Governmental Activities in the Statement of Net Position	<u><u>\$ 68,573,751</u></u>

The accompanying notes are an integral part of the financial statements.

Rapides Parish Police Jury
Alexandria, Louisiana
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended December 31, 2017

Exhibit E

	General Fund	Fire Protection District #2	Road and Bridge Fund	Road District 2C	Capital Improvement Fund	Other Governmental Funds	Total Governmental Funds
Revenues							
Taxes							
Property taxes	\$ 2,397,725	\$ 5,250,682	\$ -	\$ 2,136,181	\$ -	\$ 12,003,237	\$ 21,787,825
Sales taxes	2,184,432	-	2,609,274	-	-	263,288	5,056,994
Other taxes, penalties, and interest	790,002	-	363,816	-	-	-	1,153,818
Intergovernmental							
Federal funds	172,453	-	138,959	-	-	3,319,391	3,630,803
State funds	86,428	179,907	1,229,702	75,964	2,740,900	1,131,396	5,444,297
Local funds	-	-	-	-	-	256,804	256,804
Fines and forfeitures	1,894	-	-	-	-	747,115	749,009
Rents and royalties	237,585	-	330	-	-	68,051	305,966
Licenses and permits	1,043,086	-	-	-	-	-	1,043,066
Charges for services	1,961,009	-	13,873	-	-	2,949,787	4,924,669
Investment earnings and changes in market value	(15,287)	5,748	193	3,311	-	26,848	20,813
Miscellaneous	14,161	-	-	-	-	-	14,161
Total Revenues	<u>8,873,468</u>	<u>5,436,337</u>	<u>4,356,147</u>	<u>2,215,456</u>	<u>2,740,900</u>	<u>20,765,917</u>	<u>44,388,225</u>
Expenditures							
Current							
General government							
Legislative	364,343	-	-	-	-	-	364,343
Judicial	1,877,887	-	-	-	-	2,967,469	4,845,356
Elections	240,961	-	-	-	-	-	240,961
Finance and administrative	1,127,880	-	-	-	-	-	1,127,880
Other	1,086,151	-	-	-	-	25,185	1,111,336
Public safety	1,870,868	5,391,797	-	-	-	5,612,146	12,874,811
Public works	-	-	4,226,383	389,581	-	2,877,373	7,493,337
Health and welfare	24,546	-	-	-	-	1,958,064	1,982,610
Culture and recreation	-	-	-	-	-	357,852	357,852
Economic development and assistance	59,866	-	-	-	2,735,563	1,716,126	4,511,555
Capital outlay	88,900	233,650	412,320	99,017	-	4,431,508	5,265,395
Debt service							
Principal	-	-	-	227,000	-	769,280	996,280
Interest and fiscal charges	-	-	-	6,024	-	146,440	152,464
Total Expenditures	<u>6,741,402</u>	<u>5,625,447</u>	<u>4,638,703</u>	<u>721,622</u>	<u>2,735,563</u>	<u>20,861,443</u>	<u>41,324,180</u>
Excess (Deficiency) of Revenues over Expenditures	2,132,066	(189,110)	(282,556)	1,493,834	5,337	(95,526)	3,064,045
Other Financing Sources (Uses)							
Transfers in	-	-	-	-	-	2,116,776	2,116,776
Transfers out	(2,116,777)	-	-	-	-	(2,689,368)	(4,806,145)
Proceeds from long-term debt	-	-	-	-	-	1,765,000	1,765,000
Proceeds from capital leases	-	-	-	-	-	53,023	53,023
Capital contributions	41,743	-	-	-	-	58,489	100,232
Bond issuance costs	-	-	-	-	-	(23,850)	(23,850)
Total Other Financing Sources (Uses)	<u>(2,075,034)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,280,070</u>	<u>(794,964)</u>
Net Change in Fund Balances	57,032	(189,110)	(282,556)	1,493,834	5,337	1,184,544	2,269,081
Fund Balances, Beginning of Year	4,002,983	8,806,463	831,609	5,196,929	-	33,218,781	52,056,765
Fund Balances, End of Year	<u>\$ 4,060,015</u>	<u>\$ 8,617,353</u>	<u>\$ 549,053</u>	<u>\$ 6,690,763</u>	<u>\$ 5,337</u>	<u>\$ 34,403,325</u>	<u>\$ 54,325,846</u>

The accompanying notes are an integral part of the financial statements.

**Rapides Parish Police Jury
Alexandria, Louisiana
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
Year Ended December 31, 2017**

Exhibit F

Net Change in Fund Balances - Governmental Funds **\$ 2,269,081**

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

Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period.

Capital outlays	5,265,395
Depreciation expense included in the Statement of Activities	(3,482,108)

The Statement of Activities reported the net book value of assets transferred to Business-Type Activities for the Coliseum Enterprise Fund as a transfer out. This transfer had no effect on the governmental funds.

(3,097,319)

The issuance of long-term debt provides current financial resources to Governmental Funds but does not have any effect on net position.

Certificates of indebtedness	(1,765,000)
Capital leases	(53,023)

Principal payments on bonds, certificates of indebtedness, and capital leases are reported as expenditures in Governmental Funds. In contrast, the Statement of Activities treats such payments as a reduction in long-term liabilities.

996,280

Some revenues and expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as revenues or expenditures in Governmental Funds. These timing differences are summarized below:

Interest expense	(9,942)
Compensated absences	17,693
Other post employment retirement benefits	(2,672,320)
Pension expenses	(1,486,384)
On-behalf payments through pension plans	625,637

Change in Net Position of Governmental Activities **\$ (3,392,010)**

The accompanying notes are an integral part of the financial statements.

**Rapides Parish Police Jury
Alexandria, Louisiana
Statement of Net Position
Proprietary Fund
December 31, 2017**

Exhibit G

**Coliseum
Enterprise Fund**

Assets		
Current Assets		
Cash and cash equivalents	\$	222,238
Receivables		763,136
Prepaid expenses		907
Total Current Assets		986,281
Noncurrent Assets		
Restricted Assets		
Cash and cash equivalents		1,065,142
Investments		108,513
Receivables		1,893,501
Total Restricted Assets		3,067,156
Capital assets		
Nondepreciable		
Land		1,100,000
Depreciable		
Property, plant and equipment		24,790,288
Less accumulated depreciation		(455,445)
Capital assets, net of depreciation, where applicable		25,434,843
Total Noncurrent Assets		28,501,999
Total Assets		29,488,280
Liabilities		
Current Liabilities		
Bank overdraft		500,270
Accounts payable		57,912
Accrued expenses		46,747
Unearned revenues		37,928
Liabilities payable from restricted assets		
General obligation bonds		915,000
Accrued interest		241,114
Total Current Liabilities		1,798,971
Noncurrent Liabilities		
General obligation bonds		19,150,000
Total Noncurrent Liabilities		19,150,000
Total Liabilities		20,948,971
Net Position		
Net investment in capital assets		5,369,843
Restricted for debt service		2,826,042
Unrestricted		343,424
Total Net Position	\$	8,539,309

The accompanying notes are an integral part of the financial statements.

**Rapides Parish Police Jury
Alexandria, Louisiana
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Fund
Four Months December 31, 2017**

Exhibit H

**Coliseum
Enterprise Fund**

Operating Revenues	
Charges for services	\$ 152,523
Rental income	70,757
Total Operating Revenues	223,280
Operating Expenses	
Personnel services and related benefits	225,562
Operating supplies and expenses	345,457
Repairs and maintenance	77,627
Depreciation	414,180
Total Operating Expenses	1,062,826
Operating Income (Loss)	(839,546)
Nonoperating Revenue (Expenses)	
Ad valorem taxes	2,834,767
Operating grants and contributions	110,427
Investment earnings	1,585
Interest expense	(726,800)
Total Nonoperating Revenue (Expenses)	2,219,979
Income (Loss) Before Contributions and Transfers	1,380,433
Transfers in from governmental activities	3,097,319
Transfers in from Coliseum Bond Sinking Fund	2,689,368
Capital contributions	1,372,189
	8,539,309
Change in Net Position	8,539,309
Total Net Position, Beginning of Year	-
Total Net Position, End of Year	\$ 8,539,309

The accompanying notes are an integral part of the financial statements.

**Rapides Parish Police Jury
Alexandria, Louisiana
Statement of Cash Flows
Proprietary Fund
Four Months Ending December 31, 2017**

**Exhibit I
(Continued)**

**Coliseum
Enterprise Fund**

Cash Flows from Operating Activities	
Receipts from customers	\$ 240,622
Payments for personnel costs and benefits	(178,815)
Payments to vendors and others	(366,079)
Net Cash Provided by (Used in) Operating Activities	<u>(304,272)</u>
Cash Flows from Noncapital Financing Activities	
Ad valorem taxes for operations	148,585
Intragovernmental transfers	2,396,278
Net Cash Provided by (Used in) Noncapital Financing Activities	<u>2,544,863</u>
Cash Flows from Capital and Related Financing Activities	
Ad valorem taxes restricted to debt service	160,558
Principal paid on capital debt	(880,000)
Interest paid on capital debt	(735,625)
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>(1,455,067)</u>
Cash Flows from Investing Activities	
Interest received	1,585
Net Cash Provided by (Used in) Investing Activities	<u>1,585</u>
Net Increase (Decrease) in Cash and Cash Equivalents	787,109
Cash and Cash Equivalents, Beginning of Year	<u>-</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 787,109</u></u>
Classified as	
Current	\$ 222,238
Restricted	1,065,142
Cash overdraft	(500,270)
Total	<u><u>\$ 787,110</u></u>

The accompanying notes are an integral part of the financial statements.

**Rapides Parish Police Jury
Alexandria, Louisiana
Statement of Cash Flows
Proprietary Fund
Four Months Ending December 31, 2017**

**Exhibit I
(Concluded)**

**Coliseum
Enterprise Fund**

Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities	
Operating income (loss)	\$ (839,546)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities	
Depreciation	414,180
Changes in assets and liabilities	
Receivables	(20,586)
Prepaid expenses	(907)
Accounts payable	57,912
Accrued expenses	46,747
Unearned revenues	37,928
	<hr/>
Net Cash Provided by (Used in) Operating Activities	<u><u>\$ (304,272)</u></u>

Additional required disclosures:

The Coliseum Enterprise Fund was created on September 1, 2017 by receipt of the assets and liabilities from the closed Rapides Parish Coliseum Authority and transfers from governmental activities and certain funds of the Rapides Parish Police Jury. These noncash transactions are recapped below:

Noncash capital and related financing activities	
Net assets received from the Rapides Parish Coliseum Authority	1,372,189
Capital assets net of related debt received from governmental activities	3,097,319
Net assets received from governmental funds	293,090
Total	<u><u>4,762,598</u></u>

The accompanying notes are an integral part of the financial statements.

**Rapides Parish Police Jury
Alexandria, Louisiana
Statement of Assets and Liabilities
Fiduciary Fund Type - Agency Funds
December 31, 2017**

Exhibit J

	<u>Sales Taxes</u>	<u>Protest Taxes</u>	<u>Hotel-Motel Tax</u>	<u>Renaissance</u>	<u>Senior Citizens</u>	<u>Total Agency Funds</u>
Assets						
Cash and cash equivalents	\$ 4,999	\$ 49,420	\$ -	\$ 85,610	\$ 48,755	\$ 188,784
Receivables	13,343,842	-	-	1,529,621	787,089	15,660,552
Total Assets	<u>\$ 13,348,841</u>	<u>\$ 49,420</u>	<u>\$ -</u>	<u>\$ 1,615,231</u>	<u>\$ 835,844</u>	<u>\$ 15,849,336</u>
Liabilities						
Accounts payable	\$ 5,667	\$ -	\$ -	\$ -	\$ -	\$ 5,667
Due to taxing bodies and others	13,343,174	49,420	-	1,615,231	835,844	15,843,669
Total Liabilities	<u>\$ 13,348,841</u>	<u>\$ 49,420</u>	<u>\$ -</u>	<u>\$ 1,615,231</u>	<u>\$ 835,844</u>	<u>\$ 15,849,336</u>

The accompanying notes are an integral part of financial statements.

Notes to Basic Financial Statements

**Rapides Parish Police Jury
Alexandria, Louisiana
December 31, 2017**

Notes to Basic Financial Statements

1. Organization and Significant Accounting Policies

The Rapides Parish Police Jury (Police Jury) is the governing authority for Rapides Parish and is a political subdivision of the State of Louisiana. Nine jurors, representing the various districts within the parish, govern the Police Jury. The jurors serve four-year terms that expire on the second Monday of 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. Ad valorem taxes, sales taxes, beer and alcoholic beverage permits, state revenue sharing, and various other state and federal grants provide funding to accomplish these tasks.

The accompanying financial statements of the Police Jury have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units, except as noted below. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GAAP includes all relevant GASB pronouncements as set forth in the *Codification for Governmental Accounting and Financial Reporting*.

The accounting and reporting framework and the more significant of the Police Jury's accounting policies are described below.

A. The Financial Reporting Entity

As the governing authority of the parish, for reporting purposes, the Rapides Parish Police Jury is the financial reporting entity for Rapides 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) 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.

The Police Jury is considered the primary government since it has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. Fiscally independent means that the Police Jury may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt.

The accompanying financial statements include only the primary government of the Rapides Parish Police Jury. The financial statements consist of all funds, organizations, institutions, agencies, departments, and offices that comprise the Police Jury's legal entity. The financial statements do not include financial data for the Police Jury's legally separate component units, which accounting principles generally accepted in the United States of America require to be reported with the financial data of the Rapides Parish Police Jury's primary government. As a result, the primary government financial statements do not purport to and do not present fairly the financial position of the reporting entity of the Rapides Parish Police Jury and the changes in financial position in conformity with accounting principles generally accepted in the United States of America.

**Rapides Parish Police Jury
Alexandria, Louisiana
December 31, 2017**

Notes to Basic Financial Statements

B. Basis of Presentation

The accounting system is organized and operated on the basis of funds. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The Police Jury's funds are grouped into two broad fund categories: governmental funds and fiduciary funds. Governmental funds include general, special revenue, debt service, and capital project funds. Fiduciary funds consist of various agency funds.

Government-Wide Financial Statements

The government-wide financial statements, "*Statement of Net Position*" and "*Statement of Activities*", report information on all of the non-fiduciary activities of the primary government. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities which primarily rely on fees and charges for support. Internal service fund activity, if any, is eliminated to avoid "doubling up" revenues and expenses. Agency funds are excluded from the government-wide financial statements. The Police Jury does not have internal service funds.

The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This is the same approach used in the preparation of the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of related cash flows. This approach differs from the manner in which governmental fund financial statements are prepared. Therefore, governmental fund financial statements include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds. The primary effect of internal activity has been eliminated from the government-wide financial statements.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the Police Jury's governmental activities. Direct expenses are those that are specifically associated with a function and therefore clearly identifiable to a particular function. The Police Jury does not allocate indirect expenses to functions in the Statement of Activities. The Statement of Activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees and other charges to users of the Police Jury's services; (2) operating grants and contributions which finance annual operating activities including restricted investment income; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses. For identifying to which function program revenue pertains, the determining factor for charges for services is which function generates the revenue. For grants and contributions, the determining factor is to which functions the revenues are restricted. Revenues not classified as program revenues are presented as general revenues, which include ad valorem taxes, sales taxes, franchise taxes, severance taxes, beer taxes, state revenue sharing, interest, and other unrestricted revenues. The comparison of program revenues and expenses identifies the extent to which each program is self-financing or draws from the general revenues of the Police Jury.

**Rapides Parish Police Jury
Alexandria, Louisiana
December 31, 2017**

Notes to Basic Financial Statements

Net position is reported as restricted when constraints placed on net position are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

Fund Financial Statements

Fund financial statements report detailed information about the Police Jury. The focus of governmental fund financial statements is on major funds rather than reporting by fund type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

Nonspendable fund balances include amounts that cannot be spent because they are either not in a spendable form or legally or contractually required to be maintained intact. Restricted fund balances represent those portions of fund balance that are restricted to specific purposes by external parties, such as creditors, grantors, contributors, or laws or regulations of other governments or by law through constitutional provisions or enabling legislation. Committed fund balances are amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, which is the police jurors. Formal action taken by the Police Jury to establish or rescind committed funds is through adopting a resolution in a public meeting. Amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed, are reported as assigned fund balances. In cases where restricted and unrestricted monies are received by the Police Jury for the same function or purpose, the restricted monies are used first. Unrestricted monies are then spent in the following order: committed, assigned, and unassigned.

Governmental Funds

All governmental funds are accounted for using the modified accrual basis of accounting and the current financial resources measurement focus. Under this basis, revenues are recognized in the accounting period in which they become measurable and available. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable.

The following governmental funds are considered major funds:

General Fund – This is the Police Jury's primary operating fund. The General Fund accounts for all financial resources, except those required to be accounted for in other funds.

Fire Protection District #2 Fund – This fund accounts for the operations and maintenance of Fire District #2 protecting 43,000 Rapides Parish citizens living in the District's 247 square mile area. Financing is primarily provided by ad valorem taxes and state revenue sharing.

Road and Bridge Fund – This fund accounts for repairs and maintenance of roads and bridges throughout the parish. Financing is primarily provided by ad valorem taxes and state funds.

Road District 2C Fund – This fund accounts for repairs and maintenance of roads and bridges within Road District 2C. Financing is primarily provided by ad valorem taxes.

**Rapides Parish Police Jury
Alexandria, Louisiana
December 31, 2017**

Notes to Basic Financial Statements

Capital Improvement Fund – This fund accounts for various construction projects. Financing is provided by various federal, state, and local grants.

All other governmental funds are considered nonmajor funds.

Revenue Recognition - In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed to be measurable and available (i.e., collectible with the current period or within 60 days after year end and available to pay obligations in the current period): property taxes, franchise taxes, sales taxes, grants, interest revenue, and charges for services. Fines, permits, and license revenues are not susceptible to accrual because generally they are not measurable until received in cash. Reimbursements due for federal and state funded projects are accrued as revenue at the time the expenditures are made or, when received in advance, are deferred until expenditures are made.

Expenditure Recognition - The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Most expenditures are measurable and are recorded when the related fund liability is incurred, if measurable. However, principal and interest on general long-term debt, which has not matured, are recognized when paid. Allocations of costs, such as depreciation and amortization, are not recognized in the governmental funds.

Proprietary Funds

All proprietary funds are accounted for using the accrual basis of accounting. These funds account for operations that are primarily financed by user charges. The economic resource focus is concerned with determining costs as a means of maintaining the capital investment and management control. Revenues are recognized when earned, and expenses are recognized when incurred. Allocations of costs, such as depreciation, are recorded in proprietary funds. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The Police Jury has one proprietary fund, the Coliseum Enterprise Fund, which is classified as an enterprise fund.

Enterprise funds account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or where the governing body has decided that the periodic determination of revenue earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The principal operating revenues of the Police Jury's Coliseum Enterprise Fund are charges for events and rental of facilities. Operating expenses for the enterprise fund include the costs of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The major enterprise fund is the Coliseum Enterprise Fund. It was created on September 1, 2017 to manage the operations of the Rapides Parish Coliseum. The Rapides Parish Coliseum Authority, the former managing body of the Coliseum, was dissolved as of August 31, 2017 and all assets and liabilities of the Authority that existed as of August 31, 2017 were transferred to the Police Jury effective September

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Notes to Basic Financial Statements

1, 2017. In addition, certain assets, such as the coliseum building, and related liabilities, such as the public improvement bonds to finance the Coliseum renovations, were transferred from governmental activities capital assets to the new enterprise fund.

Fiduciary Funds

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the Rapides Parish Police Jury. The Police Jury accounts for its agency funds in this category. While these funds are under the supervision of the Rapides Parish Police Jury, they belong to other entities and are unavailable for use by the Rapides Parish Police Jury. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The agency funds maintained include the following:

Sales Taxes Fund – This fund accounts for the collection and distribution of various sales and use taxes dedicated to the Rapides Parish Police Jury, Rapides Parish School Board, and various other governmental entities within Rapides Parish.

Protested Taxes Fund – The Protested Taxes Fund accounts for taxes held separately until resolution of taxpayer protests. Upon resolution of the protests, funds are either transferred to the appropriate fund or refunded to the taxpayers.

Hotel-Motel Tax Fund – The Hotel-Motel Tax Fund accounts for the collection of a two percent tax levied on all revenues received from the occupancy of hotel and motel rooms located within Rapides Parish and the distribution of the proceeds to the Alexandria/Pineville Area Convention and Visitors Bureau for the promotion of tourism in Rapides Parish. Effective April of 2004, the Greater Alexandria Economic Development Authority levied an additional 3% occupancy tax on hotels, motels, and overnight camping facilities located within the City of Alexandria. Proceeds of this tax, less collection costs, are distributed to the Greater Alexandria Economic Development Authority for economic development for the City of Alexandria.

Renaissance Fund – This fund accounts for the collection and distribution of ad valorem taxes for the operations of the Community Receiving Home, Inc. d/b/a Renaissance Home.

Senior Citizens Fund – This fund accounts for the collection and distribution of ad valorem taxes approved by the voters for agencies providing services to senior citizens.

C. Budgets and Budgetary Accounting

Budgets for Governmental Funds are adopted annually on the cash basis of accounting. Budgets prepared on the cash basis of accounting are not prepared in accordance with accounting principles generally accepted in the United States of America, which requires that budgets for Governmental Funds be adopted on the modified accrual basis of accounting. The Budgetary Comparison Schedules included in the Required Supplemental Information – Part II present the budgeted and actual amounts on the cash basis of accounting.

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The treasurer prepares preliminary budgets for the ensuing year beginning in October. The finance committee reviews the proposed budgets and makes changes, as it deems appropriate. The availability of the proposed budgets for public inspection and the date of the public hearing on the budgets are then advertised in the official journal. Usually during its regular December meeting, the Police Jury holds a public hearing on the proposed budgets in order to receive comments from citizens. 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 usually adopted during the regular December meeting, and notice is published in the official journal.

During the year, the Police Jury receives monthly budget comparison statements that are used as a tool to monitor the operations of the parish. The treasurer proposes necessary budget amendments to the jury when he determines that actual operations are differing materially from those anticipated in the original budget. The Police Jury, in regular session, reviews the proposed amendments, makes necessary changes, and formally adopts the amendments. The adoption of amendments is included in the minutes published in the official journal. Budget comparison statements included in the accompanying required supplemental information include both the original adopted budgets and the final budgets including all subsequent amendments. The variances presented for major fund budget comparison statements compare the final budget to the actual amounts on a cash basis.

The Police Jury exercises budgetary control at the functional level. Within functional levels, the treasurer has the authority to make amendments as necessary. The Police Jury does not utilize encumbrance accounting in its budget practices.

D. Cash, Cash Equivalents, and Investments

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Management considers all highly liquid investments with a maturity of 90 days or less when purchased to be cash equivalents. 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 or any other state of the United States, or under laws of the United States.

Investments are reported at fair value. Fair value is the amount at which an investment could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The Police Jury categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. All investment types are valued using Level 1 inputs. Investments are limited to the investments allowed by Louisiana Revised Statute (RS) 33:2955. At year-end and during the year, investments consisted of notes issued by U.S. government agencies including the Federal Home Loan Mortgage Corporation, the Federal Home Loan Bank, and the Federal National Mortgage Association. If the original maturities of financial instruments exceed 90 days, they are classified as investments.

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E. Receivables

Amounts due from individuals, organizations, or other governmental units are recorded as receivables at year-end. Receivables are recognized for ad valorem taxes, sales taxes, assessments, intergovernmental grants, and charges for services.

Receivables are charged against income as they become uncollectible. In the opinion of management, all accounts at year-end were considered collectible, and an allowance for doubtful accounts was not considered necessary.

F. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial 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 of resources (expense/expenditure) until then. Currently, the Police Jury reports deferred outflows related to pensions in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflow 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 (revenue) until that time. Currently, the Police Jury reports deferred inflows related to pensions in this category.

G. Internal Balances (Due from/to Other Funds)

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as internal balances on the statement of net position and as due from/to other funds in the fund financial statements.

Amounts, if any, reported in the fund financial statements as interfund receivables and payables are eliminated in the government-wide statement of net position. There were no interfund balances at year-end.

H. Prepaid Expenses

If applicable, certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses in both government-wide and fund financial statements.

I. Capital Assets

The accounting and reporting treatment applied to the capital assets associated with a fund is determined by its measurement focus. General capital assets are long-lived assets of the Police Jury as a whole. When purchased, such assets are recorded as expenditures in the governmental funds.

In the Government-Wide Financial Statements, capital assets, including general capital assets, are capitalized and depreciated on a straight-line basis over their estimated useful lives. Public domain ("infrastructure") capital assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems are capitalized. The valuation basis for capital assets is historical cost, or when historical cost is not available, estimated historical cost. Donated capital assets are valued at estimated fair value on date of donation.

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Capital assets in the proprietary fund are capitalized in the fund. The valuation basis for proprietary fund capital assets is the same as those used for general capital assets.

Interest is capitalized on proprietary fund assets acquired with tax-exempt debt. This amount of interest to be capitalized is calculated by offering interest expense incurred from the date of the borrowing until completion of the project with interest on invested proceeds over the same period. No interest was capitalized during the current period.

The minimum capitalization threshold is as follows:

Land	All costs
Buildings and building improvements	Greater than \$ 50,000
Furniture and equipment	Greater than \$ 5,000
Infrastructure	Greater than \$ 250,000

J. Long-Term Liabilities

Long-term liabilities that are expected to be financed from governmental funds are not reported in the Balance Sheet of the Fund Financial Statements; however, such long-term obligations are reported in the Statement of Net Position in the Government-Wide Financial Statements. Interest expense on long-term debt is recognized in the Government-Wide Financial Statements as the interest accrues, regardless of when it is due. Long-term liabilities expected to be financed from proprietary fund operations are accounted for in that fund.

K. Compensated Absences

Vested or accumulated vacation leave or compensatory time earned that is expected to be liquidated with expendable, available financial resources are reported as expenditures and a fund liability of the governmental fund that will pay it. Amounts of compensated absences not expected to be liquidated with expendable, available financial resources are not reported in the Fund Financial Statements. No accrued current expenditures are reported in the Governmental Funds, as the amounts are considered immaterial. The full liability and related costs are reported in the Government-Wide Financial Statements. No liability is recorded for compensated absences that relate to future services or that are contingent on a specific event that is outside the control of the employer and employee. Accumulated sick leave is not paid to an employee upon termination. Therefore, no liability has been recorded relating to sick leave benefits.

All employees earn from 80 to 200 hours of vacation leave each year, depending on their length of service with the Rapides Parish Police Jury. Because 160 hours is the maximum amount of vacation leave that can be accumulated, the amount of vacation leave the employee accumulates over this amount is rolled over into their sick leave on their anniversary date.

L. On-Behalf Payments

Certain pension plans in which the Police Jury participates receive non-employer contributions from the State on-behalf of the Police Jury. In the Government-Wide Financial Statements, these on-behalf payments are recognized as operating grants and contributions of the applicable function.

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M. Interfund Transactions

Quasi-external transactions, if any, are accounted for as revenues or expenditures. Transactions that constitute reimbursements to a fund for expenditures, initially made from it that are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. All other interfund transactions are reported as transfers.

N. Sales Taxes

The Rapides Parish Police Jury collects the following sales and use taxes:

1. A one percent sales and use tax that is dedicated to the Police Jury and various other governmental units. The sales tax ordinance, approved by the voters of Rapides Parish on September 19, 1967, requires the parish's portion of the sales tax to be used to construct and maintain public roads, highways, bridges, and other capital improvements; to pay salaries of parish employees; and for any other lawful purposes, including funding bonds in the manner provided by Louisiana Revised Statutes 33:2721-2734 for capital improvements. The tax was approved for an indefinite period.
2. A one-half percent sales and use tax that is dedicated to the Police Jury and various other governmental units. The sales tax is collected in the area within Rapides Parish that is outside the corporate limits of the cities of Alexandria and Pineville (Sales Tax District No. 3). The sales tax ordinance, initially approved by the voters of Sales Tax District No. 3 on April 3, 1987, and renewed by the voters on May 31, 2012, requires that the Parish's portion of the sales tax be used to construct and maintain public streets, roads, highways, bridges, and drainage. The tax, which was approved for an indefinite period, is recognized as revenue in the Road and Bridge Special Revenue Fund.
3. A one and one-half percent sales and use tax was approved by the voters on May 2, 1987, to be used for salary supplements for all employees of the Rapides Parish School Board and to give additional support for the operation of public schools of Rapides Parish. The tax was approved for an indefinite period.
4. A one percent sales and use tax was approved by the voters on December 6, 2014, to be used for the purpose of acquiring, constructing, maintaining and operating fire protection and emergency medical service facilities, vehicles and equipment, including both movable and immovable property, that are to be used to provide fire protection and medical services in the District (Fire Protection Sales Tax District No. 17).
5. The Police Jury is also authorized to collect and remit to the City of Alexandria (two and one-half percent), the City of Pineville (two and one-half percent), the Town of Glenmora (one and one-half percent), the Town of Boyce (two percent), the Town of Lecompte (one and one-half percent), the Village of Forest Hill (one-half percent), the Town of Woodworth (two percent), the Town of Cheneyville (one percent) and the Town of Ball (two percent) additional sales and use taxes collected within the city limits of those municipalities.

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6. Starting in 2003, the Police Jury began collecting a one-half percent sales and use tax approved by the voters on October 5, 2002. The tax is to be used to fund salaries and related benefits for employees of the Rapides Parish Sheriff, and to fund the purchase, lease, operation, and maintenance of vehicles, furniture, fixtures, and equipment for the Rapides Parish Sheriff's office. The tax was approved for an indefinite time period.
7. The Police Jury is entitled to retain a prorata portion of all reasonable and necessary costs of administrating and collecting these taxes. The cost associated with collecting the sales taxes is deducted from collections prior to remittance to the various entities.

O. Hotel/Motel Tax

As provided by Louisiana Revised Statute 33:4574.1, the Police Jury has levied a two percent tax on the occupancy of all hotel/motel rooms in the parish. Proceeds of the tax, less collection costs, are distributed to the Alexandria/Pineville Convention and Visitors Bureau for the promotion of tourism in Rapides Parish. In addition, the Greater Alexandria Economic Development Authority levied an additional 3% occupancy tax on hotels, motels, and overnight camping facilities located within the City of Alexandria. Proceeds of this tax, less collection costs, are distributed to the Greater Alexandria Economic Development Authority for economic development for the City of Alexandria. The Hotel-Motel Tax Agency Fund accounts for the collection and distribution of the tax.

P. 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 at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. Excess of Expenditures over Appropriations

The following individual governmental funds had expenditures on the budgetary basis exceeding appropriations as approved in the budget:

	<u>Expenditures</u>	<u>Appropriations</u>	<u>Excess</u>
RSCC Transportation Grant Fund	\$ 21,186	\$ -	\$ 21,186
9 th JDC Non-support Fund	192,622	178,285	14,337
Sales Tax Sinking Fund	95,487	95,387	100
Fire District No. 7 Fund	665,992	575,474	90,518
SAMSA Adult Drug Court Grant Fund	252,495	-	252,495
Rapides Foundation Recreation Grant Fund	20,157	-	20,157
EMC LaGap Grant Fund	30,090	-	30,090

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Notes to Basic Financial Statements

3. Levied Taxes

The following is a summary of authorized and levied ad valorem taxes:

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>	
Parish-wide taxes:				
Constitutional	6.06	6.06	None	
Senior Citizens - Maintenance	1.06	1.06	2026	
Health Unit - Maintenance	1.06	1.06	2019	
Coliseum - Maintenance	1.00	1.00	2032	
Coliseum - Debt Service	2.55	2.55	2032	
Juvenile Community Correction Center and Juvenile Detention Home	2.06	2.06	2024	
	<u>Authorized Millage</u>		<u>Levied Millage</u>	<u>Expiration Date</u>
	<u>Low</u>	<u>High</u>	<u>Low</u>	<u>High</u>
District taxes:				
Fire Districts	11.96	144.25	11.96	144.25
Road Maintenance Districts	5.56	90.99	5.56	90.99
Buckeye Recreation District		6.09	6.09	2026

The Sheriff of Rapides Parish, as provided by the state law, is the official tax collector of general property taxes levied by the Rapides Parish Police Jury. The 2017 property tax calendar was as follows:

Millage rates adopted	May 10, 2017
Levy date	May 10, 2017
Tax bills mailed	November 13, 2017
Due date	December 31, 2017
Delinquent date	January 1, 2018

Tax Abatement

Rapides Parish Police Jury is subject to a number of tax abatement agreements entered into by other governments that reduce the ad valorem tax revenues of Rapides Parish Police Jury. These abatements are based on undepreciated values of various contracts as reported by Louisiana Economic Development. Property subject to abatement is located in various areas of the parish with millages ranging from 86.57 mills to 272.03 mills. The weighted average of the millages for the parish is approximately 115 mills and total undepreciated property subject to the contracts in effect during the year totaled \$1,691,785,566. The estimated amount of ad valorem taxes abated through indirect agreements is \$17,875,460.

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4. Cash, Cash Equivalents, and Investments

Cash and Cash Equivalents

At December 31, 2017, the Police Jury had cash and cash equivalents as follows:

Unrestricted	
Governmental activities	\$ 28,850,301
Business-type activities	<u>222,238</u>
Total	29,072,539
Restricted	
Business-type activities	1,065,142
Agency Funds	<u>188,784</u>
	\$ 30,326,465

These deposits are stated at cost, which approximates market value. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times at least equal the amount on deposit with the fiscal agent. At year-end, the Police Jury's deposits were covered by depository insurance or collateral held by the Police Jury or its agent in the Police Jury's name.

The Police Jury uses a master bank account for cash management purposes. At year-end, certain individual funds report negative cash balances. These are not bank overdrafts but rather reflect the individual funds allocated share of the master bank accounts deposit balances.

Investments

The Police Jury may invest in United States bonds, treasury notes, or time certificates of deposit of any bank domiciled or having a branch office in the State of Louisiana, investments as stipulated in Louisiana Revised Statute (RS) 33:2955, or any other federally insured investment. At year-end, investments consisted of U.S. government agency notes with a Moody rating of AAA and held by the Police Jury's agent in the Police Jury's name.

The Police Jury categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. All investment types are valued using Level 1 inputs.

Maturities are summarized below:

<u>Maturities in Years</u>	<u>Fair Value</u>
Less than 1 year	\$ -
1 to 5 years	2,117,152
6 to 10 years	1,995,633
11 to 15 years	<u>238,173</u>
	\$ 4,350,958

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5. Receivables

Governmental activities	\$ 23,497,139
Business-type activities	
Unrestricted	763,136
Restricted	1,893,501
Agency Funds	<u>15,660,552</u>
	\$ 41,814,328

	Governmental Activities	Business-type Activities	Agency Funds	Totals
Receivables				
Taxes – sales	\$ 491,170	\$ -	\$ 13,343,467	\$ 13,834,637
Taxes – ad valorem	20,086,182	2,636,051	2,316,710	25,038,943
Other	974,437	20,586	375	995,398
Intergovernmental				
Federal	1,617,373	-	-	1,617,373
State	74,291	-	-	74,291
Local	<u>253,686</u>	-	-	<u>253,686</u>
	\$ 23,497,139	\$ 2,656,637	\$ 15,660,552	\$ 41,814,328

6. Due From/To Other Funds and Transfers

Due From/To Other Funds

There were no amounts due from or to other funds at year-end. Interfund balances represent either routine charges for goods and services or permanent (non-loan) transfers from one fund to another. These balances are settled periodically.

Transfers

Transfer In	Transfer Out	Amount
Criminal Court Fund	General Fund	\$ 1,953,236
Watershed Maintenance Fund	General Fund	75,869
Civil Defense Fund	General Fund	10,000
OEWD Funds	General Fund	77,672
Coliseum Enterprise Fund	Coliseum Sinking Fund	<u>2,689,368</u>
		\$ 4,806,145

The transfers are movements of money from one fund to another. These can be required by law or merely serve as a means to finance activities in the receiving fund. Transfers are not loans, therefore, the receiving funds do not make repayment.

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7. Capital Assets

Capital asset activity for the year ended December 31, 2017, was as follows:

	<u>Balance, Beginning of Year</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance, End of Year</u>
Governmental Activities				
Capital assets not being depreciated				
Land and improvements	\$ 6,042,827	\$ 447,711	\$ (1,100,000)	\$ 5,390,538
Construction in progress	<u>26,070,561</u>	<u>2,706,460</u>	<u>(25,756,343)</u>	<u>3,020,678</u>
Total capital assets not being depreciated	32,113,388	3,154,171	(26,856,343)	8,411,216
Capital assets being depreciated				
Buildings and improvements	26,760,328	24,332,610	(23,830,514)	27,262,424
Furniture and equipment	28,543,787	2,891,107	(1,817,692)	29,617,202
Infrastructure	<u>352,694,234</u>	<u>2,314,838</u>	<u>-</u>	<u>355,009,072</u>
Total capital assets being depreciated	407,998,349	29,538,555	(25,648,206)	411,888,698
Less:				
Accumulated depreciation				
Buildings and improvements	16,772,475	439,732	-	17,212,207
Furniture and equipment	17,723,452	1,841,443	(857,917)	18,706,978
Infrastructure	<u>319,339,568</u>	<u>1,200,933</u>	<u>-</u>	<u>320,540,501</u>
Total accumulated depreciation	<u>353,835,495</u>	<u>3,482,108</u>	<u>(857,917)</u>	<u>356,459,686</u>
Total capital assets being depreciated, net	<u>54,162,854</u>	<u>26,056,447</u>	<u>(24,790,289)</u>	<u>55,429,012</u>
Governmental Activities Capital Assets, Net	\$ 86,276,242	\$ 29,210,618	\$ (51,646,632)	\$ 63,840,228

Depreciation expense was charged to functions as follows:

Governmental Activities	
General government	\$ 180,076
Public safety	1,647,512
Public works	1,515,053
Health and welfare	108,275
Culture and recreation	30,243
Economic development and assistance	<u>949</u>
Total Depreciation Expense for Governmental Activities	\$ 3,482,108

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	<u>Balance, Beginning of Year</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance, End of Year</u>
Business-Type Activities				
Capital assets not being depreciated				
Land and improvements	\$ -	\$ 1,100,000	\$ -	\$ 1,100,000
Total capital assets not being depreciated	-	1,100,000	-	1,100,000
Capital assets being depreciated				
Buildings and improvements	-	23,830,513	-	23,830,513
Furniture and equipment	-	959,775	-	959,775
Total capital assets being depreciated	-	24,790,288	-	24,790,288
Less:				
Accumulated depreciation				
Buildings and improvements	-	401,165	-	401,165
Furniture and equipment	-	54,280	-	54,280
Total accumulated depreciation	-	455,445	-	455,445
Total capital assets being depreciated, net	-	24,334,843	-	24,334,843
Governmental Activities Capital Assets, Net	\$ -	\$ 25,434,843	\$ -	\$ 25,434,843

Depreciation was charged to functions as follows:

Business-Type Activities	
Coliseum	\$ 414,180

In the government-wide and proprietary fund financial statements, capital assets are depreciated using the straight-line method over the following estimated useful lives:

Infrastructure	30 – 70 years
Buildings and improvements	20 – 40 years
Furniture and Equipment	5 – 20 years

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A summary of significant budgeted construction or renovation projects is presented below:

	<u>Project Authorization</u>	<u>Expended to Date</u>	<u>Commitment</u>	<u>Required Further Financing</u>
Fire District #15 - fire truck	\$ 260,000	\$ 118,000	\$ 142,000	None
Fire District #3 - building	2,025,440	853,635	1,171,805	None
Fire Station #3 - groundwork	216,900	221,959	-	None
Fire District #8 - renovations	101,700	-	101,700	None
Various Roads and Bridges	2,045,517	1,720,191	325,326	None
Fire District #7 - training center	150,000	98,422	51,578	None
Telephone System for Health Unit	44,133	-	44,133	None
Telephone System for 9-1-1 District	29,868	3,471	26,397	None
Fire District #17 - fire truck	17,500	5,000	12,500	None
Fire District #6 - fire truck	44,718	-	44,718	None
Fire District #15 - fire truck	383,310	-	383,310	None
	<u>\$ 5,319,086</u>	<u>\$ 3,020,678</u>	<u>\$ 2,303,467</u>	

8. Compensated Absences, Capitalized Leases, Certificates of Indebtedness, and Public Improvement Bonds

General Obligation Liabilities

General obligation liabilities are direct obligations and pledge the full faith and credit of the Police Jury. These liabilities include compensated absences, capitalized leases, certificates of indebtedness, and public improvement bonds.

Compensated Absences

Compensated absences represent accumulated and vested employee vacation leave benefits computed in accordance with accounting principles generally accepted in the United States of America. The liability for compensated absences is computed only at the end of each fiscal year. Compensated absences are paid by the fund that pays the salaries related to the liability.

Capital Leases

The Police Jury incurred various capital lease obligations for the acquisition of equipment for the General Fund and various Special Revenue Funds. The related fund provides debt service for the capital leases. Equipment acquired by capital leases is included in capital assets. The related capital lease obligations are included in long-term liabilities.

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Certificates of Indebtedness

The Police Jury issued certificates of indebtedness for:

- Constructing, improving, and maintaining public roads, highways, and bridges. Various road maintenance district special revenue funds provide debt service for these certificates.
- Construction of fire protection facilities or large equipment acquisitions. Various fire protection district special revenue funds provide debt service for these certificates.

Public Improvement Bonds

The Police Jury issued public improvement and general obligation bonds for paying all or part of the cost for certain capital improvements, and improving, renovating, and repairing the Rapides Parish Coliseum. The Police Jury pledged revenue from sales tax and ad valorem collections to pay debt service on these bonds.

On September 1, 2017, the Coliseum Authority was closed by the Rapides Parish Police Jury; therefore, public improvement bonds related to Coliseum renovations were transferred to the Coliseum Enterprise Fund for financial statement reporting purposes and transferred out of governmental activities.

A summary of long-term debt at year-end is presented below:

	<u>Maturity Dates</u>	<u>Interest Rates</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Governmental activities				
Compensated absences			\$ 412,172	\$ -
Capital leases	Various	1.91 - 4.87%	2,925,967	-
Certificates of indebtedness				
Road District 2-C (2013)	03/01/18	1.64%	234,000	-
Road District 1-B (2014)	06/24/24	2.29%	695,000	-
Fire District #15 (2014)	03/01/24	2.21%	520,000	-
Fire District #3 (2017)	03/01/23	2.47%	1,395,000	-
Fire District #6 (2017)	06/24/24	2.75%	120,000	-
Fire District #7 (2017)	06/24/24	2.75%	227,000	-
Public improvement bonds				
Public Improvement Bonds (2012)	12/01/21	2.18%	380,000	-
Business-type activities				
Enterprise Funds				
Public improvement bonds				
General Obligation Bonds (2013)	03/01/33	3.44%	-	20,065,000
Totals			6,909,139	20,065,000
Current portion			(1,229,642)	(915,000)
Totals			\$ 5,679,497	\$ 19,150,000

During the ended December 31, 2017, the following changes occurred in governmental activities long-term debt:

**Rapides Parish Police Jury
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	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Within One Year</u>
Governmental Activities					
Long-Term Debt					
Compensated absences	\$ 429,865	\$ -	\$ (17,693)	\$ 412,172	\$ -
Capital leases	3,317,223	53,023	(444,279)	2,925,967	412,642
Certificates of indebtedness	1,893,000	1,765,000	(467,000)	3,191,000	727,000
Public improvement bonds	<u>21,410,000</u>	<u>-</u>	<u>(21,030,000)</u>	<u>380,000</u>	<u>90,000</u>
	\$27,050,088	\$ 1,818,023	\$ (21,958,972)	\$ 6,909,139	\$ 1,229,642

The annual requirements to amortize governmental activities capital leases, certificates of indebtedness, and public improvement bond obligations payable as of December 31, 2017, are as follows:

<u>Year Ending December 31,</u>	<u>Principal Payments</u>	<u>Interest Payments</u>
2018	\$ 1,229,642	\$ 166,683
2019	1,014,066	136,453
2020	1,032,332	109,557
2021	1,038,277	82,097
2022	950,045	54,733
2023-2025	<u>1,232,605</u>	<u>48,091</u>
	\$ 6,496,967	\$ 597,614

During the ended December 31, 2017, the following changes occurred in business-type activities long-term debt:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Within One Year</u>
Business-type Activities					
Long-Term Debt					
Public improvements bonds	\$ -	\$20,945,000	\$ (880,000)	\$ 20,065,000	\$ 915,000
	\$ -	\$20,945,000	\$ (880,000)	\$ 20,065,000	\$ 915,000

The annual requirements to amortize business-type activities public improvement bond obligations payable as of December 31, 2017, are as follows:

<u>Year Ending December 31,</u>	<u>Principal Payments</u>	<u>Interest Payments</u>
2018	\$ 915,000	\$ 707,625
2019	950,000	674,900
2020	990,000	636,100
2021	1,030,000	590,550
2022	1,070,000	538,050
2023-2027	6,050,000	1,946,100
2028-2032	7,395,000	874,169
2033	<u>1,665,000</u>	<u>27,056</u>
	\$ 20,065,000	\$ 5,994,550

**Rapides Parish Police Jury
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In accordance with Louisiana Revised Statute 39:562, the Police Jury is legally restricted from incurring long-term bonded debt in excess of 10% of the assessed value of taxable property in the parish. At December 31, 2017, the statutory limit was \$99,687,589.

9. Changes in Agency Funds

Changes in amounts due to taxing bodies and others are summarized below:

Balance, Beginning of Year	\$ 17,918,174
Additions	
Ad valorem taxes	2,514,759
Sales tax collections	132,429,446
Occupational licenses	4,559,221
Other	80,006
Interest earned	687
Total Additions	139,584,119
Reductions	
Operating expenses	1,907,929
Settled to taxing bodies and others	139,750,695
Total Reductions	141,658,624
Balance, End of Year	\$ 15,843,699

10. Taxes Collected on Behalf of Other Taxing Authorities

In compliance with Louisiana Revised Statute 24:513(B)(3), taxes collected on behalf of other taxing authorities is presented in Supplemental Information Schedule 22.

11. Postretirement Health Care

The Police Jury provides certain continuing health care benefits for its retired employees. Substantially all of the Police Jury's employees become eligible for these benefits if they reach normal retirement age while working for the Police Jury. These benefits for retirees and similar benefits for active employees are provided through an insurance company whose monthly premiums are paid jointly by retirees or employees and the Police Jury. At December 31, 2017, there were 96 retirees receiving these benefits and 264 active employees participating in the insurance program. Benefit provisions were established by the Police Jury and may be amended by the Police Jury.

Plan Description

The Rapides Parish Police Jury's medical and pharmacy benefits are provided through a commercial insurance company.

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The plan is a single-employer plan for financial reporting purposes and for this valuation. Participants hired prior to January 1, 2007, are eligible for medical and pharmacy benefits upon retirement at age 65 with at least 7 years of service, at age 60 with at least 10 years of service, at age 55 with at least 25 years of service, and at any age with at least 30 years of service. Participants hired on or after January 1, 2007, are eligible for medical and pharmacy benefits upon retirement at age 67 with at least 7 years of service, at age 62 with at least 10 years of service, and at age 55 with at least 30 years of service.

Contribution Rates

Employees do not contribute to their postemployment benefits costs until they become retirees and begin receiving those benefits. The Police Jury contributes most of the cost of the health insurance and, if elected, for the eligible dependents of the retiree. The retiree pays the balance. Contribution rates vary based on a number of factors including age, Medicare, and options selected. The plan provisions and contribution rates are contained in the official plan documents.

Funding Policy

The Rapides Parish Police Jury implemented Government Accounting Standards Board Statement Number 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions* (GASB 45) in a prior year. The funding policy is not to fund the Annual Required Contribution (ARC) except to the extent of the current year's retiree funding costs.

Annual Required Contribution

The Rapides Parish Police Jury's Annual Required Contribution (ARC) is an amount actuarially determined, as of January 1, 2017, in accordance with GASB Codification Section P50. The ARC is the sum of the Normal Cost plus the contribution to amortize the Unfunded Actuarial Accrued Liability (UAL). A level dollar, closed amortization period of 30 years (the maximum amortization period allowed by GASB Codification Section P50) has been used for the post-employment benefits. The actuarially computed ARC is as follows:

	<u>2017</u>	<u>2016</u>
Normal cost	\$ 2,114,899	\$ 2,069,364
30-year UAL amortization amount	<u>2,436,239</u>	<u>2,721,663</u>
Annual required contribution (ARC)	\$ 4,551,138	\$ 4,791,027

Net Postemployment Benefit Obligation (Asset)

The table below shows Rapides Parish Police Jury's Net Other Postemployment Benefit (OPEB) Obligation for fiscal years ending December 31:

**Rapides Parish Police Jury
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	<u>2017</u>	<u>2016</u>
Beginning Net OPEB Obligation (Asset)	\$ 33,283,376	\$ 30,446,734
Annual required contribution (ARC)	4,551,138	4,791,027
Interest on Net OPEB Obligation (Asset)	1,331,335	1,217,869
ARC Adjustment	<u>(1,887,403)</u>	<u>(2,049,341)</u>
OPEB Cost	3,995,070	3,959,555
Contribution	-	-
Current year retiree premium	<u>(1,322,750)</u>	<u>(1,122,913)</u>
Change in Net OPEB Obligation (Asset)	<u>2,672,320</u>	<u>2,836,642</u>
Ending Net OPEB Obligation (Asset)	\$ 35,955,696	\$ 33,283,376

The following table shows Rapides Parish Police Jury's annual other postemployment benefits (OPEB) cost percentage of the cost contributed, and the net unfunded other postemployment benefits (OPEB) liability for the current year and prior two years:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual Cost Contributed</u>	<u>Net OPEB Liability (Asset)</u>
December 31, 2017	\$ 3,995,070	33.11%	\$ 35,955,696
December 31, 2016	\$ 3,959,555	28.36%	\$ 33,283,376
December 31, 2015	\$ 4,043,148	24.29%	\$ 30,446,734

Funded Status and Funding Progress

In the fiscal years ending December 31, 2017 and 2016, the Rapides Parish Police Jury made no contributions to its other postemployment benefits plan. The plan is not funded, has no assets, and hence has a funded ratio of zero. Based on the January 1, 2017 actuarial valuation, the most recent valuation, the Actuarial Accrued Liability (AAL) at the end of the year December 31, 2017 was \$42,223,228 which is defined as that portion, as determined by a particular actuarial cost method (the Rapides Parish Police Jury uses the Unit Credit Actuarial Cost Method), of the actuarial present value of postemployment plan benefits and expenses which is not provided by normal cost. Since the plan was not funded in fiscal years 2017 and 2016, the entire actuarial accrued liability as stated above, was unfunded. The funding status is as follows:

	<u>2017</u>	<u>2016</u>
Actuarial accrued liability (AAL)	\$ 42,223,228	\$ 39,205,494
Actuarial value of plan assets	<u>-</u>	<u>-</u>
Unfunded actuarial accrued liability (UAAL)	\$ 42,223,228	\$ 39,205,494
Funded ratio (actuarial value of plan assets/AAL)	0.00%	0.00%
Covered payroll (active plan members)	\$ 14,036,092	\$ 12,710,249
UAAL as a percentage of covered payroll	300.82%	308.46%

**Rapides Parish Police Jury
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The Schedule of Funding Progress presented as required supplemental information presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial Methods and Assumptions

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. The actuarial valuation for postemployment benefits includes estimates and assumptions regarding (1) turnover rate; (2) retirement rate; (3) health care cost trend rate; (4) mortality rate; (5) discount rate (investment return assumption); and (6) the period to which the costs apply (past, current, or future years of service by employees). Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

The actuarial calculations are based on the types of benefits provided under the terms of the substantive plan (the plan as understood by the Rapides Parish Police Jury and its employee plan members) at the time of the valuation and on the pattern of sharing costs between the Rapides Parish Police Jury and its plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the Rapides Parish Police Jury and plan members in the future. Consistent with the long-term perspective of actuarial calculations, the actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial liabilities and the actuarial value of assets.

Actuarial Cost Method

The ARC is determined using the Projected Unit Credit Actuarial Cost Method. The employer portion of the cost for retiree medical care in each future year is determined by projecting the current cost levels using the healthcare cost trend rate and discounting this projected amount to the valuation date using the other described pertinent actuarial assumptions, including the investment return assumption (discount rate), mortality, and turnover.

Actuarial Value of Plan Assets

There are not any plan assets. It is anticipated that in future valuations, should funding take place, a smoothed market value will be consistent with Actuarial Standards Board ASOP 6, as provided in paragraph number 125 of GASB Codification Section P50.

Turnover Rate

Turnover rates varying by years of service (YOS) based on actual experience has been used. Sample rates are 5 years of service (YOS) – 9%; YOS – 4%; and 19+ YOS – 1%. These rates, when applied to the active employee census, produce a composite average annual turnover of approximately 23%.

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Investment Return Assumption (Discount Rate)

GASB Codification Section P50 states that the investment return assumption should be the estimated long-term investment yield on the investments that are expected to be used to finance the payment of benefits (that is, for a plan which is funded). Based on the assumption that the ARC will not be funded, a 4% annual investment return has been used in this valuation.

Health Care Cost Trend Rate

A health care cost trend rate of a level 5.75% was used.

Mortality Rate

The mortality rate was based on the RPH-2014 Total Table with Projection MP-2017.

Method of Determining Value of Benefits

The "value of benefits" has been assumed to be the portion of the premium after retirement date expected to be paid by the employer for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid.

Inflation Rate

Included in both the Investment Return Assumption and the Healthcare Cost Trend rates above is an implicit inflation assumption of 3.00% annually.

Projected Salary Increases

This assumption is not applicable since neither the benefit structure nor the valuation methodology involves salary.

Post-retirement Benefit Increases

The plan benefit provisions in effect for retirees as of the valuation date have been used, and it has been assumed for valuation purposes that there will not be any changes in the future.

Below is a summary of OPEB cost and contributions for the last three fiscal calendar years.

	<u>2017</u>	<u>2016</u>	<u>2015</u>
OPEB Cost	\$ 3,995,070	\$ 3,959,555	\$ 4,043,148
Contribution - Retiree premium	(1,322,750)	(1,122,913)	(982,096)
Change in net OPEB obligation	\$ 2,672,320	\$ 2,836,642	\$ 3,061,052

**Rapides Parish Police Jury
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12. Retirement Systems

The Rapides Parish Police Jury contributes to the Parochial Employees' Retirement System of Louisiana (PERS), Louisiana State Employees' Retirement System (LASERS), Registrar of Voters Employees' Retirement System (ROVERS), District Attorneys' Retirement System (DARS), and State of Louisiana Firefighters' Retirement System (FRS).

The following recap shows the total deferred outflows and inflows of pension resources and net pension liability, as reported in the Statement of Net Position, for each of these plans. More detail information for each of these plans is presented following the recap.

	Deferred Outflows of Pension Resources	Deferred Inflows of Pension Resources	Net Pension Liability
PERS	\$ 4,125,973	\$ 757,019	\$ 2,810,811
LASERS	38,282	6,924	201,029
ROVERS	116,480	56,422	150,539
DARS	598,348	397,162	553,369
FRS	1,903,763	847,955	7,627,016
	\$ 6,782,846	\$ 2,065,482	\$ 11,342,764

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

General Information about the Pension Plan

Plan Description

Qualifying employees of Rapides Parish Police Jury are provided with pensions through a cost-sharing multiple-employer defined benefit plan administered by the Parochial Employees' Retirement System of Louisiana (PERS). Sections 1901 through 2025 of Title 11 of the Louisiana Revised Statutes (La. R.S. 11:1901-2025) grant to PERS Board of Trustees and the Louisiana Legislature the authority to review administration, benefit terms, investments, and funding of the plan. Act 765 of the year 1979, established by the Legislature of the State of Louisiana, revised the System to create Plan A and Plan B to replace the "regular plan" and the "supplemental plan." Plan A was designated for employers out of Social Security. Plan B was designated for those employers that remained in Social Security on the revision date. The Police Jury only participates in Plan A. The information below applies only to Plan A.

PERS issues a publicly available financial report that is available for download at www.persla.org.

Benefits Provided

The following is a description of the plan and its benefits and is provided for general information purposes only. PERS provides retirement benefits to 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 elects to become members of the System. Participants should refer to the appropriate statutes for more complete information and plan documents for detail eligibility requirements.

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1. Retirement

Normal Retirement

Any member of Plan A can retire providing the member meets one of the following criteria. Members hired prior to January 1, 2007, may retire at the earliest of age 65 with a minimum of 7 years of creditable service, age 60 with a minimum of 10 years of creditable service, age 55 with 25 years of creditable service, or at any age with 30 years or more of creditable service. Members hired after January 1, 2007, may retire at the age of 67 with 7 years of service, age 62 with 10 years of service, or age 55 with 30 years of service.

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

2. Survivor Benefits

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

3. Deferred Retirement Option Program (DROP)

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

Upon termination of employment prior to or at the end of the specified period of participation, a participant in the DROP may receive, at his option, a lump sum from the account equal to the payments into the account, a true annuity based upon his account balance at that fund, or roll over the fund to an Individual Retirement Account.

Interest is accrued on the DROP benefits for the period between the end of DROP participation and the member's retirement date.

For individuals who become eligible to participate in the DROP on or after January 1, 2004, all amounts which remain credited to the individual's subaccount after termination in DROP will be placed in liquid asset money market investments at the discretion of the board of trustees. These subaccounts may be credited with interest based on money market rates of return or, at the option of the System, the funds may be credited to self-directed subaccounts. The participant in the self-directed portion of DROP must agree that the benefits payable to the participant are not the obligations of the state or the System, and that any returns and other rights of DROP are the sole liability and responsibility of the participant and the designated provider to which contributions have been made.

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4. Disability Retirement Benefits

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

5. 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 two percent of the retiree's original benefit for each full calendar year since retirement 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 two percent 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 two and a half percent for retirees 62 years and older as stated in Louisiana Revised Statute 11:1937. Lastly, Act 270 of 2009 provided for further reduced actuarial payments to provide an annual two and a half percent cost of living adjustment commencing at age 55.

Contributions

According to state statute, contributions for all employees are actuarially determined each year. For the plan year ended December 31, 2016, the actuarially determined contribution rate was 10.52% of member's compensation for Plan A. However, the actual rate for the fiscal year ending December 31, 2016 was 13.00%.

According to state statute, the System also received one-fourth of one percent 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-employer contributing entities.

Contributions to the pension plan from the Police Jury were \$1,070,305 for the Police Jury's fiscal year ended December 31, 2017.

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

At December 31, 2017, the Rapides Parish Police Jury reported a liability of \$2,810,811 for its proportionate share of the Net Pension Liability (NPL). The Net Pension Liability was measured as of December 31, 2016, and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The Police Jury's proportion of the Net Pension Liability was based on a projection of the Police Jury's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. As of the valuation date of December 31, 2016, the Police Jury's proportion was 1.36479%, which was an increase of 0.005912% from its proportion measured as of December 31, 2015.

For the year ended December 31, 2017, the Police Jury recognized pension expense of \$1,718,276, including amortization of change in proportionate share and difference between employer contributions and proportionate share of contributions.

At December 31, 2017, the Police Jury reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 493,592
Changes of assumptions	535,962	-
Net difference between projected and actual earnings on pension plan investments	2,426,048	235,731
Changes in proportion and differences between Employer contributions and proportionate share of contributions	93,658	27,696
Employer contributions subsequent to the measurement date	<u>1,070,305</u>	<u>-</u>
Total	<u>\$ 4,125,973</u>	<u>\$ 757,019</u>

The \$1,070,305 reported as deferred outflows of resources related to pensions resulting from the Police Jury contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended December 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

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<u>Year Ending December 31,</u>	
2018	\$ 880,348
2019	905,582
2020	571,651
2021	(58,932)

Actuarial Assumptions

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

Valuation Date	December 31, 2016
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Expected Remaining Service Lives	4 years
Investment Rate of Return	7.00% net of investment expenses, including inflation
Mortality	RP-2000 Employee Sex Distinct Table was selected for employees. RP-2000 Healthy Annuitant Sex Distinct Tables were selected for annuitants and beneficiaries. RP-2000 Disabled Lives Mortality Table was selected for disabled annuitants.
Inflation Rate	2.50%
Salary Increases	5.25% (2.75% Merit/2.50% Inflation)
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living expenses. The present values do not include provisions for potential future increase not yet authorized by the Board of Trustees.

The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the capital asset pricing model (CAPM) (top-down), a treasury yield curve approach (bottom-up) and an equity building-block method (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 plan year ended December 31, 2016.

**Rapides Parish Police Jury
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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:

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

Discount Rate

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

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Employer's proportionate share of the Net Pension Liability using the discount rate of 7.00%, as well as what the Employer's proportionate share of the Net Pension Liability would be if it were calculated using a discount rate that is one percentage-point lower (6.00%) or one percentage-point higher (8.00%) than the current rate:

	<u>1.0% Decrease (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1.0% Increase (8.00%)</u>
Employer's proportionate share of the net pension liability	\$ 8,408,265	\$ 2,810,811	\$ (1,922,006)

Support of Non-employer Contributing Entities

Contributions received by a pension plan from non-employer contributing entities that are not in a special funding situation are recorded as revenue by the respective pension plan. The Police Jury recognizes revenue in an amount equal to their proportionate share of the total contributions to the pension plan from these non-employer contributing entities. During the year ended December 31, 2017, the Police Jury recognized revenue as a result of support received from non-employer contributing entities of \$100,816 for its participation in PERS.

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Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS 2016 Annual Financial Report at www.persla.org.

B. Louisiana State Employees' Retirement System (LASERS)

General Information about the Pension Plan

Plan Description

Qualified employees of Rapides Parish Police Jury are provided with pensions through a cost-sharing multiple-employer defined benefit plan administered by the Louisiana State Employees' Retirement System (LASERS). Section 401 of Title 11 of the Louisiana Revised Statutes (La. R.S. 11:401) grants to LASERS Board of Trustees and the Louisiana Legislature the authority to review administration, benefit terms, investments, and funding of the plan. The Louisiana State Employees' Retirement System issues a publicly available financial report that can be obtained at www.lasersonline.org.

Benefits Provided

The following is a description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

1. Retirement

The age and years of creditable service required in order for a member to retire with full benefits are established by statute, and vary depending on the member's hire date, employer, and job classification. Rank and file members hired prior to July 1, 2006, may either retire with full benefits at any age upon completing 30 years of creditable service or at age 60 upon completing ten years of creditable service depending on their plan. Those members hired between July 1, 2006 and June 30, 2015, may retire at age 60 upon completing five years of creditable service and those hired on or after July 1, 2015 may retire at age 62 upon completing five years of creditable service. The basic annual retirement benefit for members is equal to 2.5% to 3.5% of average compensation multiplied by the number of years of creditable service. Additionally, members may choose to retire with 20 years of service at any age, with an actuarially reduced benefit.

Average compensation is defined as the member's average annual earned compensation for the highest 36 consecutive months of employment for members employed prior to July 1, 2006. For members hired July 1, 2006 or later, average compensation is based on the member's average annual earned compensation for the highest 60 consecutive months of employment. The maximum annual retirement benefit cannot exceed the lesser of 100% of average compensation or a certain specified dollar amount of actuarially determined monetary limits, which vary depending upon the member's age at retirement. Judges, court officers, and certain elected officials receive an additional annual retirement benefit equal to 1.0% of average compensation multiplied by the number of years of creditable service in their respective capacity. As an alternative to the basic retirement benefits, a member may elect to receive their retirement throughout their life, with certain benefits being paid to their designated beneficiary after their death.

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Act 992 of the 2010 Louisiana Regular Legislative Session, changed the benefit structure for LASERS members hired on or after January 1, 2011. This resulted in three new plans: regular, hazardous duty, and judges. The new regular plan includes regular members and those members who were formerly eligible to participate in specialty plans, excluding hazardous duty and judges. Regular members and judges are eligible to retire at age 60 after five years of creditable service and, may also retire at any age, with a reduced benefit, after 20 years of creditable service. Hazardous duty members are eligible to retire with twelve years of creditable service at age 55, 25 years of creditable service at any age or with a reduced benefit after 20 years of creditable service. Average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment for all three new plans. Members in the regular plan will receive a 2.5% accrual rate, hazardous duty plan a 3.33% accrual rate, and judges a 3.5% accrual rate. The extra 1.0% accrual rate for each year of service for court officers, the governor, lieutenant governor, legislators, House clerk, sergeants at arms, or Senate secretary, employed after January 1, 2011, was eliminated by Act 992. Specialty plan and regular members, hired prior to January 1, 2011, who are hazardous duty employees have the option to transition to the new hazardous duty plan.

Act 226 of the 2014 Louisiana Regular Legislative Session established new retirement eligibility for members of LASERS hired on or after July 1, 2015, excluding hazardous duty plan members. Regular members and judges under the new plan are eligible to retire at age 62 after five years of creditable service and, may also retire at any age, with a reduced benefit, after 20 years of creditable service. Average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment. Members in the regular plan will receive a 2.5% accrual rate, and judges a 3.5% accrual rate, with the extra 1.0% accrual rate based on all years of service as a judge.

A member leaving employment before attaining minimum retirement age, but after completing certain minimum service requirements, becomes eligible for a benefit provided the member lives to the minimum service retirement age, and does not withdraw their accumulated contributions. The minimum service requirement for benefits varies depending upon the member's employer and service classification.

2. Deferred Retirement Benefits

The State Legislature authorized LASERS to establish a Deferred Retirement Option Plan (DROP). When a member enters DROP, their status changes from active member to retiree even though they continue to work and draw their salary for a period of up to three years. The election is irrevocable once participation begins. During DROP participation, accumulated retirement benefits that would have been paid to each retiree are separately tracked. For members who entered DROP prior to January 1, 2004, interest at a rate of one-half percent less than the LASERS's realized return on its portfolio (not to be less than zero) will be credited to the retiree after participation ends. At that time, the member must choose among available alternatives for the distribution of benefits that have accumulated in the DROP account. Members who enter DROP on or after January 1, 2004, are required to participate in LASERS Self-Directed Plan (SDP) which is administered by a third-party provider. The SDP allows DROP participants to choose from a menu of investment options for the allocation of their DROP balances. Participants may diversify their investments by choosing from an approved list of mutual funds with different holdings, management styles, and risk factors.

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Members eligible to retire and who do not choose to participate in DROP may elect to receive at the time of retirement an initial benefit option (IBO) in an amount up to 36 months of benefits, with an actuarial reduction of their future benefits. For members who selected the IBO option prior to January 1, 2004, such amount may be withdrawn or remain in the IBO account earning interest at a rate of one-half percent less than the System's realized return on its portfolio (not to be less than zero). Those members who select the IBO on or after January 1, 2004, are required to enter the SDP as described above.

3. Disability Benefits

Generally, active members with ten or more years of credited service who become disabled may receive a maximum disability retirement benefit equivalent to the regular retirement formula without reduction by reason of age.

Upon reaching age 60, the disability retiree may receive a regular retirement benefit by making application to the Board of Trustees.

For injuries sustained in the line of duty, hazardous duty personnel in the Hazardous Duty Services Plan will receive a disability benefit equal to 75% of final average compensation.

4. Survivor's Benefits

Certain eligible surviving dependents receive benefits based on the deceased member's compensation and their relationship to the deceased. The deceased regular member hired before January 1, 2011 who was in state service at the time of death must have a minimum of five years of service credit, at least two of which were earned immediately prior to death, or who had a minimum of twenty years of service credit regardless of when earned in order for a benefit to be paid to a minor or handicapped child. Benefits are payable to an unmarried child until age 18, or age 23 if the child remains a full-time student. The aforementioned minimum service credit requirement is ten years for a surviving spouse with no minor children, and benefits are to be paid for life to the spouse or qualified handicapped child.

The deceased regular member hired on or after January 1, 2011, must have a minimum of five years of service credit regardless of when earned in order for a benefit to be paid to a minor child. The aforementioned minimum service credit requirements for a surviving spouse are 10 years, 2 years being earned immediately prior to death, and active state service at the time of death, or a minimum of 20 years of service credit regardless of when earned. A deceased member's spouse must have been married for at least one year before death.

5. Permanent Benefit Increases/Cost-of-Living Adjustments

As fully described in Title 11 of the Louisiana Revised Statutes, the System allows for the payment of permanent benefit increases, also known as cost-of-living adjustments (COLAs), that are funded through investment earnings when recommended by the Board of Trustees and approved by the State Legislature.

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Contributions

The employer contribution rate is established annually under La. R.S. 11:101-11:104 by the Public Retirement Systems' Actuarial Committee (PRSAC), taking into consideration the recommendation of the System's Actuary. A separate actuarially-determined employer contribution rate is calculated for each class of members. However, all assets of LASERS are used for the payment of benefits for all classes of members, regardless of their plan membership. The employer contribution rate for the Police Jury was 38.00% for the LASERS' plan year ending June 30, 2017.

The Police Jury's actuarially-determined contribution rates for the year ended December 31, 2017 was 38.00% of covered payroll for the period of January 1, 2017 to June 30, 2017, and 41.10% of covered payroll for the period of July 1, 2017 to December 31, 2017. Contributions to the pension plan from the Police Jury were \$19,871 for the year ended December 31, 2017.

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

At December 31, 2017, the Rapides Parish Police Jury reported a liability of \$201,029 for its proportionate share of the Net Pension Liability (NPL). The Net Pension Liability was measured as of June 30, 2017, and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The Police Jury's proportion of the Net Pension Liability was based on a projection of the Police Jury's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2017, the Police Jury's proportion was 0.00286%, which was an increase of 0.00003% from its proportion measured as of June 30, 2016.

For the year ended December 31, 2017, the Police Jury recognized pension expense of \$21,842 including employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions and deferred outflows and inflows of resources of \$3,447.

At December 31, 2017, the Police Jury reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 3,682
Changes of assumptions	795	-
Net difference between projected and actual earnings on pension plan investments	20,640	3,242
Changes in proportion and differences between Employer contributions and proportionate share of contributions	6,540	-

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	Deferred Outflows of Resources	Deferred Inflows of Resources
Employer contributions subsequent to the measurement date	10,307	-
Total	\$ 38,282	\$ 6,924

The \$10,307 reported as deferred outflows of resources related to pensions resulting from the Police Jury contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended December 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>			
2018	\$	8,718	
2019		7,352	
2020		5,790	
2021		(809)	

Actuarial Assumptions

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

Valuation Date	June 30, 2017
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Expected Remaining Service Lives	3 years
Investment Rate of Return	7.70% per annum, net of investment expenses
Inflation Rate	2.75% per annum
Mortality	
Non-disabled Members	Mortality rates based on the RP-2000 Combined Healthy Mortality Table with mortality improvement projected to 2015.
Disabled Members	Mortality rates based on RP-2000 Disabled Retiree Mortality Table with no projection for mortality improvement.

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Termination, Disability, and Retirement Termination, disability, and retirement assumptions were projected based on a five-year (2009-2013) experience study of the System's members.

Salary Increases Salary increases were projected based on a 2009-2013 experience study of the System's members. The salary increase ranges for specific types of members are:

<u>Member Type</u>	<u>Lower Range</u>	<u>Upper Range</u>
Regular	3.8%	12.8%
Judges	2.8%	5.3%
Corrections	3.4%	14.3%
Hazardous Duty	3.4%	14.3%
Wildlife	3.4%	14.3%

Cost of Living Adjustments The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The projected benefit payments do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 3.25% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate is 8.69% for 2017.

Discount Rate

The discount rate used to measure the total pension liability was 7.70%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at actuarially determined rates approved by PRSAC taking into consideration the recommendation of the LASERS' actuary. Based on those assumptions, the LASERS' 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.

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Sensitivity of the Employer’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Employer’s proportionate share of the Net Pension Liability using the discount rate of 7.70%, as well as what the Employer’s proportionate share of the Net Pension Liability would be if it were calculated using a discount rate that is one percentage-point lower (6.70%) or one percentage-point higher (8.70%) than the current rate:

	1.0% Decrease (6.70%)	Current Discount Rate (7.70%)	1.0% Increase (8.70%)
Employer’s proportionate share of the net pension liability	\$ 252,369	\$ 201,029	\$ 157,378

Pension Plan Fiduciary Net Position

Detailed information about the pension plan’s fiduciary net position is available in the separately issued LASERS 2016 Comprehensive Annual Financial Report at www.lasersonline.org.

C. Registrar of Voters Employees’ Retirement System (ROVERS)

General Information about the Pension Plan

Plan Description

Certain qualified employees of the Police Jury are provided with retirement benefits through a cost-sharing multiple-employer defined benefit plan administered by the Registrar of Voters Employees’ Retirement System of Louisiana (ROVERS). ROVERS was established on January 1, 1955, for the purpose of providing retirement allowances and other benefits as stated under the provisions of R.S. Title 11:2032, as amended, for registrars of voters, their deputies, and their permanent employees in each parish. The projection of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through ROVERS in accordance with the benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date. ROVERS issues a publicly available financial report that is available for download at www.lla.la.gov.

Benefits Provided

The following is a description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

1. Retirement

Normal Retirement

Any member hired prior to January 1, 2013, is eligible for normal retirement after 20 years of creditable service and is age 55 or has 10 years of creditable service and is age 60. Any member with 30 years of creditable service, regardless of age, may retire. Regular retirement benefits for members hired prior to January 1, 2013, are calculated at 3.33% of the average annual earned compensation for the highest consecutive 60 months multiplied by the number of years of creditable service, not to exceed 100% of average annual compensation.

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Any member hired on or after January 1, 2013, is eligible for normal retirement after he has attained 30 years of creditable service and is age 55; has attained 20 years of creditable service and is age 60; or has attained 10 years of creditable service and is age 62. Regular retirement benefits for members hired prior to January 1, 2013, are calculated at 3.00% of the average annual earned compensation for the highest consecutive 60 months multiplied by the number of years of creditable service, not to exceed 100% of average annual compensation. Retirement benefits for members hired on or after January 1, 2013, that have attained 30 years of creditable service with at least 20 years in ROVERS are calculated at 3.33% of the average annual compensation for the highest consecutive 60 months multiplied by the number of years of creditable service, not to exceed 100% of average annual compensation.

Any member whose withdrawal from service occurs prior to attaining the age of 60 years, who shall have completed 10 or more years of creditable service and shall not have received a refund of his accumulated contributions, shall become eligible for a deferred allowance beginning upon his attaining the age of 60 years.

2. Deferred Retirement Option Program (DROP)

In lieu of terminating employment and accepting a service retirement, any member with ten or more years of service at age sixty, twenty or more years of service at age fifty-five, or thirty or more years of service at any age may elect to participate in the Deferred Retirement Option Program (DROP) for up to three years and defer the receipt of benefits. Upon commencement of participation in the plan, membership in the ROVERS terminates. 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. This fund does not earn interest. In addition, no cost of living increases are payable to participants until employment which made them eligible to become members of ROVERS has been terminated for at least one full year.

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

3. Disability Retirement Benefits

Disability benefits are provided to active contributing members with at least ten years of service established in the ROVERS and who have been officially certified as disabled by the State Medical Disability Board. The disabled member who has attained the age of sixty years shall be entitled to a regular retirement allowance. The disabled member who has not yet attained age sixty shall be entitled to a disability benefit equal to the lesser of 3.00% of his average final compensation multiplied by the number of creditable years of service (not to be less than fifteen years) or 3.33% of the average final compensation multiplied by the years of service assuming continued service to age sixty. Disability benefits may not exceed two-thirds of earnable compensation.

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4. Survivor Benefits

If a member who has less than five years of credited service dies due to any cause other than injuries sustained in the performance of his official duties, his accumulated contributions are paid to his designated beneficiary. If the member has five or more years of credited service and is not eligible to retire, automatic Option 2 benefits are payable to the surviving spouse. These benefits are based on the retirement benefits accrued at the member's date of death with Option 2 factors used as if the member had continued in service to earliest normal retirement age. If a member has no surviving spouse and the member has five or more years of creditable service, the surviving minor children under 18 or disabled children shall be paid 80% of the accrued retirement benefit in equal shares until the age of majority or for the duration of the handicap for a handicapped child. Upon the death of any former member with 10 or more years of service, automatic Option 2 benefits are payable to the surviving spouse. In lieu of periodic payments, the surviving spouse or children may receive a refund of the member's accumulated contributions.

5. Cost-of-Living Adjustments

The Board is authorized to provide an annual cost-of-living increase of 2.50% of the eligible retiree's original benefit if certain funding criteria are met. Members are eligible to receive a cost of living adjustment once they have reached the age of sixty and have been retired at least one year. Funding criteria for granting cost-of-living adjustments is dependent on the funded ratio.

Contributions

According to state statute, contributions requirements for all employers are actuarially determined each year. For the plan year ended June 30, 2017, the actual employer contribution rate was 20.00%. Contributions to the pension plan from the Police Jury were \$17,311 for the year ended December 31, 2017.

In accordance with state statute, ROVERS also receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities, but are not considered special funding situations. Non-employer contributions are recognized as revenue and excluded from pension expense for the plan year ended June 30, 2017. The Police Jury's proportionate share of these non-employer contributions for the plan year ended June 30, 2017 was \$19,398.

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

At December 31, 2017, the Rapides Parish Police Jury reported a liability of \$150,539 for its proportionate share of the Net Pension Liability (NPL). The Net Pension Liability was measured as of June 30, 2017, and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The Police Jury's proportion of the Net Pension Liability was based on a projection of the Police Jury's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2017, the Police Jury's proportion was 0.68579%, which was an increase of 0.02328% from its proportion measured as of June 30, 2016.

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For the year ended December 31, 2017, the Police Jury recognized pension expense of \$53,864 including amortization of the employer's difference between employer contributions and proportionate share of contributions of \$21,660.

At December 31, 2017, the Police Jury reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 27,716
Changes of assumptions	14,462	4,701
Net difference between projected and actual earnings on pension plan investments	37,700	23,893
Changes in proportion and differences between Employer contributions and proportionate share of contributions	56,323	112
Employer contributions subsequent to the measurement date	7,995	-
Total	\$ 116,480	\$ 56,422

The \$7,995 reported as deferred outflows of resources related to pensions resulting from the Police Jury contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended December 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>			
2018		\$	23,111
2019			23,109
2020			11,785
2021			(5,942)

Actuarial Assumptions

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

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

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Actuarial Assumptions:

Expected Remaining Service Lives	2017 – 5 years 2016 – 5 years 2015 – 5 years 2014 – 4 years
Investment Rate of Return	6.75% net of investment expenses
Mortality	RP-2000 Combined Healthy Mortality Table for active members, healthy annuitants and beneficiaries; RP-2000 Disabled Lives Mortality Table for disabled annuitants.
Salary Increases	6.00% (3.50% Merit/2.50% Inflation)
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living expenses. The present values do not include provisions for potential future increase not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equities	40%	3.00%
International Equities	15%	1.28%
Domestic Fixed Income	20%	0.50%
International Fixed Income	10%	0.35%
Alternatives	5%	0.29%
Real Estate	10%	0.45%

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Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that contributions from participating employers will be made at the actuarially determined rates approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee (PRSAC) taking into consideration the recommendation of the ROVERS' actuary. Based on those assumptions, the ROVERS' 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.

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Employer's proportionate share of the Net Pension Liability using the discount rate of 6.75%, as well as what the Employer's proportionate share of the Net Pension Liability would be if it were calculated using a discount rate that is one percentage-point lower (5.75%) or one percentage-point higher (7.75%) than the current rate:

	<u>1.0% Decrease (5.75%)</u>	<u>Current Discount Rate (6.75%)</u>	<u>1.0% Increase (7.75%)</u>
Employer's proportionate share of the net pension liability	\$ 230,097	\$ 150,539	\$ 82,068

Support of Non-employer Contributing Entities

Contributions received by a pension plan from non-employer contributing entities that are not in a special funding situation are recorded as revenue by the respective pension plan. The Police Jury recognizes revenue in an amount equal to their proportionate share of the total contributions to the pension plan from these non-employer contributing entities. During the year ended December 31, 2017, the Police Jury recognized revenue as a result of support received from non-employer contributing entities of \$19,938 for its participation in ROVERS.

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued ROVERS 2017 Annual Financial Report at www.la.gov.

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D. District Attorneys' Retirement System (DARS)

General Information about the Pension Plan

Plan Description

The District Attorneys' Retirement System (DARS), State of Louisiana is the administrator of a cost sharing multiple employer defined benefit pension plan. The DARS was established on August 1, 1956, and was placed under the management of the Board of Trustees for the purpose of providing retirement allowances and other benefits as stated under the provisions of R.S. 11, Chapter 3 for district attorneys and their assistants in each parish. The DARS has issued a stand-alone audit report on their financial statements for the plan year ended June 30, 2017. Access to the report can be found on the Louisiana Legislative Auditor's website, www.lia.la.gov.

All persons who are district attorneys of the State of Louisiana, assistant district attorneys in any parish of the State of Louisiana, or employed by this retirement system and the Louisiana District Attorneys' Association except for elected or appointed officials who have retired from service under any publicly funded retirement system within the state and who are currently receiving benefits, shall become members as a condition of their employment; provided, however, that in the case of assistant district attorneys, they must be paid an amount not less than the minimum salary specified by the Louisiana District Attorneys' Retirement System's Board of Trustees. The projection of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through the System in accordance with the benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date.

Benefits Provided

The following is a description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

1. Retirement

Normal Retirement

Members who joined the DARS before July 1, 1990, and who have elected not to be covered by the new provisions, are eligible to receive a normal retirement benefit if they have ten or more years of creditable service and are at least age sixty-two, or if they have eighteen or more years of service and are at least sixty, or if they have twenty-three or more years of service and are at least age fifty-five, or if they have thirty years of service regardless of age. The normal retirement benefit is equal to 3.00% of the member's average final compensation for each year of creditable service. Members are eligible for early retirement at age sixty if they have at least ten years of creditable service or at age fifty-five with at least eighteen years of creditable service. Members who retire prior to age sixty with less than twenty-three years of service credit, receive a retirement benefit reduced 3.00% for each year of age below sixty. Members who retire prior to age sixty-two who have less than eighteen years of service receive a retirement benefit reduced by 3.00% for each year of age below sixty-two. Retirement benefits may not exceed 100% of final average compensation.

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Members who joined the DARS after July 1, 1990, or who elected to be covered by the new provisions, are eligible to receive normal retirement benefits if they are age sixty and have ten years of service credit, are age fifty-five and have twenty-four years of service credit, or have thirty years of service credit regardless of age. The normal retirement benefit is equal to 3.50% of the member's final average compensation multiplied by years of membership service. A member is eligible for an early retirement benefit if he is age fifty-five and has eighteen years of service credit. The early retirement benefit is equal to the normal retirement benefit reduced 3.00% for each year the member retires in advance of normal retirement age. Benefits may not exceed 100% of average final compensation.

Upon withdrawal from service, members not entitled to a retirement allowance are paid a refund of accumulated contributions upon request. Receipt of such a refund cancels all accrued rights in the DARS.

2. Deferred Retirement Option Program (DROP)

In lieu of receiving an actual service retirement allowance, any member who has more years of service than are required for a normal retirement may elect to receive a Back-Deferred Retirement Option Program (Back-DROP) benefit.

The Back-DROP benefit is based upon the Back-DROP period selected and the final average compensation prior to the period selected. The Back-DROP period is the lesser of 36 months or the service accrued between the time a member first becomes eligible for retirement and his actual date of retirement. At retirement, the member's maximum monthly retirement benefit is based upon his service, final average compensation, and plan provisions in effect on the last day of creditable service immediately prior to the commencement of the Back-DROP period. In addition to a reduced monthly benefit at retirement, the member receives a lump-sum payment equal to the maximum monthly benefit as calculated above multiplied by the number of months in the Back-DROP period. In lieu of receiving the lump-sum payment, the member may leave the funds on deposit with the system in an interest bearing account.

Prior to January 1, 2009, eligible members could elect to participate in the Deferred Retirement Option Program (DROP) for up to thirty-six months in lieu of terminating employment and accepting a service benefit. During participation in the DROP, employer contributions were payable and employee contributions were reduced to one-half of 1%. The monthly retirement benefits that would have been payable to the member were paid into a DROP account, which did not earn interest while the member was participating in the DROP. Upon termination of participation, the participant in the plan received, at his option, a lump sum from the account equal to the payments into the account or systematic disbursements from his account in any manner approved by the Board of Trustees. The monthly benefits that were being paid into the DROP would then be paid to the retiree. All amounts which remain credited to the individual's sub-account after termination of participation in the plan were invested in liquid money market funds. Interest was credited thereon as actually earned.

**Rapides Parish Police Jury
Alexandria, Louisiana
December 31, 2017**

Notes to Basic Financial Statements

3. Disability Retirement Benefits

Disability benefits are awarded to active contributing members with at least ten years of service who are found to be totally disabled as a result of injuries incurred while in active service. The member who has attained the age of sixty years shall be entitled to a regular retirement allowance. The disabled receives a benefit equal to 3.00% (3.50% for members covered under the new retirement benefit provisions) of his average final compensation multiplied by the number of creditable years of service (not to be less than fifteen years) or 3.33% of the average final compensation multiplied by the less of his actual service (not to be less than fifteen years) or projected continued service to age sixty.

4. Survivor Benefits

Upon the death of a member with less than five years of creditable service, his accumulated contributions and interest thereon are paid to his surviving spouse, if he is married, or to his designated beneficiary, if he is not married. Upon the death of any active, contributing member with five or more years of service or any member with twenty-three years of service who has not retired, automatic option two benefits are payable to the surviving spouse. These benefits are based on the retirement benefits accrued at the member's date of death with the option factors used as if the member had continued in service to earliest normal retirement age. If a member has no surviving spouse, the surviving minor children under eighteen or disabled children are paid 80% of the member's accrued retirement benefit divided into equal shares. If a member has no surviving spouse or children, his accumulated contributions and interest are paid to his designated beneficiary. In lieu of periodic payments, the surviving spouse or children may receive a refund of the member's accumulated contributions with interest.

5. Cost-of-Living Adjustments

The Board of Trustees is authorized to grant retired members and surviving beneficiaries of members who have retired an annual cost of living increase of 3% of their original benefit, (not to exceed \$60 per month) and all retired members and surviving beneficiaries who are sixty-five years of age and older a 2% increase in their original benefit. In lieu of other cost of living increases the Board may grant an increase to retirees in the form of "Xx(A&B)" where "A" is equal to the number of years of credited service accrued at retirement or death of the member or retiree and "B" is equal to the number of years since death of the member or retiree to June 30 of the initial year of increase and "X" is equal to any amount available for funding such increase up to a maximum of \$1.00. In order for the Board to grant any of these increases, the System must meet certain criteria detailed in the statute related to funding status and interest earnings.

Contributions

According to state statute, contributions requirements for all employees are actuarially determined each year. For the plan year ended June 30, 2017, the actual employer contribution rate was 0.00%.

**Rapides Parish Police Jury
Alexandria, Louisiana
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Notes to Basic Financial Statements

In accordance with state statute, the System receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities. Non-employer contributions are recognized as revenue and excluded from pension expense for the year ended December 31, 2017.

The Police Jury was not required to make contributions to DARS for the year ended December 31, 2017.

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

At December 31, 2017, the Rapides Parish Police Jury reported a liability of \$553,369 for its proportionate share of the Net Pension Liability (NPL). The Net Pension Liability was measured as of June 30, 2017, and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The Police Jury's proportion of the Net Pension Liability was based on a projection of the Police Jury's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2017, the Police Jury's proportion was 2.05163%, which was a decrease of 0.41537% from its proportion measured as of June 30, 2016.

For the year ended December 31, 2017, the Police Jury recognized pension expense of \$205,491 less employer's difference between employer contributions and proportionate share of contributions of \$2,252, for a net pension expense of \$203,239.

At December 31, 2017, the Police Jury reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 168,650
Changes of assumptions	258,095	78,526
Net difference between projected and actual earnings on pension plan investments	271,531	40,966
Changes in proportion and differences between Employer contributions and proportionate share of contributions	68,722	109,020
Employer contributions subsequent to the measurement date	-	-
Total	<u>\$ 598,348</u>	<u>\$ 397,162</u>

**Rapides Parish Police Jury
Alexandria, Louisiana
December 31, 2017**

Notes to Basic Financial Statements

The Police Jury was not required and did not make contributions subsequent to the measurement date.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>		
2018	\$	56,217
2019		56,220
2020		57,042
2021		2,488
2022		12,734
2023		16,485

Actuarial Assumptions

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

Valuation Date	June 30, 2017
Actuarial Cost Method	Entry Age Normal Cost
Actuarial Assumptions:	
Expected Remaining Service Lives	7 years
Investment Rate of Return	6.75% net of investment expenses
Mortality	RP-2000 Combined Healthy with White Collar Adjustment Sex Distinct Tables (set-back one year for females) projected to 2032 using Scale AA for employees, annuitants, and beneficiaries. RP-2000 Disabled Lives Mortality Table (set-back five years for males and three years for females) for disabled annuitants.
Salary Increases	5.50% (3.00% Merit/2.50% Inflation)
Cost of Living Adjustments	Only those previously granted.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The resulting long-term rate of return is 9.06% for the plan year ended June 30, 2017.

**Rapides Parish Police Jury
Alexandria, Louisiana
December 31, 2017**

Notes to Basic Financial Statements

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Equities	61.72%	11.31%
Fixed Income	28.95%	6.84%
Alternatives	48.85%	10.50%
Real Estate	0.48%	0.50%

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that contributions from participating employers will be made at the actuarially determined rates approved by the Public Retirement Systems' Actuarial Committee (PR SAC) taking into consideration the recommendation of the DARS's actuary. Based on those assumptions, the DARS'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.

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Employer's proportionate share of the Net Pension Liability using the discount rate of (6.75%), as well as what the Employer's proportionate share of the Net Pension Liability would be if it were calculated using a discount rate that is one percentage-point lower (5.75%) or one percentage-point higher (7.75%) than the current rate:

	<u>1.0% Decrease (5.75%)</u>	<u>Current Discount Rate (6.75%)</u>	<u>1.0% Increase (7.75%)</u>
Employer's proportionate share of the net pension liability	\$ 1,581,321	\$ 553,369	\$ (320,143)

Support of Non-employer Contributing Entities

Contributions received by a pension plan from non-employer contributing entities that are not in a special funding situation are recorded as revenue by the respective pension plan. The Police Jury recognizes revenue in an amount equal to their proportionate share of the total contributions to the pension plan from these non-employer contributing entities. During the year ended December 31, 2017, the Police Jury recognized revenue as a result of support received from non-employer contributing entities of \$168,631 for its participation in DARS.

**Rapides Parish Police Jury
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Notes to Basic Financial Statements

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued DARS 2017 Annual Financial Report at www.lla.la.gov.

E. State of Louisiana Firefighters' Retirement System (FRS)

General Information about the Pension Plan

Plan Description

The FRS is the administrator of a cost-sharing, multiple-employer, defined benefit pension plan. The FRS provides retirement, disability, and death benefits for their members.

The projections of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through FRS in accordance with benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date.

Eligibility Requirements

Any person who becomes an employee as defined in R.S. 11:2252 on and after January 1, 1980, shall become a member as a condition of employment. Membership in the FRS is a condition of employment for any full-time firefighters (or any person in a position as defined in the municipal fire and police civil service system) who earn at least \$375 per month and are employed by any municipality, parish, or fire protection district of the State of Louisiana in addition to employees of the Firefighters' Retirement System.

No person who has attained age 50 or over shall become a member of the FRS unless the person becomes a member by reason of a merger or unless the FRS received an application for membership before the applicant attained the age of 50. No person who has not attained the age of 18 years shall become a member of the FRS.

Any person who has retired from service under any retirement system or pension fund maintained basically for public officers and employees of the state, its agencies or political subdivisions, and who is receiving retirement benefits therefrom may become a member of FRS, provided the person meets all other requirements for membership. Service credit from the retirement system or pension plan from which the member is retired shall not be used for reciprocal recognition of service with FRS, or for any other purpose in order to attain eligibility or increase the amount of service credit in FRS.

Benefits Provided

Benefit provisions are authorized within Act 434 of 1979 and amended by Louisiana Revised Statutes (R.S.) 11:2251 – 11:2272. The following is a brief description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

**Rapides Parish Police Jury
Alexandria, Louisiana
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Notes to Basic Financial Statements

1. Retirement Benefits

Employees with 20 or more years of service who have attained age 50, or employees who have 12 years of service who have attained age 55, or 25 years of service at any age are entitled to annual pension benefits equal to 3.333% of their average final compensation based on the 36 consecutive months of highest pay multiplied by their total years of service, not to exceed 100%. Employees may elect to receive their pension benefits in the form of a joint and survivor annuity.

If employees terminate before rendering 12 years of service, they forfeit the right to receive the portion of their accumulated plan benefits attributable to their employer's contributions.

Benefits are payable over the employees' lives in the form of a monthly annuity. An employee may elect an unreduced benefit or any of seven options at retirement.

See R.S. 11:2256(A) for additional details on retirement benefits.

2. Disability Benefits

A member who acquires a disability, and who files for disability benefits while in service, and who upon medical examination and certification as provided for in Title 11, is found to have a total disability solely as the result of injuries sustained in the performance of his official duties, or for any cause, provided the member has at least five years of creditable service and provided that the disability was incurred while the member was an active contributing member in active service, shall be entitled to disability benefits under the provisions of R.S. 11:2258(B).

3. Death Benefits

Benefits shall be payable to the surviving eligible spouse or designated beneficiary of a deceased member as specified in R.S. 11:2256(B) & (C).

4. Deferred Retirement Option Program (DROP)

After completing twenty years of creditable service and age fifty or twenty-five years at any age, a member may elect to participate in the deferred retirement option plan (DROP) for up to thirty-six months.

Upon commencement of participation in DROP, employer and employee contributions to the System cease. The monthly retirement benefit that would have been payable is paid into the member's DROP account. Upon termination of employment, a participant in the program has several options to receive their DROP benefit. A member may (1) elect to roll over all or a portion of their DROP balance into another eligible qualified plan, (2) receive a lump-sum payment from the account, (3) receive single withdrawals at the discretion of the member, (4) receive monthly or annual withdrawals, or (5) receive an annuity based on the DROP account balance. These withdrawals are in addition to his regular monthly benefit.

**Rapides Parish Police Jury
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Notes to Basic Financial Statements

If employment is not terminated at the end of the thirty-six months, the participant resumes regular contributions to the System. No payments may be made from the DROP account until the participant retires.

5. Initial Benefit Option Plan

Effective June 16, 1999, members eligible to retire and who do not choose to participate in DROP may elect to receive, at the time of retirement, an initial benefit option (IBO) in an amount up to thirty-six months of benefits, with an actuarial reduction of their future benefits. Such amounts may be withdrawn or remain in the IBO account earning interest at the same rate as the DROP account.

6. Cost of Living Adjustments (COLAs)

Under the provisions of R.S. 11:246 and 11:2260(A)(7), the board of trustees is authorized to grant retired members and widows of members who have retired an annual cost of living increase of up to 3% of their current benefit, and all retired members and widows who are 65 years of age and older a 2% increase in their original benefit. In order for the board to grant either of these increases, the FRS must meet certain criteria detailed in the statute related to funding status and interest earnings (R.S. 11:243). In lieu of these COLAs, pursuant to R.S. 11:241, the board may also grant an increase in the form of "X x (A+B)," where "X" is any amount up to \$1 per month, and "A" is equal to the number of years of credited service accrued at retirement or at death of the member or retiree, and "B" is equal to the number of years since retirement or since death of the member or retiree to June 30th of the initial year of such increase.

Contributions

Contribution requirements for employers, non-employer contributing entities, and employees are established and may be amended in accordance with Title 11 and Title 22 of the Louisiana Revised Statutes.

Employer contributions are actuarially determined each year. For the plan year ended June 30, 2017, employer and employee contributions for members above the poverty line were 25.25% and 10.00%, respectively. The employer and employee contribution rates for those members below the poverty line were 27.25% and 8.00%, respectively.

Contributions to the pension plan from the Police Jury were \$807,113 for the year ended December 31, 2017.

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

At December 31, 2017, the Rapides Parish Police Jury reported a liability of \$7,627,016 for its proportionate share of the Net Pension Liability (NPL). The Net Pension Liability was measured as of June 30, 2017, and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The Police Jury's proportion of the Net Pension Liability was based on a projection of the Police Jury's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2017, the Police Jury's proportion was 1.33064%, which was an decrease of 0.06123% from its proportion measured as of June 30, 2016.

**Rapides Parish Police Jury
Alexandria, Louisiana
December 31, 2017**

Notes to Basic Financial Statements

For the year ended December 31, 2017, the Police Jury recognized pension expense of \$1,380,567 less employer's difference between employer contributions and proportionate share of contributions of \$403.

At December 31, 2017, the Police Jury reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 425,335
Changes of assumptions	319,003	1,819
Net difference between projected and actual earnings on pension plan investments	656,143	-
Changes in proportion and differences between Employer contributions and proportionate share of contributions	514,058	420,801
Employer contributions subsequent to the measurement date	414,559	-
Total	<u>\$ 1,903,763</u>	<u>\$ 847,955</u>

The \$414,559 reported as deferred outflows of resources related to pensions resulting from the Police Jury contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended December 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	
2018	\$ 326,415
2019	457,803
2020	166,693
2021	(282,290)
2022	308
2023	(27,679)

**Rapides Parish Police Jury
Alexandria, Louisiana
December 31, 2017**

Notes to Basic Financial Statements

Actuarial Assumptions

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

Valuation Date	June 30, 2017
Actuarial Cost Method	Entry Age Normal Cost
Actuarial Assumptions:	
Expected Remaining Service Lives	7 years
Investment Rate of Return	7.40% net of investment expenses
Salary Increases	Vary from 15.00% in the first two years of service to 4.75% after twenty-five years
Cost of Living Adjustments	Only those previously granted.

The estimated long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The resulting long-term expected nominal rate of return is 8.29% for the plan year ended June 30, 2017.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Equities	57.00%	6.73%
Fixed Income	23.00%	2.04%
Alternatives	10.00%	6.26%
Other	10.00%	4.60%

Discount Rate

The discount rate used to measure the total pension liability was 7.40%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that contributions from participating employers will be made at the actuarially determined rates approved by the Public Retirement Systems' Actuarial Committee (PRSAC) taking into consideration the recommendation of the System's actuary. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Rapides Parish Police Jury
Alexandria, Louisiana
December 31, 2017**

Notes to Basic Financial Statements

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Employer's proportionate share of the Net Pension Liability using the discount rate of 7.40%, as well as what the Employer's proportionate share of the Net Pension Liability would be if it were calculated using a discount rate that is one percentage-point lower (6.40%) or one percentage-point higher (8.40%) than the current rate:

	1.0% Decrease (6.40%)	Current Discount Rate (7.40%)	1.0% Increase (8.40%)
Employer's proportionate share of the net pension liability	\$ 10,959,728	\$ 7,627,016	\$ 4,825,393

Support of Non-employer Contributing Entities

Contributions received by a pension plan from non-employer contributing entities that are not in a special funding situation are recorded as revenue by the respective pension plan. The Police Jury recognizes revenue in an amount equal to their proportionate share of the total contributions to the pension plan from these non-employer contributing entities. During the year ended December 31, 2017, the Police Jury recognized revenue as a result of support received from non-employer contributing entities of \$336,793 for its participation in FRS.

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued FRS 2017 Annual Financial Report at www.la.gov.

13. Defined Contribution Pension Plan

Defined contributions pension plan is available to employees. Employees are permitted to make contributions to the pension plan, up to applicable Internal Revenue Code limits. The Police Jury does not contribute to the plan except for one employee and the Police Jurors who do not qualify for membership in any of the defined benefit plans discussed above and who elect to participate in the plan. The plans are administered by National Association of County Officials. Benefit terms, including contribution requirements, for the Plan are established and may be amended by the Police Jury. All employer and employee contributions and earnings are immediately vested.

For the employee, the Police Jury contributed an average of 25.88% of earnings which was the same amount that would have been contributed to the State of Louisiana Firefighters Retirement System if the employee had been eligible to participate in that system. For the Police Jurors, the contribution rate was 6.20% of earnings.

For the year ended December 31, 2017, employee contributions totaled \$126,274 and the Police Jury recognized pension expense of \$14,993.

**Rapides Parish Police Jury
Alexandria, Louisiana
December 31, 2017**

Notes to Basic Financial Statements

14. Police Jury as Lessor

On August 1, 2017, the Police Jury entered into a formal lease agreement with the Louisiana Workforce Commission to lease 3,546 square feet of usable space located at 5610 B Coliseum Blvd. Alexandria, Louisiana. The carrying amount of the leased space is approximate \$510,000. This lease will terminate on July 31, 2022. Total income from this lease totaled \$27,917 for the current fiscal year.

Future minimum rentals to be received under this lease are:

2018	\$ 67,000
2019	67,000
2020	67,000
2021	67,000
2022	<u>39,083</u>
	\$ 307,083

15. Net Position and Fund Balances

Restatement of Beginning Net Position

Beginning net position was restated by an addition of \$72,957 to correct an error related to the omission of capital assets.

Restricted Net Position/ Fund Balances

Restricted Net Position/Fund Balances represent those portions of net position in the government-wide financial statement or fund balance in the fund financial statements that are restricted to specific purposes by external parties, such as creditors, grantors, contributors, or laws or regulations of other governments or by law through constitutional provisions or enabling legislation. Net position/fund balance is restricted for the following purposes:

Governmental Activities

Public safety – fire protection	\$ 23,344,785
Public works – roads and bridges	21,783,012
Health and welfare	3,402,819
Culture and recreation	146,199
Debt service	<u>21,885</u>
Total Governmental Activities	48,698,700

Business-Type Activities

Debt Service	<u>1,911,042</u>
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Total Restricted	\$ 50,609,742
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**Rapides Parish Police Jury
Alexandria, Louisiana
December 31, 2017**

Notes to Basic Financial Statements

Committed Fund Balances

Committed fund balances are amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, which is the police jurors. Formal action taken by the Police Jury to establish or rescind committed funds is through adopting a resolution in a public meeting. These amounts are included in unrestricted net position in the government-wide financial statements.

Fund balances are committed for the following activities:

General government	\$ 1,358,995
Public safety	231,320
Public works	523,532
Health and welfare	203,208
Culture and recreation	(127)
Economic development	29,666
Debt service	<u>40,621</u>
	\$ 2,387,215

16. Criminal Court Fund

Louisiana Revised Statute 15:571.11 requires that one-half of any balance remaining in the Criminal Court Fund at year-end be transferred to the Police Jury's General Fund. The Police Jury does not transfer the balances due at year-end to the General Fund because the Police Jury appropriates funds in excess of this amount on an annual basis. Accordingly, this amount, if any, has not been recorded as a liability of the Criminal Court Fund or as a receivable of the General Fund.

17. Risk Management

The Police Jury is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; and natural disasters.

With the exception of general liability and errors and omissions insurance coverage, which have not been obtained, the Police Jury carries commercial insurance for all the aforementioned risks of loss. In accordance with state law, the Police Jury is not required to carry general liability insurance. By statute, the Policy Jury is only required to pay liability claims if the jurors specifically appropriate funds to settle specific claims. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

18. Commitments and Contingencies

Lawsuits

At December 31, 2017, the Police Jury is involved in numerous lawsuits. There could be unreported claims of which legal counsel and management are unaware. The ultimate outcome cannot presently be determined, therefore, no provision for any liability that may arise from settlement of these lawsuits is included in the accompanying financial statements.

**Rapides Parish Police Jury
Alexandria, Louisiana
December 31, 2017**

Notes to Basic Financial Statements

Arbitrage Interest

Management has not calculated the possible rebate of arbitrage interest, as of December 31, 2017, on each of the recent tax-exempt bond issues. The contingent liability, simply stated, is the interest earned from the investment of unspent bond proceeds that is in excess of the amount of earnings that would have been obtained had the investment rate been equal to the yield on the bonds. Since the rebate calculation is a cumulative calculation performed until all proceeds have been expended, management believes that the amount of the contingent liability for arbitrage interest, if any, will be eliminated in future years. In the event that the contingent liability for arbitrage interest is not eliminated, the Police Jury will be liable for remittance of the rebate amount, as subsequently calculated, to the federal government.

Grant Audit

The Police Jury receives grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could result in a request for reimbursement for disallowed costs under the terms of the grant agreements. In the opinion of management, such disallowance, if any, would be insignificant.

Required Supplemental Information – Part II

**Rapides Parish Police Jury
Alexandria, Louisiana
General Fund
Budgetary Comparison Schedule
Year Ended December 31, 2017**

Schedule 1

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis) (See Note 1)</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes				
Property taxes	\$ 2,286,567	\$ 2,286,567	\$ 2,405,952	\$ 119,385
Sales taxes	2,278,766	2,278,766	2,181,558	(97,208)
Other taxes, penalties, and interest	790,000	790,000	649,351	(140,649)
Intergovernmental				
Federal funds	65,000	65,000	172,453	107,453
State funds	83,000	83,000	86,428	3,428
Fines and forfeitures	1,000	1,000	1,645	645
Rents and royalties	160,000	160,000	159,914	(86)
Licenses and permits	997,390	997,390	1,043,066	45,676
Charges for services	1,660,468	1,654,492	1,740,427	85,935
Investment earnings	-	-	3,966	3,966
Miscellaneous	2,000	2,000	14,500	12,500
Total Revenues	<u>8,324,191</u>	<u>8,318,215</u>	<u>8,459,260</u>	<u>141,045</u>
Expenditures				
Current				
General government				
Legislative	386,241	346,241	365,843	(19,602)
Judicial	2,008,226	1,948,226	1,933,201	15,025
Elections	281,272	281,272	241,105	40,167
Finance and administrative	1,158,964	1,158,964	1,149,587	9,377
Other	2,063,649	1,823,113	1,107,818	715,295
Public safety	1,559,279	1,709,279	1,779,672	(70,393)
Health and welfare	27,074	27,076	24,546	2,530
Economic development and assistance	58,519	58,519	59,866	(1,347)
Total Expenditures	<u>7,543,224</u>	<u>7,352,690</u>	<u>6,661,638</u>	<u>691,052</u>
Excess (Deficiency) of Revenues over Expenditures	780,967	965,525	1,797,622	832,097
Other Financing Sources (Uses)				
Transfers out	(2,287,424)	(2,285,761)	(2,000,773)	284,988
Total Other Financing Sources (Uses)	<u>(2,287,424)</u>	<u>(2,285,761)</u>	<u>(2,000,773)</u>	<u>284,988</u>
Net Change in Fund Balance, Budgetary Basis	<u>\$ (1,506,457)</u>	<u>\$ (1,320,236)</u>	(203,151)	<u>\$ 1,117,085</u>
Fund Balance, Beginning of Year			<u>4,002,983</u>	
Fund Balance, End of Year - Budgetary Basis			3,799,832	
Reconciling Items - see below			<u>260,183</u>	
Fund Balance, End of Year - GAAP Basis (Exhibit C)			<u>\$ 4,060,015</u>	
Reconciliation to the Statement of Revenues, Expenditures, and Changes in Fund Balances				
Net change in fund balance - budgetary basis			\$ (203,151)	
Accrued revenues			336,538	
Accrued expenditures			<u>(76,355)</u>	
Net Change in Fund Balance - GAAP Basis (Exhibit E)			<u>\$ 57,032</u>	

See independent auditor's report.

**Rapides Parish Police Jury
Alexandria, Louisiana
Fire Protection District #2 Fund
Budgetary Comparison Schedule
Year Ended December 31, 2017**

Schedule 2

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis) (See Note 1)</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes				
Property taxes	\$ 4,981,430	\$ 4,981,430	\$ 5,353,578	\$ 372,148
Intergovernmental				
State funds	167,970	167,970	179,907	11,937
Investment earnings	-	-	6,245	6,245
Total Revenues	<u>5,149,400</u>	<u>5,149,400</u>	<u>5,539,730</u>	<u>390,330</u>
Expenditures				
Current				
Public safety	7,649,399	9,172,253	5,738,130	3,434,123
Total Expenditures	<u>7,649,399</u>	<u>9,172,253</u>	<u>5,738,130</u>	<u>3,434,123</u>
Net Change in Fund Balance, Budgetary Basis	<u>\$ (2,499,999)</u>	<u>\$ (4,022,853)</u>	(198,400)	<u>\$ 3,824,453</u>
Fund Balance, Beginning of Year			<u>8,806,463</u>	
Fund Balance, End of Year - Budgetary Basis			8,608,063	
Reconciling items - see below			<u>9,290</u>	
Fund Balance, End of Year - GAAP Basis (Exhibit C)			<u>\$ 8,617,353</u>	
Reconciliation to the Statement of Revenues, Expenditures, and Changes in Fund Balances				
Net change in fund balance - budgetary basis			\$ (198,400)	
Accrued revenues			(103,393)	
Accrued expenditures			<u>112,683</u>	
Net Change in Fund Balance - GAAP Basis (Exhibit E)			<u>\$ (189,110)</u>	

See independent auditor's report.

**Rapides Parish Police Jury
Alexandria, Louisiana
Road and Bridge Fund
Budgetary Comparison Schedule
Year Ended December 31, 2017**

Schedule 3

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis) (See Note 1)</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes				
Sales taxes	\$ 2,799,964	\$ 2,799,964	\$ 2,605,968	\$ (193,996)
Other taxes, penalties, and interest	325,000	375,000	363,816	(11,184)
Intergovernmental				
Federal funds	110,000	110,000	257,070	147,070
State funds	1,010,000	1,050,012	1,142,483	92,471
Rents and royalties	-	-	330	330
Charges for services	2,500	2,500	13,165	10,665
Investment earnings	-	-	331	331
Total Revenues	<u>4,247,464</u>	<u>4,337,476</u>	<u>4,383,163</u>	<u>45,687</u>
Expenditures				
Current				
Public works	<u>4,844,266</u>	<u>4,839,184</u>	<u>4,648,321</u>	<u>190,863</u>
Total Expenditures	<u>4,844,266</u>	<u>4,839,184</u>	<u>4,648,321</u>	<u>190,863</u>
Net Change in Fund Balance, Budgetary Basis	<u>\$ (596,802)</u>	<u>\$ (501,708)</u>	(265,158)	<u>\$ 236,550</u>
Fund Balance, Beginning of Year			<u>831,609</u>	
Fund Balance, End of Year - Budgetary Basis			566,451	
Reconciling items - see below			<u>(17,398)</u>	
Fund Balance, End of Year - GAAP Basis (Exhibit C)			<u>\$ 549,053</u>	
Reconciliation to the Statement of Revenues, Expenditures, and Changes in Fund Balances				
Net change in fund balance - budgetary basis			\$ (265,158)	
Accrued revenues			(27,017)	
Accrued expenditures			<u>9,619</u>	
Net Change in Fund Balance - GAAP Basis (Exhibit E)			<u>\$ (282,556)</u>	

See independent auditor's report.

**Rapides Parish Police Jury
Alexandria, Louisiana
Road District 2C Fund
Budgetary Comparison Schedule
Year Ended December 31, 2017**

Schedule 4

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis) (See Note 1)</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes				
Property taxes	\$ 1,949,658	\$ 1,949,658	\$ 2,061,497	\$ 111,839
Intergovernmental				
State funds	71,000	71,000	75,964	4,964
Investment earnings	-	-	4,244	4,244
Total Revenues	<u>2,020,658</u>	<u>2,020,658</u>	<u>2,141,705</u>	<u>121,047</u>
Expenditures				
Current				
Public works	3,287,959	5,087,883	489,772	4,598,111
Debt service	232,699	232,699	233,024	(325)
Total Expenditures	<u>3,520,658</u>	<u>5,320,582</u>	<u>722,796</u>	<u>4,597,786</u>
Net Change in Fund Balance, Budgetary Basis	<u>\$ (1,500,000)</u>	<u>\$ (3,299,924)</u>	1,418,909	<u>\$ 4,718,833</u>
Fund Balance, Beginning of Year			<u>5,196,929</u>	
Fund Balance, End of Year - Budgetary Basis			6,615,838	
Reconciling items - see below			<u>74,925</u>	
Fund Balance, End of Year - GAAP Basis (Exhibit C)			<u>\$ 6,690,763</u>	
Reconciliation to the Statement of Revenues, Expenditures, and Changes in Fund Balances				
Net change in fund balance - budgetary basis			\$ 1,418,909	
Accrued revenues			73,751	
Accrued expenditures			<u>1,174</u>	
Net Change in Fund Balance - GAAP Basis (Exhibit E)			<u>\$ 1,493,834</u>	

See independent auditor's report.

**Rapides Parish Police Jury
Alexandria, Louisiana
Schedule of Other Post Employment
Benefits Funding Progress**

Schedule 5

Postemployment Health Care and Life Insurance Benefits

Actuarial Valuation Date	<u>1/1/2015</u>	<u>1/1/2016</u>	<u>1/1/2017</u>
Actuarial Value of Assets (a)	\$ -	\$ -	\$ -
Actuarial Accrued Liability (AAL) (b) - Medical*	39,205,494	39,205,494	42,223,228
Unfunded AAL (UAAL) (b-a)	\$ 39,205,494	\$ 39,205,494	\$ 42,223,228
Funded Ratio (a/b)	0.00%	0.00%	0.00%
Covered Payroll (c)	\$ 12,230,940	\$ 12,710,249	\$ 14,036,092
Unfunded AAL (Funding Excess) as a Percentage of Covered Payroll ((b-a)/c)	320.54%	308.46%	300.82%

* The projected unit credit actuarial cost method is used for funding purposes.

See independent auditor's report.

**Rapides Parish Police Jury
Alexandria, Louisiana
Schedule of Employer's Share of Net Pension Liability
Parochial Employees' Retirement System (PERS)**

Schedule 6

	<u>12/31/2015</u>	<u>12/31/2016</u>	<u>12/31/2017</u>
Employer's Proportion of the Net Pension Liability (Asset)	1.36688%	1.37071%	1.364790%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 373,716	\$ 3,608,106	\$ 2,810,811
Employer's Covered-Employee Payroll	\$ 7,663,309	\$ 7,800,492	\$ 8,129,074
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	4.88%	46.25%	34.58%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	99.15%	92.23%	94.15%
The amounts presented have a measurement date of:	12/31/2014	12/31/2015	12/31/2016

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

See independent auditor's report.

**Rapides Parish Police Jury
 Alexandria, Louisiana
 Schedule of Employer Contributions
 Parochial Employees' Retirement System (PERS)**

Schedule 7

	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
12/31/2017	\$ 1,070,305	\$ 1,070,305	\$ -	\$ 8,562,410	12.50%
12/31/2016	\$ 1,044,019	\$ 1,044,152	\$ 133	\$ 8,030,916	13.00%
12/31/2015	\$ 1,131,071	\$ 1,131,071	\$ -	\$ 7,800,492	14.50%

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

See independent auditor's report.

**Rapides Parish Police Jury
Alexandria, Louisiana
Notes to Required Supplemental Information
Parochial Employees' Retirement System (PERS)
For the Year Ended December 31, 2017**

Schedule 8

Changes in Benefit Terms include:

There were no changes in benefit terms for the plan year ended December 31, 2016.

Changes of Assumptions

There were no changes in assumptions for the plan year ended December 31, 2016.

See independent auditor's report.

**Rapides Parish Police Jury
Alexandria, Louisiana
Schedule of Employer's Share of Net Pension Liability
Louisiana State Employees' Retirement System (LASERS)**

Schedule 9

	<u>12/31/2015</u>	<u>12/31/2016</u>	<u>12/31/2017</u>
Employer's Proportion of the Net Pension Liability (Asset)	0.00267%	0.00283%	0.00286%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 181,532	\$ 222,070	\$ 201,029
Employer's Covered-Employee Payroll	\$ 49,461	\$ 50,092	\$ 52,108
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	367.02%	443.33%	385.79%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.66%	57.73%	62.50%
The amounts presented have a measurement date of:	6/30/2015	6/30/2016	6/30/2017

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

See independent auditor's report.

**Rapides Parish Police Jury
 Alexandria, Louisiana
 Schedule of Employer Contributions
 Louisiana State Employees' Retirement System (LASERS)**

Schedule 10

	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
12/31/2017	\$ 19,871	\$ 19,871	\$ -	\$ 50,871	39.06%
12/31/2016	\$ 19,262	\$ 19,262	\$ -	\$ 50,623	38.05%
12/31/2015	\$ 19,806	\$ 19,806	\$ -	\$ 49,776	39.79%

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

See independent auditor's report.

**Rapides Parish Police Jury
Alexandria, Louisiana
Notes to Required Supplemental Information
Louisiana State Employees' Retirement System (LASERS)
For the Year Ended December 31, 2017**

Schedule 11

Changes in Benefit Terms include:

There were no changes in benefit terms for the plan year ended June 30, 2017.

Changes of Assumptions

The discount rate used to measure the total pension liability for the plan year ended June 30, 2017, was 7.70%, as compared to the discount rate used for the plan year ended June 30, 2016 of 7.75%, a decrease of 0.05%.

The inflation rate used in the actuarial computations for the plan year ended June 30, 2017, was 2.75% per annum, as compared to the inflation rate used for the plan year ended June 30, 2016 of 3.00%, a decrease of 0.25%.

The projected salary increases used in the actuarial computations for the plan year ended June 30, 2017, decreased by 0.20% compared to the rates used for the plan year ended June 30, 2016.

See independent auditor's report.

**Rapides Parish Police Jury
Alexandria, Louisiana
Schedule of Employer's Share of Net Pension Liability
Registrar of Voters Employees' Retirement System (ROVERS)**

Schedule 12

	<u>12/31/2015</u>	<u>12/31/2016</u>	<u>12/31/2017</u>
Employer's Proportion of the Net Pension Liability (Asset)	0.62340%	0.66251%	0.68579%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 152,673	\$ 187,989	\$ 150,539
Employer's Covered-Employee Payroll	\$ 82,926	\$ 91,005	\$ 94,460
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	184.11%	206.57%	159.37%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	76.86%	73.98%	80.51%
The amounts presented have a measurement date of:	6/30/2015	6/30/2016	6/30/2017

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

See independent auditor's report.

**Rapides Parish Police Jury
 Alexandria, Louisiana
 Schedule of Employer Contributions
 Registrar of Voters Employees' Retirement System (ROVERS)**

Schedule 13

	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
12/31/2017	\$ 17,311	\$ 17,311	-	\$ 93,609	18.49%
12/31/2016	\$ 19,873	\$ 19,873	-	\$ 93,584	21.24%
12/31/2015	\$ 21,326	\$ 21,326	-	\$ 91,172	23.39%

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

See independent auditor's report.

**Rapides Parish Police Jury
Alexandria, Louisiana
Notes to Required Supplemental Information
Registrar of Voters Employees' Retirement System (ROVERS)
For the Year Ended December 31, 2017**

Schedule 14

Changes in Benefit Terms include:

There were no changes in benefit terms for the plan year ended June 30, 2017.

Changes of Assumptions

The discount rate used to measure the total pension liability for the plan year ended June 30, 2017, was 6.75%, as compared to the discount rate used for the plan year ended June 30, 2016 of 7.00%, a decrease of 0.25%.

See independent auditor's report.

**Rapides Parish Police Jury
Alexandria, Louisiana
Schedule of Employer's Share of Net Pension Liability
District Attorneys' Retirement System (DARS)**

Schedule 15

	<u>12/31/2015</u>	<u>12/31/2016</u>	<u>12/31/2017</u>
Employer's Proportion of the Net Pension Liability (Asset)	2.05562%	2.46700%	2.05163%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 110,727	\$ 472,202	\$ 553,369
Employer's Covered-Employee Payroll	\$ 1,082,220	\$ 1,352,786	\$ 1,247,724
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	10.23%	34.91%	44.35%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	98.56%	95.09%	93.75%
The amounts presented have a measurement date of:	6/30/2015	6/30/2016	6/30/2017

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

See independent auditor's report.

**Rapides Parish Police Jury
 Alexandria, Louisiana
 Schedule of Employer Contributions
 District Attorneys' Retirement System (DARS)**

Schedule 16

	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
12/31/2017	\$ -	\$ -	\$ -	\$ 1,359,149	0.00%
12/31/2016	\$ 24,570	\$ 24,570	\$ -	\$ 1,387,597	1.77%
12/31/2015	\$ 66,252	\$ 66,252	\$ -	\$ 1,271,852	5.21%

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

See independent auditor's report.

**Rapides Parish Police Jury
Alexandria, Louisiana
Notes to Required Supplemental Information
District Attorneys' Retirement System (DARS)
For the Year Ended December 31, 2017**

Schedule 17

Changes in Benefit Terms include:

There were no changes in benefit terms for the plan year ended June 30, 2017.

Changes of Assumptions

The discount rate used to measure the total pension liability for the plan year ended June 30, 2017, was 6.75%, as compared to the discount rate used for the plan year ended June 30, 2016 of 7.00%, a decrease of 0.25%.

See independent auditor's report.

**Rapides Parish Police Jury
Alexandria, Louisiana
Schedule of Employer's Share of Net Pension Liability
Firefighters' Retirement System (FRS)**

Schedule 18

	<u>12/31/2015</u>	<u>12/31/2016</u>	<u>12/31/2017</u>
Employer's Proportion of the Net Pension Liability (Asset)	1.33488%	1.39187%	1.33064%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 7,204,514	\$ 9,104,075	\$ 7,627,016
Employer's Covered-Employee Payroll	\$ 2,846,844	\$ 3,164,735	\$ 3,114,035
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	253.07%	287.67%	244.92%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	72.45%	68.16%	73.55%
The amounts presented have a measurement date of:	6/30/2015	6/30/2016	6/30/2017

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

See independent auditor's report.

**Rapides Parish Police Jury
 Alexandria, Louisiana
 Schedule of Employer Contributions
 Firefighters' Retirement System (FRS)**

Schedule 19

	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
12/31/2017	\$ 807,113	\$ 807,113	\$ -	\$ 3,372,990	23.93%
12/31/2016	\$ 826,577	\$ 818,287	\$ (8,290)	\$ 3,147,529	26.00%
12/31/2015	\$ 851,193	\$ 849,889	\$ (1,304)	\$ 3,017,648	28.16%

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

See independent auditor's report.

**Rapides Parish Police Jury
Alexandria, Louisiana
Notes to Required Supplemental Information
Firefighters' Retirement System (FRS)
For the Year Ended December 31, 2017**

Schedule 20

Changes in Benefit Terms include:

There were no changes in benefit terms for the plan year ended June 30, 2017.

Changes of Assumptions

The discount rate used to measure the total pension liability for the plan year ended June 30, 2017, was 7.40%, as compared to the discount rate used for the the plan year ended June 30, 2016 of 7.50%, a decrease of 0.10%.

The inflation rate used to measure the total pension liability for the plan year ended June 30, 2017, was 2.775% per annum, as compared to the inflation rate used for the plan year ended June 30, 2016 of 2.875%, a decrease of 0.100%.

See independent auditor's report.

Supplemental Information

**Rapides Parish Police Jury
Alexandria, Louisiana
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2017**

**Schedule 21
(Continued)**

Federal Grantor/ Pass-Through Grantor Name Program Name	CFDA Number	Pass-through Grantor Number	Expenditures
Department of Agriculture			
Passed through the State of Louisiana Workforce Commission			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	2000310913	\$ 37,730
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	2000232139	138,486
Total CFDA 10.561			<u>176,216</u>
Passed through the State of Louisiana Department of Treasury			
Schools and Roads - Grants to States	10.665		138,960
Agency Totals			<u>315,176</u>
Department of Housing and Urban Development			
Passed through the State of Louisiana Division of Administration			
Community Development Block Grants - State's Program and Non-Entitlement Grants in Hawaii	14.228	B-08-DI-22-0001	727,261
Community Development Block Grants - State's Program and Non-Entitlement Grants in Hawaii	14.228	B-14-DC-22-0001	117,027
Community Development Block Grants - State's Program and Non-Entitlement Grants in Hawaii	14.228	B-13-DC-22-0001	99,973
Total CFDA 14.228			<u>944,261</u>
Agency Totals			<u>944,261</u>
Department of Interior			
Passed through the State of Louisiana Department of the Treasury			
Payments in Lieu of Taxes	15.226		172,453
Agency Totals			<u>172,453</u>
United States Department of Labor			
Direct			
Youth Build	17.274	YB-24695-13-60-A-22	21,100
Passed through the State of Louisiana Workforce Commission			
WIA/WIOA Cluster			
WIA/WIOA Adult Program	17.258	2000126183	8,286
WIA/WIOA Adult Program	17.258	2000190375	387,123
WIA/WIOA Adult Program	17.258	2000279440	183,989
Total CFDA 17.258			<u>579,398</u>
WIOA Youth Activities	17.259	2000126186	9,969
WIOA Youth Activities	17.259	2000193375	189,810
WIOA Youth Activities	17.259	2000279440	34,292
Total CFDA 17.259			<u>234,071</u>
Total WIA/WIOA Cluster			<u>813,469</u>
Agency Totals			<u>834,569</u>
Department of Transportation			
Passed through the State of Louisiana Department of Transportation and Development			
Formula Grants for Rural Areas	20.509	RU-40-17	21,186
Agency Totals			<u>21,186</u>
Department of Health and Human Services			
Direct			
Substance Abuse and Mental Health Services - Projects of Regional and National Significance	93.243		252,196
Passed through the State of Louisiana Workforce Commission			
Temporary Assistance for Needy Families	93.558	2000215584	22,998
Temporary Assistance for Needy Families	93.558	2000125627	12,167
Passed through the State of Louisiana Department of Social Services			
Temporary Assistance for Needy Families	93.558		58,343
Total CFDA 93.558			<u>93,508</u>
Passed through the State of Louisiana Department of Social Services			
Foster Care - Title IV-E	93.658	642655	13,054
Agency Totals			<u>358,758</u>

**Rapides Parish Police Jury
Alexandria, Louisiana
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2017**

**Schedule 21
(Concluded)**

Federal Grantor/ Pass-Through Grantor Name Program Name	CFDA Number	Pass-through Grantor Number	Expenditures
Department of Homeland Security			
Passed through the State of Louisiana Department of Homeland Security			
Hazard Mitigation Grant	97.039	1786-079-0001	\$ 375,219
Hazard Mitigation Grant	97.039	1786-079-0002	1,255,105
Hazard Mitigation Grant	97.039	1786-079-0003	<u>697,535</u>
Total CFDA 97.039			<u>2,327,859</u>
Emergency Management Performance Grant	97.042	EMT-2016-EP-00003-S01	17,047
Emergency Management Performance Grant	97.042	EMT-2017-EP-00001-S01	<u>32,220</u>
Total CFDA 97.042			<u>49,267</u>
Homeland Security Grant Program	97.067	EMW-2015-SS-00043-S01	40,444
Homeland Security Grant Program	97.067	EMW-2016-SS-00043-S01	<u>59,908</u>
Total CFDA 97.067			<u>100,352</u>
Agency Totals			<u><u>2,477,478</u></u>
Totals			<u><u>\$ 5,123,881</u></u>

Notes:

(1) The Schedule of Expenditures of Federal Awards (the SEFA) includes the federal award activity of the Rapides Parish Police Jury (RPPJ) under programs of the federal government for the year ended December 31, 2017. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the SEFA presents only a selected portion of the operations of the RPPJ, it is not intended to and does not present the financial position, changes in net position, or cash flows of the RPPJ.

(2) All expenditures on the SEFA are reported on the modified accrual basis of accounting. Note 1 to the financial statements provides additional information relative to the RPPJ's accounting policies.

(3) The RPPJ did not elect to use the ten percent (10%) *de minimus* indirect cost rate as allowed under the Uniform Guidance.

(4) No amounts were provided to subrecipients from the year ended December 31, 2017.

See independent auditor's report.

**Rapides Parish Police Jury
Alexandria, Louisiana
Taxes Collected on Behalf of Other Taxing Authorities
Year Ended December 31, 2017**

**Schedule 22
(Continued)**

<u>Taxing Authority</u>	<u>Total Collections</u>	<u>Expenses</u>	<u>Final Distribution</u>
Rapides Parish Police Jury			
Parishwide No. 1 sales and use tax	\$ 25,741,987	\$ 451,401	\$ 25,290,586
Distributed as follows:			
Rapides Parish Police Jury	2,316,780	40,628	2,276,152
Rapides Parish School Board	12,870,995	225,702	12,645,293
City of Alexandria	8,296,463	145,484	8,150,979
City of Pineville	1,287,099	22,570	1,264,529
Town of Boyce	142,098	2,494	139,604
Town of Cheneyville	134,683	2,363	132,320
Town of Ball	198,384	3,469	194,915
Town of Glenmora	187,968	3,296	184,672
Town of Lecompte	192,989	3,385	189,604
Village of McNary	33,749	593	33,156
Village of Forest Hill	39,231	688	38,543
Village of Woodworth	41,548	729	40,819
District No. 3 sales and use tax	3,186,772	83,976	3,102,796
Distributed as follows:			
Rapides Parish Police Jury	2,641,480	69,607	2,571,873
Town of Boyce	60,045	1,582	58,463
Town of Cheneyville	42,976	1,131	41,845
Town of Ball	195,066	5,141	189,925
Town of Glenmora	79,300	2,090	77,210
Town of Lecompte	63,535	1,675	61,860
Village of McNary	9,908	261	9,647
Village of Forest Hill	21,488	566	20,922
Village of Woodworth	72,974	1,923	71,051
Occupational license taxes	656,251	42,690	613,561
Insurance license taxes	435,621	6,116	429,505
Hotel/motel taxes	676,693	13,534	663,159
Rapides Parish Law Enforcement District:			
Sales and use tax	12,869,286	226,163	12,643,123
Rapides Parish School Board:			
Sales and use tax	38,496,068	636,506	37,859,562
City of Alexandria:			
Sales and use tax	38,178,118	556,991	37,621,127
Occupational license taxes	2,127,126	138,952	1,988,174
Insurance license taxes	747,927	47,952	699,975
Hotel/motel tax	287,568	5,752	281,816

**Rapides Parish Police Jury
Alexandria, Louisiana
Taxes Collected on Behalf of Other Taxing Authorities
Year Ended December 31, 2017**

**Schedule 22
(Concluded)**

<u>Taxing Authority</u>	<u>Total Collections</u>	<u>Expenses</u>	<u>Final Distribution</u>
Alexandria Downtown District:			
Hotel/motel tax	\$ 32,605	\$ 653	\$ 31,952
Greater Alexandria Economic Development Authority:			
Hotel/motel tax	862,702	17,254	845,448
Town of Ball:			
Sales and use tax	685,347	19,072	666,275
Occupational license taxes	45,281	2,900	42,381
Village of Forest Hill:			
Sales and use tax	2	-	2
Occupational license taxes	9,906	637	9,269
Insurance license taxes	27,833	1,785	26,048
Town of Woodworth:			
Sales and use tax	326,474	4,508	321,966
Occupational license taxes	28,787	1,832	26,955
Town of Lecompte:			
Sales and use tax	219,489	2,949	216,540
Occupational license taxes	31,694	2,029	29,665
Town of Boyce:			
Sales and use tax	186,920	5,405	181,515
Occupational license taxes	9,178	591	8,587
City of Pineville:			
Sales and use tax	10,243,710	154,051	10,089,659
Occupational license taxes	423,227	27,132	396,095
Town of Glenmora:			
Sales and use tax	162,634	2,168	160,466
Occupational license taxes	16,389	1,054	15,335
Town of Cheneyville:			
Sales and use tax	25,906	349	25,557
Fire District No. 17:			
Sales and use tax	168,750	2,265	166,485
Totals	<u>\$ 136,910,251</u>	<u>\$ 2,456,667</u>	<u>\$ 134,453,584</u>

See independent auditor's report.

**Rapides Parish Police Jury
 Alexandria, Louisiana
 Schedule of Compensation, Benefits and Other Payments to
 Agency Head or Chief Executive Officer
 Year Ended December 31, 2017**

Schedule 23

Agency Head Name: Craig Smith, Jury President

Purpose	Amount
Salary	\$ 24,000
Benefits-insurance	-
Benefits-retirement	1,488
Benefits-medicare	296
Benefits-other	-
Car allowance	-
Cell phone	550
Vehicle provided by government	-
Per diem	-
Reimbursements	-
Travel	-
Registration fees	275
Conference travel	631
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Special meals	-
	<hr/>
Total	\$ 27,240

See independent auditor's report.

**Rapides Parish Police Jury
Alexandria, Louisiana
Compensation Paid to Police Jurors
Year Ended December 31, 2017**

Schedule 24

The schedule of compensation paid to police jurors is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Compensation of the police jurors is included in the legislative expenditure of the General Fund. In accordance with Louisiana Revised Statute 33:1233, the policy jury has elected the monthly payment method of compensation. Under this method, the jurors receive \$1,600 per month and the president receives an additional \$400 per month for performing the duties of their office.

Billings, Richard W.	\$ 19,200
Bishop, Joseph	19,200
Fontaine, Theodore J.	19,200
McGlothlin, Sean L.	19,200
Moreau, Davron E.	19,200
Overton Jr., Oliver	19,200
Perry Jr., Scott	19,200
Smith, Craig S.	24,000
Vanderlick, Richard G.	<u>19,200</u>
Total	<u>\$ 177,600</u>

See independent auditor's report.

**Other Reports Required By
Government Auditing Standards and the Uniform Guidance**

**Independent Auditor's Report
on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an
Audit of Primary Government Financial Statements
Performed in Accordance with *Government Auditing Standards***



PAYNE, MOORE & HERRINGTON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

Established 1946

**Independent Auditor's Report
on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an
Audit of Primary Government Financial Statements
Performed in Accordance with Government Auditing Standards**

To the Jurors
Rapides Parish Police Jury
Alexandria, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the primary government financial statements of the governmental activities, each major governmental fund, and the aggregate remaining fund information of the Rapides Parish Police Jury (Police Jury), Alexandria, Louisiana, as of and for the year ended December 31, 2017, and business-type activities and the Coliseum Enterprise Fund (a major fund) for the four months 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 and have issued our report thereon dated June 28, 2018.

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 Rapides Parish Police Jury's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or 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.





PAYNE, MOORE & HERRINGTON, LLP

To the Jurors
Rapides Parish Police Jury
Alexandria, Louisiana

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. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as Findings 2017-001 through 2017-004 that we consider to be material weaknesses.

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 questioned costs as Findings 2017-004 through 2017-007.

Rapides Parish Police Jury's Response to Findings

The Police Jury's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in blue ink that reads "Payne, Moore & Herrington, LLP".

Certified Public Accountants
Alexandria, Louisiana

June 28, 2018

**Independent Auditor's Report on Compliance for Each Major Program
And on Internal Control Over Compliance Required
by the Uniform Guidance**



PAYNE, MOORE & HERRINGTON, LLP

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**Independent Auditor's Report on Compliance for Each Major Program
And on Internal Control Over Compliance Required
by the Uniform Guidance**

To the Jurors
Rapides Parish Police Jury
Alexandria, Louisiana

We have audited the Rapides Parish Police Jury's (the Police Jury) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Police Jury's major federal programs for the year ended December 31, 2017. The Police Jury's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

We believe that our audit provides a reasonable basis for our qualified and unmodified opinions on compliance for major federal programs. However, our audit does not provide a legal determination of the Police Jury's compliance.





PAYNE, MOORE & HERRINGTON, LLP

To the Jurors
Rapides Parish Police Jury
Alexandria, Louisiana

Basis for Qualified Opinion on CFDA Number 97.039, Hazard Mitigation Grant

As described in the accompanying schedule of findings and questioned costs, the Police Jury did not comply with requirements regarding CFDA Number 97.039, Hazard Mitigation Grant, as described in Finding 2017-009 for Cash Management. Compliance with such requirements is necessary, in our opinion, for the Rapides Parish Police Jury to comply with the requirements applicable to that program.

Qualified Opinion on CFDA Number 97.039, Hazard Mitigation Grant

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, the Rapides Parish Police Jury complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on CFDA Number 97.039, Hazard Mitigation Grant, for the year ended December 31, 2017.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, the Rapides Parish Police Jury complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended December 31, 2017.

Other Matters

The Rapides Parish Police Jury's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Police Jury's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Management of the Police Jury, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Police Jury's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Police Jury's internal control over compliance.



PAYNE, MOORE & HERRINGTON, LLP

To the Jurors
Rapides Parish Police Jury
Alexandria, Louisiana

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as Finding 2017-008 and Funding 2017-009 that we consider to be material weaknesses.

The Rapides Parish Police Jury's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Police Jury's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in blue ink that reads "Payne, Moore & Herrington, LLP".

Certified Public Accountants
Alexandria, Louisiana

June 28, 2018

**Rapides Parish Police Jury
Alexandria, Louisiana
Schedule of Findings and Questioned Costs
Year Ended December 31, 2017**

Part I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued:	Unmodified		
Internal control over financial reporting:			
Material weakness(es) identified?	<u> x </u> Yes	<u> </u> No	
Significant deficiency(ies) identified not considered to be material weaknesses?	<u> </u> Yes	<u> x </u> None reported	
Noncompliance material to the financial statements?	<u> x </u> Yes	<u> </u> No	

Management’s Corrective Action Plan See attached

Management’s Summary Schedule of Prior Audit Findings See attached

Federal Awards

Internal control over major programs:			
Material weakness(es) identified?	<u> x </u> Yes	<u> </u> No	
Significant deficiency(ies) identified not considered to be material weaknesses?	<u> </u> Yes	<u> x </u> None reported	

Type of auditor’s report issued on compliance for major programs: Qualified

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance? x Yes No

Identification of major programs:

<u>CFDA Number/ Cluster Name</u>	<u>Name of Federal Program or Cluster</u>
14.228	Community Development Block Grants - State’s Program and Non-Entitlement Grants in Hawaii
WIAWIOA Cluster	WIAWIOA Cluster consisting of the following programs: CFDA Number 17.258, WIAWIOA Adult Program CFDA Number 17.259, WIAWIOA Youth Activities
97.039	Hazard Mitigation Grant

Dollar threshold used to distinguish between Type A and Type B programs \$750,000

Auditee qualified as a low-risk auditee? Yes x No

**Rapides Parish Police Jury
Alexandria, Louisiana
Schedule of Findings and Questioned Costs
Year Ended December 31, 2017**

**Part II – Findings Relating to the Financial Statements, Which Are Required to be
Reported Under *Government Auditing Standards***

Finding 2017-001: Recordkeeping for Capital Assets

Criteria: To support the assertions of completeness, valuation, rights, and obligations related to capital assets reported in the Police Jury's financial statements including donated capital assets, the internal control structure must effectively identify, record, report, and reconcile all capital assets to subsidiary records on regular basis. Internal controls over capital assets should include at least an annual physical inspection evidenced in writing as verification that assets are present. Subsidiary records must be complete in order for this physical inspection to be effective.

Condition and Context: We noted the following related to recordkeeping for capital assets:

- The Police Jury does not have an internal control system in place to ensure that donated capital assets are recorded in the financial statements and that these capital assets are recorded in the subsidiary records resulting in the possible understatement of capital assets.
- It is the practice of the Police Jury to make no recording in subsidiary records for construction in progress but rather to add the entire project upon completion resulting in the potential understatement of construction in progress in the financial statements.
- We noted an instance of omitted or incomplete recording of equipment from the accounting records resulting in understatement of capital assets. The equipment was acquired during the year under audit with grant funding. The equipment was acquired in the name of the Police Jury and insured by the Police Jury but information to properly account for the asset in the financial records and subsidiary records was not provided to the appropriate personnel.
- Annual physical inventories are not completely reconciled to the subsidiary records resulting in the possible misstatement of capital assets.

Cause and Effect: Insufficient internal control systems over capital assets including construction in progress yielded incomplete accounting records.

Recommendation: We recommend that internal controls over capital assets, including construction in progress and donated capital assets, be reviewed and revised to ensure that all Police Jury capital assets are properly identified, recorded, and reconciled to accounting records on a regular basis. Affirmation that physical inspections were conducted and the results thereof should be provided to the recordkeeping personnel.

Management's Response: See Management's Corrective Action Plan.

Finding 2017-002: Payroll Procedures

Criteria: Effective internal controls over payroll functions are essential to ensure that employees are compensated only for actual time worked or for qualifying leave. Those controls require that sufficient review and approval functions are established and followed and that processing and initiating payroll is only for approved work or leave. Furthermore, as a public entity, payroll procedures should ensure that payments are not loaned or advanced to employees. Pay dates are on the 15th and last day of each month. During the period under audit, it is the policy of the Police Jury to receive approved pay sheets from all departments the week of payroll so it can be processed in time for direct deposit or check issuance on the pay date. Direct deposit requires that the payments be initiated at least two business days prior to the payment date.

**Rapides Parish Police Jury
Alexandria, Louisiana
Schedule of Findings and Questioned Costs
Year Ended December 31, 2017**

Condition and Context: The Police Jury is statutorily required to fund payroll and certain other expenses for governmental functions not directly under its control or oversight. Those departments or agencies are responsible for verifying and approving pay sheets for its employees and ensuring that leave taken is available and properly reported to the payroll clerk. In our examination of payroll functions, we noted three instances in a sample of forty employees where time sheets from departments not under the direct control or oversight of the Police Jury were not signed by that department's authorized personnel indicating approval that hours reported were verified and correct.

We also noted in our 2016 audit finding 2016-002 that time sheets are completed and turned in to the payroll clerk in advance of the end of the payroll period in order for payroll to be processed in time for payment, which is the last day of the active pay period. There is no 'hold back' period that allows time for changes to be made for terminated employees or employees who take leave subsequent to the end of the active period. As a result, employees may be paid for hours or days that are not worked or for which there is no available leave. This may be deemed as an advance or loan to employees and could violate laws with respect to use of public funds. We were informed that a change in this procedure will not take effect until July 1, 2018.

Cause and Effect: All departmental payroll time sheets were not signed which is necessary to indicate that information submitted to the payroll department was reviewed and approved by the appropriate department personnel. Because the payroll schedule includes payment through the date of the end of the active pay period, the processing of payroll with no 'hold back' period may result in payments to employees for hours not worked or for which there is no available leave. This practice may be deemed as advancing of public funds.

Recommendation: We continue to recommend that all departmental personnel follow the payroll procedures of the Police Jury of verifying and reviewing payroll time sheets for their department and sign the pay sheets indicating such. We further recommend that the Police Jury consider the exposure to improper payments to employees or terminated employees that results from the practice of initiating and processing payroll through the pay date in advance of the hours actually being worked. A reasonable hold back period would help to prevent payments to terminated employees and would allow for actual hours worked or leave taken to be reported to the payroll department.

Management's Response: See Management's Corrective Action Plan.

Finding 2017-003: Use of the Purchase Order System

Criteria: The objectives of internal controls are to provide management with reasonable assurance that assets are safeguarded against loss and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with accounting principles generally accepted in the United States of America. It is our understanding that the Rapides Parish Police Jury's purchasing procedures require that a department obtain an approved purchase order from the purchasing department prior to submitting an order for materials and supplies.

Condition and Context: Eight of forty transactions examined did not comply with Rapides Parish Police Jury's purchasing policies and procedures. The approved purchase orders were dated after the invoices, indicating that the purchase orders were not obtained prior to the purchases. The eight instances noted related to purchases by the Road and Bridge department and Fire District #2.

**Rapides Parish Police Jury
Alexandria, Louisiana
Schedule of Findings and Questioned Costs
Year Ended December 31, 2017**

Cause and Effect: Failure to follow the established procedures does not allow management to monitor purchases for budget constraints and prevents obtaining proper approval of purchases. As a result, unauthorized purchases may occur and established budgets may be exceeded.

Recommendation: We recommend that purchase orders be prepared and approved before items are ordered or received in accordance with Rapides Parish Police Jury's established purchasing policies and procedures. Departmental employees should be aware of and adhere to such policies.

Management's Response: See Management's Corrective Action Plan.

Finding 2017-004: Failure to Monitor and Comply with Ethics Requirements

Criteria: Pursuant to LA R.S. 42:1170, all public servants, which includes employees and elected officials, shall receive a minimum of one hour of education and training on the Code of Governmental Ethics during each year of his public employment or term of office. While each employee is responsible for his own compliance, the public entity should monitor to ensure that all required employees are in compliance.

Condition and Context: We randomly selected fifteen employees from a population of 473 to verify compliance with the training requirement. There was no evidence that seven employees had completed the required training during the year ended December 31, 2017. There is no effective centralized monitoring by Police Jury to ensure that all required employees are in fact complying with the training requirement.

Cause and Effect: The Police Jury reportedly established a centralized monitoring system to verify compliance with training requirements. However, we found that the centralized records were incomplete and not properly maintained. The Police Jury has not implemented an effective internal control system to monitor compliance with the ethics training requirements.

Recommendation: We recommend that all required employees and public servants of the Rapides Parish Police Jury comply with the provisions of LA R.S. 42:1170 and that an effective centralized system of monitoring and enforcing compliance be established.

Management's Response: See Management's Corrective Action Plan.

Finding 2017-005: Theft Allegation – Employee Payroll Theft

Criteria: The objective of internal control is to provide management with reasonable assurance that assets are safeguarded against loss and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with accounting principles generally accepted in the United State of America.

**Rapides Parish Police Jury
Alexandria, Louisiana
Schedule of Findings and Questioned Costs
Year Ended December 31, 2017**

Condition and Context: The Police Jury processes and pays employees of the District Attorney's Office through the Police Jury's centralized payroll office. The District Attorney's Office, and other departments not under the direct control of the Police Jury, must submit approved time sheets, leave slips, and notices of hiring and terminations to the Police Jury's payroll office. On or about August 3, 2017, Police Jury control procedures detected alleged misappropriation of approximately \$2,576. Procedures also detected subsequent misappropriation of approximately \$1,936. After being terminated from the District Attorney's Office, a former employee allegedly altered and re-negotiated payroll checks on four separate occasions. The alleged misappropriation was timely detected by Police Jury personnel in review of bank statements, reconciliations, and payroll records.

Police Jury treasurer Bruce Kelly filed a theft report with Rapides Parish Sheriff's Department and notified the Louisiana Legislative Auditor and the Rapides Parish District Attorney via letter dated August 7, 2017. Restitution in the amount of \$4,512 has reportedly been made by or on behalf of the former employee.

Cause and Effect: A former employee of the District Attorney's Office allegedly committed theft by altering and cashing four unauthorized checks. The effect was the alleged misappropriation of Police Jury funds of approximately \$4,512.

Recommendation: We recommend that the Police Jury continue to closely monitor payroll transactions to ensure that all transactions are properly authorized and approved by the appropriate department personnel and/or made in accordance with the Police Jury's policies.

Management's Response: See Management's Corrective Action Plan.

Finding 2017-006: Allegations of Misuse of Public Funds

Criteria: Resources of a public entity may only be used for public purposes and in accordance with laws and regulations.

Condition and Context: By ordinance, Rapides Parish Police Jury created Fire Protection District #7, a public corporation and political subdivision of the State of Louisiana of which the Police Jury is the governing authority. Under its authority, Fire Protection District #7 and Rapides Parish Police Jury entered into a cooperative endeavor agreement with Ruby-Kolin Volunteer Fire Association, Inc., a nonprofit organization governed by its own board of directors, for the purpose of providing fire protection in the district. The Police Jury pays employees of the department and receives and disburses tax revenue subject to requisition, authorization, and approval of the department head and the adopted budget. The fire chief is appointed by the board of directors of Ruby-Kolin Volunteer Fire Association, Inc.

In accordance with Louisiana Revised Statutes, the Police Jury receives and remits to this and the other fire departments within the Parish, 2% insurance rebate funds subject to the department's signing of the annual fire service unit certificate. Expenditure of these funds is accounted for at the fire department level subject to oversight by the nonprofit entity's board of directors and appointed chief. Such funds are public in nature and are subject to spending in accordance with laws and regulations governing other public funds.

Allegations of misuse of public funds spent from tax revenues accounted for as a special revenue fund of Rapides Parish Police Jury include the following during the period 2014-2017:

**Rapides Parish Police Jury
Alexandria, Louisiana
Schedule of Findings and Questioned Costs
Year Ended December 31, 2017**

- alleged purchase of Christmas gifts for employees during 2014–2016 by the chief on the Police Jury's Sam's account
- payments to employees for time not actually worked or while away from the fire department: fire personnel conducting personal business during paid work hours; improper use of sick time
- personal use of publicly owned property and equipment (generator, pressure washer, use of shop to work on personal vehicles, four-wheelers, ATV's, trailers)
- payment of tuition for a fire fighter for fire science course not necessary for his job (Jan 2016); charge for fuel outside of the parish allegedly for personal use (Sept 2014); no restrictions on frequency of purchases of cell phones or requirements for replacement by employee if lost, stolen, or damaged

Daily operations of the fire department are under the direction of the fire chief and are governed by the board of directors of Ruby Kolin Volunteer Fire Association, Inc. Payments from tax revenues are subject to review and approval based on Police Jury policies and procedures as well as laws and regulations governing public funds. Such payments are initiated by the chief by submission of certified payroll sheets and requisitions to Police Jury treasurer's office.

Cause and Effect: Certain transactions initiated by the chief may not be in accordance with the provisions for use of tax revenues and may violate state laws and regulations. Payments to employees may not be properly documented in the leave records and time sheets maintained by the fire department and employees may be improperly paid for hours that were not worked or for which they were not present at the fire station. Improper expenditures and employee use of public assets may constitute misuse of public funds and assets.

Recommendation: We recommend that all matters alleging misconduct or misuse of public funds be evaluated by Jury personnel and its legal counsel and that responses to such evaluations be made in accordance with laws and provisions governing public entities. Should the Jury's inquiries reveal that violations have in fact occurred, legal proceedings and remedies should promptly be initiated.

We further recommend that the Jury consider educating department heads and others who imitate transactions and certify payroll about the laws and regulations governing such transactions and that initiation, review, and approval functions delegated to others be subject to sufficient oversight to ensure compliance with policies, laws, and regulations.

Management's Response: See Management's Corrective Action Plan.

Finding 2017-007: Budget Preparation

Criteria: Louisiana Revised Statute (RS) 39:1305(A) requires that each political subdivision shall cause to be prepared a comprehensive budget presenting a complete financial plan for each fiscal year for the general fund and each special revenue fund.

Condition and Context: Budgets were not adopted for the following special revenue funds for the year ended December 31, 2017:

**Rapides Parish Police Jury
Alexandria, Louisiana
Schedule of Findings and Questioned Costs
Year Ended December 31, 2017**

	Expenditures – Budgetary Basis
Fund 16, RSCC Transportation Grant Fund	\$ 21,186
Fund 102, SAMSA Adult Drug Court Grant Fund	252,495
Fund 110, Rapides Foundation Grant Fund	20,157
Fund 111, EMC LaGap Grant Fund	30,090

Cause and Effect: Not adopting budgets for the above funds creates potential noncompliance with the provisions of RS 36:1305(A).

Recommendation: We recommend a comprehensive budget be adopted for each special revenue fund in accordance with the requirements of state statutes.

Management's Response: See Management's Corrective Action Plan.

Part III – Findings and Questioned Costs for Federal Awards

Finding 2017-008: Preparation of the Schedule of Expenditures of Federal Awards

Criteria: The A-102 Common Rule, OMB Circular A-110 and 2 CFR section 200.303 require that non-federal entities receiving federal awards (i.e., auditee management) establish and maintain internal control designed to reasonably ensure compliance with federal statutes, regulations, and the terms and conditions of the federal award.

Conditions and Context: The Police Jury lacks adequate controls to capture all information necessary to accurately prepare the schedule of expenditures of federal awards. The draft schedule of expenditures of federal awards (SEFA) received from the Police Jury omitted some programs and incorrectly reported expenditures for other programs. This condition was also noted in Finding 2016-005 in the prior year report.

Cause and Effect: Because many application, administration, and reporting activities of the Police Jury are not centrally located, financial personnel may be unaware of requests for funding in the Police Jury's name and may not have direct oversight for monitoring compliance. Without an effective method to accumulate information about federal awards and expenditures and compliance, internal controls cannot be established and compliance requirements cannot be adequately monitored.

Recommendations: We recommend that all applications and awards for federal funds be communicated to the Treasurer or his assigned personnel for accurate and complete reporting of federal awards and expenditures. We further recommend that controls be established to specify the personnel to be responsible for monitoring compliance with each program and accumulating the information necessary to prepare the SEFA. We encourage the Police Jury to recognize its responsibility for all awards made in the Police Jury's name or identification number and to protect the Police Jury against possible noncompliance.

Management's Response: See Management's Corrective Action Plan.

**Rapides Parish Police Jury
Alexandria, Louisiana
Schedule of Findings and Questioned Costs
Year Ended December 31, 2017**

Finding 2017-009: Cash Management

CFDA Number: 97.039

Program title: Hazard Mitigation

Federal Agency: Homeland Security and Emergency Preparedness

Pass-through entity: State of Louisiana Governor's Office of Homeland Security and Emergency Preparedness

Pass-through entity grant numbers: 1786-079-001 and 1786-079-003

Criteria: The A-102 Common Rule, OMB Circular A-110 and 2 CFR section 200.303 require that non-federal entities receiving federal awards (i.e., auditee management) establish and maintain internal control designed to reasonably ensure compliance with federal statutes, regulations, and the terms and conditions of federal awards. In addition, 2 CFR section 200.305(b) requires that non-federal entities, other than states, must minimize the time elapsing between the transfer of funds from the pass-through entity and the disbursement by the non-federal entity (the Police Jury).

Condition and Context: In some instances, the Policy Jury has not developed sufficient internal control systems to ensure compliance with the above criteria. This condition was also noted in Finding 2016-005 in the prior year report. Specifically, we noted the following in the current year:

- For pass-through grant number 1786-079-003, in our sample of nine out of twenty-five transactions, we noted one instance in which the difference between the date of receipt of federal funds and the disbursement of these funds was 19 days.

Cause and Effect: Because many application, administration, and reporting activities of the Police Jury are not centrally located, financial personnel may be unaware of receipt of grant funds causing delays between receipt of funds and the disbursement of these funds resulting in possible noncompliance with 2 CFR section 200.305(b).

Recommendations: We continue to recommend that all receipts of federal funds be promptly communicated to the Treasurer or his assigned personnel to ensure disbursement of these funds in accordance with federal cash management requirements. We further recommend that controls be established to specify the personnel to be responsible for monitoring compliance with each program. We encourage the Police Jury to recognize its responsibility for all awards made in the Police Jury's name or identification number and to establish controls to protect the Police Jury against possible noncompliance.

Management's Response: See Management's Corrective Action Plan.

DISTRICT A
DAVRON "BUBBA" MOREAU
148 SUSAN DRIVE
PINEVILLE, LA 71360

DISTRICT B
JOSEPH "JOE" BISHOP
4200 STILLMEADOW LANE
PINEVILLE, LA 71360

DISTRICT C
CRAIG SMITH
20 PAUL CEMETERY ROAD
DEVILLE, LA 71328

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THEODORE FOUNTAINE, JR.
509 EVANGELINE LANE
ALEXANDRIA, LA 71302



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400 GLADYS DRIVE
ALEXANDRIA, LA 71303

DISTRICT F
OLIVER "OLLIE" OVERTON
3809 SPENCER STREET
ALEXANDRIA, LA 71302

DISTRICT G
SEAN MCGLOTHLIN
4807 WHITE CHAPEL BLVD.
ALEXANDRIA, LA 71303

DISTRICT H
RICHARD W. BILLINGS
137 JOHN BONNETTE ROAD
GLENMORA, LA 71433

DISTRICT I
SCOTT PERRY, JR.
4324 ENGLAND DRIVE
ALEXANDRIA, LA 71303

Management's Corrective Action Plan

The Rapides Parish Police Jury respectfully submits the following corrective action plan for the year ended December 31, 2017.

Independent Public Accounting Firm:

Payne, Moore & Herrington, LLP
P. O. Box 13200
Alexandria, LA 71315-3200

Auditee Contact Person:

Mr. Robert B. Kelly
Treasurer
Rapides Parish Police Jury
(318) 473-6660

Audit Period: January 1, 2017 through December 31, 2017

The findings from the Schedule of Findings and Questioned Costs are discussed below, numbered consistently with the numbers assigned in the Schedule. See Parts II, and III, Schedule of Findings and Questioned Costs, for criteria, condition and context, cause and effect, and auditor recommendations relating to the findings to the financial statements.

Findings Related to the Financial Statements Which Are Required to be Reported Under *Government Auditing Standards*

Finding 2017-001: Recordkeeping for Capital Assets

Summary: The Police Jury does not have an internal control system in place to ensure that donated capital assets are recorded in the financial statements and subsidiary records. Subsidiary records of capital assets were incomplete and were not reconciled on a regular basis to financial records. Affirmation that physical inspections were conducted and the results thereof are not returned and retained by the recordkeeping personnel.

Recommendation: The auditors recommend that internal controls over capital assets including construction in progress and donated capital assets be reviewed and revised to ensure that all Police Jury capital assets are properly identified, recorded, and reconciled to accounting records on a regular basis. Affirmation that physical inspections were conducted and the results thereof should be provided to the recordkeeping personnel.

Management's Response: Management concurs with finding and recommendation will be implemented.

Finding 2017-002: Payroll Procedures

Summary: Payroll time sheets for some departments not under the direct authority and control of the Police Jury lacked, in some instances, the approval of the appropriate personnel responsible for verifying and approving payroll information. The practice of making payment to employees for payroll in advance of the completion of the pay period may be deemed a prohibited advancement of public funds.

Recommendation: The auditors continue to recommend that all departmental personnel follow the payroll procedures of the Police Jury of verifying and reviewing payroll time sheets for their department and sign the pay sheets indicating such. The auditors further recommend that the Police Jury consider the exposure to improper payments to employees or terminated employees that results from the practice of initiating and processing payroll through the pay date in advance of the hours actually being worked. A reasonable hold back period would help to prevent payments to terminated employees and would allow for actual hours worked or leave taken to be reported to the payroll department.

Management's Response: Management concurs with finding and recommendation will be implemented.

Finding 2017-003: Use of the Purchase Order System

Summary: The auditors found instances where approved purchase orders were dated after the invoices, indicating that the purchase orders were not obtained prior to the purchases which is in violation of established purchasing policies and procedures.

Recommendation: The auditors recommend that purchase orders be prepared and approved before items are ordered or received in accordance with Rapides Parish Police Jury's established purchasing policies and procedures. Departmental employees should be aware of and adhere to such policies.

Management's Response: Management concurs with finding and recommendation will be implemented.

Finding 2017-004: Failure to Monitor and Comply with Ethics Requirements

Summary: All public servants, which includes employees and elected officials, shall receive a minimum of one hour of education and training on the Code of Governmental Ethics during each year of his public employment or term of office. The Police Jury should monitor to ensure that all required employees are in compliance. The Police Jury failed to adequately document monitoring and compliance with the provisions of LA R.S. 42:1170 which requires annual ethics training for public servants.

Recommendation: The auditors recommend that all required employees and public servants of the Rapides Parish Police Jury comply with the provisions of LA R.S. 42:1170 and that an effective centralized system of monitoring and enforcing compliance be established.

Management's Response: Management concurs with finding and recommendation will be implemented.

Finding 2017-005: Theft Allegation – Employee Payroll Theft

Summary: The Police Jury processes and pays employees of the District Attorney's Office through the Police Jury's centralized payroll office. Police Jury internal control procedures timely detected an alleged misappropriation of approximately \$4,512 by a former employee of the District Attorney's office.

Recommendations: The auditors recommend that the Police Jury continue to closely monitor payroll transactions to ensure that all transactions are properly authorized and approved by the appropriate department personnel and/or made in accordance with the Police Jury's policies.

Management's Response: Management concurs with finding.

Finding 2017-006: Allegations of Misuse of Public Funds

Summary: Resources of a public entity may only be used for public purposes and in accordance with laws and regulations. Daily operations of the fire department are under the direction of the fire chief and are governed by the board of directors of Ruby Kolin Volunteer Fire Association, Inc. Allegations of misuse of public funds spent from tax revenues accounted for as a special revenue fund of Rapides Parish Police Jury were reported to have occurred during the period 2014-2017.

Recommendations: We recommend that all matters alleging misconduct or misuse of public funds be evaluated by Jury personnel and its legal counsel and that responses to such evaluations be made in accordance with laws and provisions governing public entities. Should the Jury's inquiries reveal that violations have in fact occurred, legal proceedings and remedies should promptly be initiated.

We further recommend that the Jury consider educating department heads and others who initiate transactions and certify payroll about the laws and regulations governing such transactions and that initiation, review, and approval functions delegated to others be subject to sufficient oversight to ensure compliance with policies, laws, and regulations.

Management's Response: Management will investigate all warranted allegations and continued education to assure diligence.

Finding 2017-007: Budget Preparation

Summary: Louisiana Revised Statute (RS) 39:1305(A) requires that a comprehensive budget presenting a complete financial plan for each fiscal year be prepared for the general fund and each special revenue fund.

Recommendation: The auditors recommend a comprehensive budget be adopted for each special revenue fund in accordance with the requirements of state statutes.

Management's Response: Management concurs with finding and recommendation will be implemented.

Findings and Questioned Costs Related to Federal Awards

Finding 2017-008: Preparation of the Schedule of Expenditures of Federal Awards

Summary: Management of the Police Jury is required to establish and maintain internal control designed to reasonably ensure compliance with federal statutes, regulations, and the terms and conditions of the federal awards received. The Police Jury lacks adequate controls to capture all information necessary to accurately prepare the schedule of expenditures of federal awards (SEFA).

Recommendations: The auditors recommend that all applications and awards for federal funds be communicated to the Treasurer or his assigned personnel for accurate and complete reporting of federal awards and expenditures. The auditors further recommend that controls be established to specify the personnel to be responsible for monitoring compliance with each program and accumulating the information necessary to prepare the SEFA. The auditors encourage the Police Jury to recognize its responsibility for all awards made in the Police Jury's name or identification number and to protect the Police Jury against possible noncompliance.

Management's Response: Management concurs with finding and recommendation will be implemented.

Finding 2017-009: Cash Management

Summary: 2 CFR section 200.305(b) requires that non-federal entities, other than states, must minimize the time elapsing between the transfer of funds from the pass-through entity and the disbursement by the non-federal entity (the Police Jury). The Policy Jury has not developed sufficient internal control systems to ensure compliance with federal cash management requirements. The auditors noted an instance when the disbursement of federal funds occurred 19 days after the receipt of these funds.

Recommendations: The auditors continue to recommend that all receipts of federal funds be promptly communicated to the Treasurer or his assigned personnel to ensure disbursement of these funds in accordance with federal cash management requirements. The auditors further recommend that controls be established to specify the personnel to be responsible for monitoring compliance with each program. The auditors encourage the Police Jury to recognize its responsibility for all awards made in the Police Jury's name or identification number and to establish controls to protect the Police Jury against possible noncompliance.

Management's Response: Management concurs with this finding and recommendations will be implemented.

Respectfully submitted,

Bruce Kelly
Treasurer

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DAVRON "BUBBA" MOREAU
148 SUSAN DRIVE
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Management's Summary Schedule of Prior Audit Findings Year Ended December 31, 2017

Finding 2016-001: Capital Assets and Related Long-Term Debt

Summary: Subsidiary records of capital assets were incomplete and were not reconciled on a regular basis to financial records. Affirmation that physical inspections were conducted and the results thereof are not returned and retained by the recordkeeping personnel. A capital lease and the related assets acquired were omitted from capital asset and long-term debt subsidiary records because centralized monitoring functions are not sufficiently established.

Current Status: Partially Resolved. See Finding 2017-001

Finding 2016-002: Payroll Procedures

Summary: Payroll time sheets for two departments not under the direct authority and control of the Police Jury lacked the approval of the appropriate personnel responsible for verifying and approving payroll information. The practice of making payment to employees for payroll in advance of the completion of the pay period may be deemed an advancement of public funds prohibited by Article 7, Section 14 of the state constitution. We noted one instance where a terminated employee was paid for two days after the termination date because payroll must be processed in advance of the close of the pay period under the current practice.

Current Status: Unresolved. See Finding 2017-002

Finding 2016-003 Late Filing of Audit Report

Summary: Rapides Parish Police Jury's audit report was not submitted to the Legislative Auditor within 180 days of the year end. The Policy Jury received an extension to July 31, 2017 to file the report and it was filed by that approved extension date.

Current Status: Resolved.

Finding 2016-004: Failure to Monitor and Comply with Ethics Requirements

Summary: The Police Jury failed to adequately monitor and comply with the provisions of LA R.S. 42:1170 which requires annual ethics training for public servants. The auditors noted two instances of noncompliance from the fifteen employees selected for testing.

Current Status: Unresolved. See Finding 2017-004.

Finding 2016-005: Internal Control and Compliance over Federal Awards

Summary: The A-102 Common Rule, OMB Circular A-110 and 2 CFR section 200.303 require that non-federal entities receiving federal awards (i.e., auditee management) establish and maintain internal control designed to reasonably ensure compliance with federal statutes, regulations, and the terms and conditions of the federal award. In some instances, the Policy Jury has not developed sufficient internal control systems to ensure compliance with the above criteria. Specifically compliance issues relating to cash management and internal control issues relating to cash management, and suspension and debarment were noted.

Current Status: Unresolved. See Finding 2017-008 and Finding 2017-009.

Respectfully submitted,

Bruce Kelly
Treasurer

Rapides Parish Police Jury

Statewide Agreed-Upon Procedures Report

Alexandria, Louisiana

December 31, 2017



PAYNE, MOORE & HERRINGTON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

Established 1945

**Independent Accountant's Report on
Applying Agreed-Upon Procedures**

To the Jurors
Rapides Parish Police Jury
and the Louisiana Legislative Auditor

We have performed the procedures enumerated below, which were agreed to by Rapides Parish Police Jury (Entity) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2017 through December 31, 2017. The Entity's management is responsible for those C/C areas identified in the SAUPs.

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 this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated results are as follows:

Written Policies and Procedures

1. **Procedure:** 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.





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To the Jurors
Rapides Parish Police Jury
and the Louisiana Legislative Auditor

- 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.
- j) **Debt Service**, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Results: The Entity does not have written policies and procedures that address the following financial/business functions: budgeting, ethics, or debt service.

Management's Response: Management concurs with this exception and will modify policies to mitigate results.

Board (or Finance Committee, if applicable)

- 2. **Procedure:** 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).



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and the Louisiana Legislative Auditor

1. 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.

Results: No exceptions noted.

Bank Reconciliations

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

Results: No exceptions noted.

4. **Procedure:** 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 five 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 six months as of the end of the fiscal period.

Results: The reconciliations for four of the five bank accounts examined did not include evidence that a member of management or a board member had reviewed the reconciliation. Two of the bank accounts examined did not include written documentation that reconciling items greater than six months old were researched.



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and the Louisiana Legislative Auditor

Management's Response: Management concurs with this exception and will modify policies to mitigate results.

Collections

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

Results: No exceptions noted.

6. **Procedure:** 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 five locations). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity funds may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* **For each cash collection location selected:**

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



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Rapides Parish Police Jury
and the Louisiana Legislative Auditor

2. 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.

Results: We noted the following exceptions:

- a) The OEWD cash collection location does not have written documentation to ascertain that persons responsible for collecting cash are not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account.
- b) The sales tax office does not have written documentation to ascertain that persons responsible for collecting cash are not required to share the same cash register with other employees.
- c) The prescribed testing methodology as explained in procedure 6c above was not performed since the Entity has no way of sorting by date of collection. For this reason, we selected the highest (dollar) week based on the date of posting in the general ledger. In our test of seventy-three cash collections:
 1. Six of the collections at the treasurer's office were not deposited within one day of collection. All were deposited two days after collection.
 2. Ten of the collections were not stamped with the date received; therefore, there was no way to determine if the deposits were made within one day of collection. Four of the ten were at the sales tax office and six were at the treasurer's office.

Management's Response: Management concurs with these exceptions and will modify policies to mitigate results.

7. **Procedure:** 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.

Results: No exceptions noted.



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and the Louisiana Legislative Auditor

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

8. **Procedure:** 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.

Results: No exceptions noted.

9. **Procedure:** Using the disbursement population from #8 above, randomly select twenty-five disbursements (or randomly select disbursements constituting at least one-third of the dollar disbursement population if the Entity had less than twenty-five 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; (2) a receiving report showing receipt of goods purchased, or electronic equivalent; and (3) an approved invoice.

Results: Two of the twenty-five disbursements examined were processed without an approved purchase order.

Management's Response: Management concurs with this exception and will modify policies to mitigate results.

10. **Procedure:** 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.

Results: No exceptions noted.



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and the Louisiana Legislative Auditor

- 11. Procedure:** 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.

Results: The Entity does not have formal written policies and procedures stating that persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.

Management's Response: Management concurs with this exception and will modify policies to mitigate results.

- 12. Procedure:** 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.

Results: No exceptions noted.

- 13. Procedure:** 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.

Results: No exceptions noted.

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

- 14. Procedure:** 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.

Results: No exceptions noted.

- 15. Procedure:** Using the listing prepared by management, randomly select ten cards (or at least one-third of the cards if the Entity has less than ten 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.



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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 cardholder. [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.

Results: We examined ten monthly statements and noted no written evidence that the statements were reviewed by someone other than the authorized cardholder. Also, seven transactions on the monthly statements did not contain written evidence that the transactions were approved by someone other than the authorized cardholder.

Management's Response: Management concurs with this exception and will modify policies to mitigate results.

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

- a) For each transaction, report whether the transaction is supported by:
 1. An original itemized receipt (i.e., identifies precisely what was purchased).
 2. Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.
 3. 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.



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- 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.

Results: In our examination of sixty-two credit card transactions, we noted the following exceptions:

- a) Ten transactions were not supported by an original itemized receipt.
- b) Eight transactions did not have a documented business/public purpose, and this prevented us from being able to compare the supporting documentation to the requirements set forth in the Entity's written policies or Article 7, Section 14 of the Louisiana Constitution.
- c) Seven transactions were not supported by a proper purchase order, as required by written policy. Six of the seven transactions related to P-card purchases.

Management's Response: Management concurs with these exceptions and will modify policies to mitigate results.

Travel and Expense Reimbursement

17. **Procedure:** 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.

Results: No exceptions noted.

18. **Procedure:** 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.

Results: No exceptions noted.

19. **Procedure:** 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:



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- 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:
 1. 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.]
 2. Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).
 3. 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.

Results: No exceptions noted.

Contracts

20. **Procedure:** 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.

Results: No exceptions noted.



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21. Procedure: 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:
 1. 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).
 2. 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).

Results: No exceptions noted.

Payroll and Personnel

22. Procedure: 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:



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- 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.

Results: No exceptions noted.

23. Procedure: 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 twenty-five employees/officials (or randomly select one-third of employees/officials if the Entity had less than twenty-five 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.

Results: No exceptions noted.

24. Procedure: 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.

Results: No exceptions noted.



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25. **Procedure:** 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.

Results: No exceptions noted.

Ethics

26. **Procedure:** 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.

Results: The Entity does not maintain centralized documentation to demonstrate that required ethics training was completed.

Management's Response: Management concurs with this exception and will modify policies to mitigate results.

27. **Procedure:** 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.

Results: No exceptions noted.

Debt Service

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

Results: No exceptions noted.



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29. **Procedure:** 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.

Results: No exceptions noted.

30. **Procedure:** 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.

Results: No exceptions noted.

Other

31. **Procedure:** 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.

Results: No exceptions noted.

32. **Procedure:** 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.

Results: Our observation indicated that the notice required by R.S. 24:523.1 is not posted on the Entity's premises or its website.

Management's Response: Management concurs with this exception and will modify policies to mitigate results.

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

Results: No exceptions noted.



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

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

A handwritten signature in blue ink that reads "Payne, Moore & Herrington, LLP". The signature is written in a cursive, flowing style.

Payne, Moore & Herrington, LLP
Alexandria, Louisiana

June 28, 2018