

RICHLAND PARISH POLICE JURY
RAYVILLE, LOUISIANA

FINANCIAL REPORT

December 31, 2017

HILL, INZINA & COMPANY

Certified Public Accountants • A Professional Corporation
701 East Madison Avenue • Bastrop, Louisiana 71220
Telephone 318-281-4492 • Fax 318-281-4087 • E-mail hillinzina@bellsouth.net

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HILL, INZINA & COMPANY

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

Police Jurors
Richland Parish Police Jury
Rayville, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Richland Parish Police Jury (the "Jury"), as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the basic financial statements of the 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 *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 Jury'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 Jury's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Basis for Adverse Opinion on Aggregate Discretely Presented Component Units and Qualified Opinion on Aggregate Remaining Fund Information

The financial statements referred to above do not include financial data for all of the Jury's legally separate component units. Accounting principles generally accepted in the United States of America require the financial data for those component units to be reported with the financial data of the Jury's primary government unless the Jury also issues financial statements for the financial reporting entity that include the financial data for its component units. The Jury has not issued such reporting entity financial statements. Because of this departure from accounting principles generally accepted in the United States of America, the assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenues, and expenses of the aggregate discretely presented component units that would have been presented are not reasonably determinable. In addition, the assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances, revenues, and expenditures of the aggregate remaining fund information would have increased by an amount that is also not reasonably determinable.

Adverse Opinion on Aggregate Discretely Presented Component Units

In our opinion, because of the significance of the matter described in the "Basis for Adverse Opinion on Aggregate Discretely Presented Component Units and Qualified Opinion on Aggregate Remaining Fund Information" paragraph, the financial statements referred to above do not present fairly the financial position of the aggregate discretely presented component units of the Jury as of December 31, 2017, or the changes in financial position thereof for the year then ended.

Qualified Opinion on Aggregate Remaining Fund Information

In our opinion, except for the matter described in the "Basis for Adverse Opinion on Aggregate Discretely Presented Component Units and Qualified Opinion on Aggregate Remaining Fund Information" paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the aggregate fund information of the Jury as of December 31, 2017, and the changes in financial position thereof for the year then ended in accordance with accounting principles in the United States of America.

Unmodified Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Jury as of December 31, 2017, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the budgetary comparison schedule be presented to supplement the basic financial statements of the Jury's primary government. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB), 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 Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of the Jury's primary government. The other supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The other supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 8, 2018, on our consideration of the Jury's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 Jury's internal control over financial reporting and compliance.

/s/ Hill, Inzina & Co.

June 8, 2018

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 8, 2018, on our consideration of the Jury's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 Jury's internal control over financial reporting and compliance.

/s/ Hill, Inzina & Co.

June 8, 2018

REQUIRED SUPPLEMENTARY INFORMATION (Part 1 of 2)

RICHLAND PARISH POLICE JURY

MANAGEMENT'S DISCUSSION AND ANALYSIS

As of and for the Year Ended December 31, 2017

As management of Richland Parish Police Jury (the "Jury"), we offer readers of the financial statements of the Jury's primary government this narrative overview and analysis of the financial activities of the Jury for the fiscal year ended December 31, 2017. This discussion and analysis of management is designed to provide an objective and easy-to-read analysis of the Jury's financial activities based on currently known facts, decisions, or conditions. It is intended to provide readers with a broad overview of the Jury's finances. It is also intended to provide readers with an analysis of the short-term and long-term activities of the Jury based on information presented in the financial report and fiscal policies that have been adopted by the Jury. Specifically, this section is designed to assist the readers in focusing on significant financial issues, provide an overview of the Jury's financial activity, identify changes in the Jury's financial position (its ability to address the next and subsequent years' challenges), identify any material deviations from the financial plan (the approved budget), and identify individual issues or concerns of individual funds.

As with other sections of this financial report, the information contained within this discussion and analysis of management should be considered only a part of a greater whole. The readers of this statement should take time to read and evaluate all sections of this report, including the footnotes and supplementary information that are provided in addition to this discussion and analysis of management.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Jury's financial statements. The Jury's basic financial statements consist of the following components:

1. Government-wide financial statements.
2. Fund financial statements.
3. Notes to financial statements.

In addition to the basic financial statements, the Jury also includes in a subsequent section of this report additional information to supplement the basic financial statements.

1. Government-wide financial statements

Government-wide financial statements are designed by the GASB Statement No. 34 to change the way in which government financial statements are presented. It now provides readers for the first time with a concise "entity-wide" statement of net position and statement of activities, seeking to give the users of the financial statements a broad overview of the Jury's financial position and results of operations in a manner similar to a private-sector business.

The statement of net position presents information on all of the Jury's assets, liabilities, and deferred inflows of resources using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies, with the elimination of internal activities. The difference between assets, liabilities, and deferred inflows of resources is reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Jury is improving or weakening. Evaluation of the overall economic health of the Jury would extend to other nonfinancial factors in addition to the financial information provided in this report.

The statement of activities presents information detailing how the Jury's net position changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of this statement is to show the financial reliance of the Jury's distinct activities or functions on revenues provided by the citizenry of the parish.

The government-wide financial statements report governmental activities of the Jury that are principally supported by taxes and intergovernmental revenues. Governmental activities include general government, public safety, public works, health and welfare, culture and recreation, economic development and assistance, and capital outlay.

2. Fund financial statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The Jury uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the Jury's most significant funds rather than the Jury as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for non-major funds is provided in the form of combining statements in a later section of this report.

The Jury has only one fund type. Governmental funds are reported in the fund financial statements and encompass essentially the same functions reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the Jury's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources during the year and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and commitment of spendable resources for the near-term.

As the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. A reconciliation from both the governmental fund balance sheet and the statement of revenues, expenditures, and changes in fund balances to the government-wide statements is provided to assist in understanding the differences between these two perspectives.

3. Notes to financial statements

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements.

Government-Wide Financial Analysis

The following provides a summary of the net position of the Jury's governmental activities as of December 31:

	<u>2017</u>	<u>2016</u>
Other assets	\$ 9,127,382	\$ 9,814,305
Capital assets	<u>4,718,122</u>	<u>4,462,769</u>
Total assets	<u>\$ 13,845,504</u>	<u>\$ 14,277,074</u>
Deferred outflows of resources	<u>\$ 987,728</u>	<u>\$ 1,311,921</u>
Other liabilities	<u>\$ 966,595</u>	<u>\$ 1,270,105</u>
Deferred inflows of resources	<u>\$ 3,148,243</u>	<u>\$ 2,866,159</u>
Net position:		
Net investment in capital assets	\$ 4,718,122	\$ 4,462,769
Restricted for special revenue	3,569,796	5,477,851
Unrestricted	<u>2,430,476</u>	<u>1,512,111</u>
Total net position	<u>\$ 10,718,394</u>	<u>\$ 11,452,731</u>

As noted earlier, net position may serve over time as a useful indicator of the Jury's financial position. Restricted net position is reported separately to show legal constraints from debt covenants and enabling legislation that limit the Jury's ability to use that net position for day-to-day operations. The Jury will use the unrestricted net position to meet the ongoing obligations to users of its services and creditors.

The following provides a summary of the Jury's net position changes between the two years ended December 31:

	<u>2017</u>	<u>2016</u>
Revenues and special item:		
Program revenues:		
Charges for services	\$ 277,269	\$ 263,266
Operating grants and contributions	145,319	445,036
General revenues:		
Taxes	7,187,856	7,962,071
Intergovernmental	552,608	529,037
Unrestricted investment earnings and miscellaneous	55,751	166,256
Total revenues	<u>\$ 8,218,803</u>	<u>\$ 9,365,666</u>
Expenses:		
General government	\$ 1,601,532	\$ 1,476,422
Public safety	362,604	416,867
Public works	5,560,903	5,047,720
Health and welfare	322,905	312,168
Culture and recreation	1,077,114	1,425,417
Economic development and assistance	28,082	80,828
Total expenses	<u>\$ 8,953,140</u>	<u>\$ 8,759,422</u>
Change in net position	\$(734,337)	\$ 606,244
Net position - beginning	11,452,731	10,864,554
Prior period adjustments	-	(18,067)
Net position - ending	<u>\$ 10,718,394</u>	<u>\$ 11,452,731</u>

The Jury's total revenues decreased by \$1,146,863 while expenditures increased by \$953,145.

Program revenues derive directly from the program itself or from parties outside the Jury's taxpayers or citizenry. As a whole, they reduce the cost of the function to be financed from the Jury's general revenues. General revenues are used to pay for governmental activities whose cost is not reduced by program revenues. The Jury was heavily reliant on general revenues to support governmental operations for both years.

General government and public works were the Jury's largest expenses for both years with both also having significant tax-based (general revenue) funding.

Financial Analysis of Governmental Funds

The Jury's major governmental funds and related fund balances as of December 31 were:

	<u>2017</u>	<u>2016</u>
General	\$ 1,033,031	\$ 1,448,054
Road Maintenance	687,816	951,478
Drainage Maintenance	733,047	1,202,641
Library	2,599,718	2,357,364

Determination of the Jury's major governmental funds are made for each audit period. The majority of the fund balances of the governmental funds as of December 31, 2017 was restricted for special revenue.

Budgetary Highlights

Budgets for all required funds were adopted for the year ended December 31, 2017 which complied with financial policies approved by the jurors and maintained core Jury services. There was only one unfavorable budget variance exceeding 5% or more in the major funds for the year ended December 31, 2017. The unfavorable variance occurred because the health insurance premiums paid by the General Fund for the Road Maintenance, Drainage Maintenance, and Courthouse Maintenance Funds are budgeted in the cash basis budget as expenditures of the General Fund. But, to correctly report these expenditures in the fund financial statements, to which the cash basis budgets are reconciled, they are reported in the applicable fund that actually incurred the expense as other financing sources (uses).

Capital Assets and Debt Administration

The Jury's capital asset additions during the current fiscal year costing \$562,157 were all purchased with available funds. Depreciation of capital assets of \$306,805 for the year ended December 31, 2017 was recorded in the governmental activities of the government-wide financial statements.

During the year ended December 31, 2017, the Jury acquired no new long-term debt and at the end of the fiscal year, had no outstanding long-term liabilities recorded in the fund financial statements.

Next Year's Budget

As adopted, the 2018 original combined budget totaled \$16,799,723 compared to the 2017 original budget of \$20,027,026.

Requests for Information

This financial report is designed to provide a general overview of the Jury's financial picture for all those with an interest in the Jury's finances. Questions concerning any of the information provided in this report, or requests for additional financial information, should be addressed to the Secretary/Treasurer, P.O. Box 668, Rayville, Louisiana 71269-0668.

BASIC FINANCIAL STATEMENTS

RICHLAND PARISH POLICE JURY
RAYVILLE, LOUISIANA

STATEMENT OF NET POSITION - PRIMARY GOVERNMENT -
GOVERNMENTAL ACTIVITIES
December 31 , 2017

ASSETS

Cash	\$ 5,365,883
Certificate of deposit	700,000
Receivables	3,061,499
Capital assets:	
Land	311,523
Other capital assets, net of depreciation	<u>4,406,599</u>
Total assets	<u>\$ 13,845,504</u>

DEFERRED OUTFLOWS OF RESOURCES

Resources related to pension	\$ <u>987,728</u>
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LIABILITIES

Accounts payable	\$ 179,008
Deposits held for others	10,000
Payroll accruals and withholding	50,647
Net pension	<u>726,940</u>
Total liabilities	<u>\$ 966,595</u>

DEFERRED INFLOWS OF RESOURCES

Property taxes	\$ 3,017,934
Resources related to pensions	<u>130,309</u>
Total deferred inflows of resources	<u>\$ 3,148,243</u>

NET POSITION

Net investment in capital assets	\$ 4,718,122
Restricted for special revenue	3,569,796
Unrestricted	<u>2,430,476</u>
Total net position	<u>\$ 10,718,394</u>

See notes to financial statements.

RICHLAND PARISH POLICE JURY
RAYVILLE, LOUISIANA

BALANCE SHEET - GOVERNMENTAL FUNDS
December 31, 2017

	<u>General</u>	<u>Road Maintenance</u>	<u>Drainage Maintenance</u>
ASSETS			
Cash	\$ 386,189	\$ 749,877	\$ 739,271
Certificate of deposit	700,000	-	-
Receivables	<u>1,280,329</u>	<u>22,885</u>	<u>-</u>
Total assets	<u>\$ 2,366,518</u>	<u>\$ 772,762</u>	<u>\$ 739,271</u>
LIABILITIES			
Accounts payable	\$ 35,283	\$ 84,946	\$ 6,224
Deposits held for others	10,000	-	-
Payroll accruals and withholdings	<u>50,647</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>\$ 95,930</u>	<u>\$ 84,946</u>	<u>\$ 6,224</u>
DEFERRED INFLOWS OF RESOURCES			
Property taxes	<u>\$ 1,237,557</u>	<u>\$ -</u>	<u>\$ -</u>
FUND BALANCE			
Restricted for special revenue	\$ -	\$ 687,816	\$ 733,047
Unassigned	<u>1,033,031</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>\$ 1,033,031</u>	<u>\$ 687,816</u>	<u>\$ 733,047</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 2,366,518</u>	<u>\$ 772,762</u>	<u>\$ 739,271</u>

See notes to financial statements.

<u>Library</u>	<u>Other Governmental</u>	<u>Total Governmental Funds</u>
\$ 2,631,944	\$ 858,602	\$ 5,365,883
-	-	700,000
<u>1,493,770</u>	<u>264,515</u>	<u>3,061,499</u>
<u>\$ 4,125,714</u>	<u>\$ 1,123,117</u>	<u>\$ 9,127,382</u>
\$ 11,310	\$ 41,245	\$ 179,008
-	-	10,000
-	-	50,647
<u>\$ 11,310</u>	<u>\$ 41,245</u>	<u>\$ 239,655</u>
<u>\$ 1,514,686</u>	<u>\$ 265,691</u>	<u>\$ 3,017,934</u>
\$ 2,599,718	\$ 816,181	\$ 4,836,762
-	-	1,033,031
<u>\$ 2,599,718</u>	<u>\$ 816,181</u>	<u>\$ 5,869,793</u>
<u>\$ 4,125,714</u>	<u>\$ 1,123,117</u>	<u>\$ 9,127,382</u>

RICHLAND PARISH POLICE JURY
RAYVILLE, LOUISIANA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
For the Year Ended December 31, 2017

	<u>General</u>	<u>Road Maintenance</u>	<u>Drainage Maintenance</u>
Revenues:			
Taxes	\$ 1,117,548	\$ 3,223,545	\$ 1,681,849
Licenses and permits	160,447	-	-
Intergovernmental	291,648	601,931	-
Fees, charges, and commissions for services	21,299	55,280	11,424
Fines and forfeitures	3,563	-	-
Interest and miscellaneous	120,753	4,758	1,290
Total revenues	<u>\$ 1,715,258</u>	<u>\$ 3,885,514</u>	<u>\$ 1,694,563</u>
Expenditures:			
Current:			
General government:			
Legislative	\$ 318,498	\$ -	\$ -
Judicial	129,543	-	-
Elections	46,243	-	-
Finance and administrative	508,102	-	-
Other	64,239	-	-
Public safety	406,344	-	-
Public works	29,690	2,831,508	1,946,245
Health and welfare	84,618	-	-
Culture and recreation	-	-	-
Economic development and assistance	80,828	-	-
Capital outlay	-	911,262	8,481
Total expenditures	<u>\$ 1,668,105</u>	<u>\$ 3,742,770</u>	<u>\$ 1,954,726</u>

<u>Library</u>	<u>Other Governmental</u>	<u>Total Governmental Funds</u>
\$ 1,348,014	\$ 591,115	\$ 7,962,071
-	-	160,447
46,714	8,152	948,445
7,975	-	95,978
3,278	25,628	32,469
<u>12,227</u>	<u>2,135</u>	<u>141,163</u>
<u>\$ 1,418,208</u>	<u>\$ 627,030</u>	<u>\$ 9,340,573</u>

\$ -	\$ -	\$ 318,498
-	26,227	155,770
-	-	46,243
-	-	508,102
-	331,523	395,762
-	-	406,344
-	-	4,807,443
-	196,690	281,308
1,400,579	-	1,400,579
-	-	80,828
<u>1,237,920</u>	<u>-</u>	<u>2,157,663</u>
<u>\$ 2,638,499</u>	<u>\$ 554,440</u>	<u>\$ 10,558,540</u>

(continued)

RICHLAND PARISH POLICE JURY
RAYVILLE, LOUISIANA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS (Continued)
For the Year Ended December 31, 2017

	<u>General</u>	<u>Road Maintenance</u>	<u>Drainage Maintenance</u>
Excess (deficiency) of revenues over expenditures	\$ 47,153	\$ 142,744	\$(260,163)
Other financing sources (uses):			
Operating transfers in (out)	<u>(466,033)</u>	<u>266,530</u>	<u>181,000</u>
Net changes in fund balances	\$(418,880)	\$ 409,274	\$(79,163)
Fund balances - beginning	<u>1,866,934</u>	<u>542,204</u>	<u>1,281,804</u>
Fund balances - ending	<u>\$ 1,448,054</u>	<u>\$ 951,478</u>	<u>\$ 1,202,641</u>

See notes to financial statements.

<u>Library</u>	<u>Other Governmental</u>	<u>Total Governmental Funds</u>
\$(1,220,291)	\$ 72,590	\$(1,217,967)
<u>-</u>	<u>18,503</u>	<u>-</u>
\$(1,220,291)	\$ 91,093	\$(1,217,967)
<u>3,577,655</u>	<u>684,087</u>	<u>7,952,684</u>
<u>\$ 2,357,364</u>	<u>\$ 775,180</u>	<u>\$ 6,734,717</u>

RICHLAND PARISH POLICE JURY
RAYVILLE, LOUISIANA

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO GOVERNMENT-WIDE STATEMENT OF NET POSITION
December 31, 2017

Total fund balances - governmental funds balance sheet	\$ 5,869,793
Amounts reported for governmental activities in statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	4,718,122
Net pension liability does not require the use of current financial resources and therefore is not reported in the funds	(726,940)
Net effect of deferred outflows of resources and deferred inflows of resources related to pensions do not require the use of current financial resources and therefore are not reported in the funds.	<u>857,419</u>
Total net position of governmental activities - government-wide statement of net position	<u>\$ 10,718,394</u>

See notes to financial statements.

RICHLAND PARISH POLICE JURY
RAYVILLE, LOUISIANA

RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES TO
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
December 31, 2017

Net changes in fund balances - governmental funds \$(864,923)

Amounts reported for governmental activities in statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay (\$562,157) exceeded depreciation expense (\$306,805) in the current period. 255,352

Proportionate share of non-employer contributions to pension plans do not provide current financial resources and are not reported as revenue in the governmental funds. 26,073

Governmental funds report current year pension contributions as expenditures. However, in the statement of activities, these contributions are reported as deferred inflows of resources and the proportionate share of the plans' pension expense is reported as such. 150,839

Changes in net position of governmental activities - government-wide statement of activities \$(734,337)

See notes to financial statements.

RICHLAND PARISH POLICE JURY
RAYVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2017

Note 1. Organization and Summary of Significant Accounting Policies

Richland Parish Police Jury (the "Jury") is the governing authority for Richland Parish and is a political subdivision of State of Louisiana. The Jury is governed by nine compensated jurors representing, by election, the various districts within the parish. The jurors serve four-year terms that will expire on December 31, 2019.

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

The parish is located in northeast Louisiana and its population is 20,725. Approximately 575 miles of roads are maintained by the parish. The Jury employs approximately 100 people.

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

The more significant of the Jury's accounting policies are described below:

Financial Reporting Entity:

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

NOTES TO FINANCIAL STATEMENTS

Governmental Accounting Standards Board (GASB) Statement No. 14, *The Reporting Entity*, established criteria for determining the governmental reporting entity and component units that should be considered part of the Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

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

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

<u>Component Unit</u>	<u>Fiscal Year End</u>	<u>Criteria Used</u>
Richland Parish Hospital Service Districts No. 1, 1A, 1B, and 1C	9-30	1 and 2
Start-Girard Fire Protection District	12-31	3
Archibald-Alto Fire Protection District	12-31	3
Holly Ridge Fire Protection District	12-31	3
Mangham Fire Protection District	12-31	3
Richland Parish Communications District	12-31	1
Richland Parish Fire Protection District No. 8	12-31	3
Ward One Rural Fire Protection District	12-31	3

NOTES TO FINANCIAL STATEMENTS

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

Also considered in the determination of component units of the reporting entity were Richland Parish Sheriff, Richland Parish Clerk of Court, Richland Parish Tax Assessor, Richland Parish Sales and Use Tax Commission, Richland Parish School Board, District Attorney and Judges for the Fifth Judicial District, and the various municipalities and nonprofit entities in the parish. It was determined that these governmental and nonprofit entities are not component units of Richland Parish Police Jury reporting entity. These entities have separately elected governing bodies, are legally separate, and are fiscally independent of the Jury. They are considered by the Jury to be separate autonomous entities and issue financial statements separate from those of Richland Parish Police Jury reporting entity.

Government-Wide Financial Statements:

The government-wide financial statements include the statement of net position and the statement of activities that report financial information for the primary government (Jury). Individual funds are not displayed but the statements report governmental activities, generally supported by taxes and intergovernmental revenues. The Jury has no business-type activities, generally financed in whole or in part with fees charged to external customers.

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 licenses, permits, fees, fines, forfeitures, and other charges to users of the Jury's services; (2) operating grants and contributions which finance annual operating activities; 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. Taxes and other revenue sources not properly included with program revenues are reported as general revenues.

NOTES TO FINANCIAL STATEMENTS

Fund Financial Statements:

Fund financial statements are provided for governmental funds with major individual governmental funds reported in separate columns and a composite column for non-major governmental funds.

Basis of Accounting, Measurement Focus, and Financial Statement Presentation:

The financial statements of the Jury are prepared in accordance with generally accepted accounting principles (GAAP).

The government-wide statements report using the economic resources measurement focus and the accrual basis of accounting generally including the reclassification or elimination of internal activity (between or within funds). Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax revenues are recognized in the year for which they are levied while grants are recognized when grantor eligibility requirements are met.

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The Jury considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for principal and interest related to long-term debt, as well as expenditures related to compensated absences, which are reported as expenditures in the year due. This same measurement focus and basis of accounting is used to calculate expenditures of federal awards.

Major revenue sources susceptible to accrual are property taxes, sales taxes, gross receipts taxes, intergovernmental revenues, and fines and forfeitures. In general, other revenues are recognized when cash is received.

NOTES TO FINANCIAL STATEMENTS

Fund Types and Major Funds:

The Jury reports the following major governmental funds:

General Fund - the general operating fund of the Jury and accounts for all financial resources, except those required to be accounted for in other funds.

Road Maintenance Fund - constructing, maintaining, and repairing public roads and bridges in the parish and for acquiring, maintaining, and/or operating road machinery and equipment.

Drainage Maintenance Fund - maintaining drainage canals and ditches in the parish and for acquiring, maintaining, and/or operating drainage machinery equipment.

Library Fund - maintaining the public libraries.

Budgets and Budgetary Accounting:

Preliminary budgets for the ensuing year are prepared by the secretary/treasurer prior to December 31 of each year. During November, the finance committee reviews the proposed budgets and makes changes as it deems appropriate. Notice of the location and the availability of the proposed budgets for public inspection and the date of the public hearing to be conducted on the budgets are then advertised in the official journal of the Jury. Prior to its regular December meeting, the Jury conducts a public hearing on the proposed budgets in order to receive comments from residents. Changes are made to the proposed budgets based on the public hearing and the desires of the Jury as a whole. The budgets are then adopted during a December meeting and notice of adoption, that includes budget summaries, is published in the official journal.

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

NOTES TO FINANCIAL STATEMENTS

The Jury adopted annual budgets for all of the governmental funds on December 5, 2016. The annual budgets were prepared on a non-GAAP budgetary basis of accounting. All budget amendments were approved by the Jury. The budgetary comparison schedules included in the accompanying financial statements include the original and final adopted budgets. Amending the budgets to actual cash amounts at each December 31 is the common practice of the Jury and such was approved by the Jury on November 13, 2017. All annual appropriations lapse at fiscal year end.

Use of Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Certificate of Deposit:

Cash includes amounts in demand deposits. Under state law, the 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 the laws of the United States.

State law allows the Jury to invest in collateralized certificates of deposits, government backed securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government backed securities. If the original maturities of time deposits exceed 90 days, they are classified as certificates of deposit; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Nonparticipating investment contracts, generally certificates of deposit, are reported at cost, which approximates market value.

Receivables:

Significant receivables include property tax revenues.

Uncollectible Allowance:

The statements contain no provision for uncollectible accounts. Jury's management is of the opinion that such allowance would be immaterial in relation to the financial statements taken as a whole.

NOTES TO FINANCIAL STATEMENTS

Interfund Transactions:

Activity between funds that are representative of lending/borrowing arrangements and other miscellaneous receivables/payables outstanding at the end of the fiscal year are reported as due to/from other funds (i.e. the current portion of interfund loans) in the fund financial statements.

Transfers and payments within the reporting entity that are substantially for the purposes of subsidizing operating functions, funding capital projects and asset acquisitions, or maintaining debt service on a routine basis are reported as operating transfers between funds of the reporting entity. Nonrecurring or nonroutine permanent transfers of net position are reported as residual equity transfers.

Interfund transactions are eliminated in the government-wide financial statements while all are reported in the fund financial statements.

Capital Assets and Depreciation:

Capital assets, which include property, plant, and equipment, with useful lives of more than one year, are reported in the government-wide financial statements. Capital assets are recorded at historical cost or estimated cost if historical cost is not available. Donated assets are stated at fair value on the date of donation. The Jury generally capitalizes individual infrastructure assets with cost of \$100,000 or more and all other assets with cost of \$2,500 or more as purchase and construction outlays occur.

The costs of normal maintenance and repairs not adding to an asset's value or materially extending its useful life are not capitalized. Upon disposition of capital assets, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations.

As surplus assets are sold for an immaterial amount when declared no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

Buildings and improvements	20 - 40 years
Machinery and equipment	5 - 15 years

NOTES TO FINANCIAL STATEMENTS

Accumulated Compensated Absences:

Effective January 1, 2011, the Jury changed its annual leave policy for all employees except for those of the Library. Employees no longer accumulate annual leave and sick pay but earn paid time off depending on the length of their employment. Annual leave accumulated by employees, if any, as of December 31st of each year will be credited to years of service at retirement; therefore, no liability for accumulated compensated absences was recorded in the government-wide financial statements.

Employees of the Library earn from ten to 20 days of annual leave each anniversary year of employment, depending upon professional status. Up to 10 days of annual leave may be accumulated, depending upon professional status. Upon termination of employment, employees may be paid for accumulated annual leave at their current rate of pay. Employees earn 12 days of sick leave each year and may accumulate up to 30 days. Employees are not paid for nonvesting accumulated sick leave upon termination of employment.

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

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

1. The employees' rights to receive compensation are attributable to services already rendered.
2. It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

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

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

NOTES TO FINANCIAL STATEMENTS

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

Estimated accrued compensated absences, in an amount considered immaterial, resulting from unused annual leave for employees of the Library at the end of the fiscal year are not recorded in the government-wide financial statements. Compensated absences are paid from the fund responsible for the employee's compensation.

No liability has been recorded in the government-wide or fund financial statements for the immaterial amount of accrued salaries earned by the employees of the Jury as of December 31, 2017.

Pension:

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

Deferred Inflows/Outflows of Resources:

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an expenditure until then. In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The Jury's deferred outflows and deferred inflows are resources related to pensions.

NOTES TO FINANCIAL STATEMENTS

Equity Classifications:

In the government-wide financial statements, equity is classified as net position and displayed in three components:

1. Net investment in capital assets - consists of capital assets, net of accumulated depreciation.
2. Restricted - consists of net assets with constraints placed on their use either by (a) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (b) law through constitutional provisions or enabling legislation.
3. Unrestricted - consists of all other assets that do not meet the definition of "restricted" or "invested in capital assets".

In the fund financial statements, governmental fund equity is classified as fund balance. These statements provide more clearly defined fund balance categories to make the nature and extent of the constraints placed on the Jury's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

1. Nonspendable - amounts that are not in a spendable form (such as inventory) or are required to be maintained intact;
2. Restricted - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
3. Committed - amounts constrained to specific purposes by the Jury itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the Jury takes the same highest level action to remove or change the constraint;
4. Assigned - amounts that the Jury intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
5. Unassigned - amounts that are available for any purpose; positive amounts are reported only in the General Fund.

NOTES TO FINANCIAL STATEMENTS

When both restricted and unrestricted resources are available for use, the Jury normally uses restricted resources first, then unrestricted resources as needed.

Revenue Recognition - Property and Sales/Use Taxes:

Property taxes attach as an enforceable lien on property as of the date of the tax rolls are filed with the recorder of mortgages which, by law, must be on or before November 15 of each year. Billed taxes become delinquent on January 1 of the following year. Richland Parish Sheriff bills and collects the Jury's property taxes using the assessed values determined by Richland Parish Tax Assessor.

Sales/use taxes collected and held by other governments at year end on behalf of the Jury and those collected by other governments and remitted to the Jury within 60 days after December 31 for preceding months are recognized as revenue. The sales/use taxes are collected by Richland Parish Sales and Use Tax Commission and remitted to the Jury.

Note 2. Deposits with Financial Institutions

The following is a summary of cash (book balances) held by the Jury as of December 31, 2017:

Interest bearing demand deposits	\$ 6,008,356
Non-interest bearing demand deposits	57,357
Petty cash	<u>170</u>
	<u>\$ 6,065,883</u>

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 equal the amount on deposit with the fiscal agent. These securities were held in the name of the pledging fiscal agent bank in a holding or custodial bank that was mutually acceptable to both parties.

As of December 31, 2017, the Jury had \$6,081,717 in deposits (collected bank balances). These deposits were secured from risk by \$309,807 of federal deposit insurance and \$5,771,910 of pledged securities held by the counterparty's trust department or agent in the Jury's name.

There were no repurchase or reverse repurchase agreements as of December 31, 2017. The Jury has formally adopted deposit and investment policies that limit the Jury's allowable deposits or investments and address the specific types of risk to which the Jury is exposed.

NOTES TO FINANCIAL STATEMENTS

Note 3. Receivables

A summary of receivables as of December 31, 2017 is as follows:

	<u>General</u>	<u>Road Maintenance</u>	<u>Library</u>	<u>Other Governmental</u>	<u>Total Governmental Funds</u>
Taxes:					
Property	\$ 1,221,794	\$ -	\$ 1,493,770	\$ 262,023	\$ 2,977,587
Gross receipts	1,485	-	-	-	1,485
Licenses and permits	20,433	-	-	-	20,433
Intergovernmental:					
Beer taxes	2,142	-	-	-	2,142
Parish Transportation Act	-	22,885	-	-	22,885
Severance taxes	16,966	-	-	-	16,966
State and federal grants	14,017	-	-	-	14,017
Other	837	-	-	-	837
Fees, charges, and commissions for services	2,655	-	-	-	2,655
Fines and forfeitures	-	-	-	2,492	2,492
	<u>\$ 1,280,329</u>	<u>\$ 22,885</u>	<u>\$ 1,493,770</u>	<u>\$ 264,515</u>	<u>\$ 3,061,499</u>

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NOTES TO FINANCIAL STATEMENTS

Note 4. Taxes

The following is a summary of authorized and levied property taxes for the year ended December 31, 2017:

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
General corporate purposes	9.55	8.88	Perpetual
Health unit	1.25	1.17	2018
Library	7.11	6.67	2018

Total property taxes levied were \$3,017,934 for the above millages. As of December 31, 2017, property taxes receivable was \$2,977,587.

The following were the principal property taxpayers for Richland Parish as a whole:

<u>Taxpayer</u>	<u>Total Assessed Valuation</u>
Denbury Onshore, LLC	\$ 22,281,590
ETC Tiger Pipeline, LLC	19,286,310
Southeast Supply Header	16,908,510
Midcontinent Express Pipeline, LLC	6,546,590

For the year ended December 31, 2017, sales taxes that expire on December 31, 2024 were levied as follows:

<u>Rate</u>	<u>Purpose</u>
78% of 1%	constructing, overlaying, improving, repairing, and maintaining public roads and bridges
14% of 1%	purchase and maintenance of equipment used for constructing, overlaying, improving, repairing, and maintaining public roads and bridges
8% of 1%	maintenance of courthouse
71% of ½%	constructing, improving, and maintaining public drains and drainage facilities
25% of ½%	purchase and maintenance of equipment used in constructing, improving, and maintaining public drains and drainage facilities
4% of ½%	maintenance of courthouse

NOTES TO FINANCIAL STATEMENTS

Note 5. Capital Assets and Depreciation

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

	Balance - January 1, <u>2017</u>	<u>Additions</u>	Deletions/ Reclassi- fications	Balance - December 31, <u>2017</u>
Capital assets not being depreciated:				
Land	\$ 311,523	\$ -	\$ -	\$ 311,523
Construction in progress	<u>483,056</u>	<u>-</u>	<u>483,056</u>	<u>-</u>
Total capital assets not being depreciated	<u>\$ 794,579</u>	<u>\$ -</u>	<u>\$ 483,056</u>	<u>\$ 311,523</u>
Capital assets being depreciated:				
Infrastructure	\$ 599,388	\$ -	\$ -	\$ 599,388
Buildings and improvements	3,723,564	210,562	342,158	4,276,284
Machinery and equipment	<u>4,626,659</u>	<u>351,595</u>	<u>140,898</u>	<u>5,119,152</u>
Total capital assets being depreciated	<u>\$ 8,949,611</u>	<u>\$ 562,157</u>	<u>\$ 483,056</u>	<u>\$ 9,994,824</u>
Less accumulated depreciation for:				
Infrastructure	\$ 10,246	\$ 15,369	\$ -	\$ 25,615
Buildings and improvements	1,517,635	67,342	-	1,584,977
Machinery and equipment	<u>3,753,539</u>	<u>224,094</u>	<u>-</u>	<u>3,977,633</u>
Total accumulated depreciation	<u>\$ 5,281,420</u>	<u>\$ 306,805</u>	<u>\$ -</u>	<u>\$ 5,588,225</u>
Total capital assets being depreciated, net	<u>\$ 3,668,191</u>	<u>\$ 255,352</u>	<u>\$ 483,056</u>	<u>\$ 4,406,599</u>

NOTES TO FINANCIAL STATEMENTS

Depreciation expense of the Jury for the year ended December 31, 2017 was charged to the following governmental functions:

General government	\$ 36,531
Public safety	4,266
Public works	192,342
Health and welfare	27,500
Culture and recreation	<u>46,166</u>
	<u>\$ 306,805</u>

Note 6. Pension Plan and Other Pension Liabilities

The Jury's employees are provided with benefits through the following multiple-employer cost-sharing plan:

- Parochial Employees Retirement System of Louisiana (Plan A) ("PERSLA") provides retirement benefits to employees of any parish in the State of Louisiana or any governing body or a parish which employs and pays persons serving the parish.

General Information About the Plan:

- PERSLA membership is provided on the date of employment to all permanent employees who work at least 28 hours per week. The Jury participates in Plan A and provides retirement benefits to any member of Plan A who was hired before January 1, 2007 meeting one of the following criteria:
 - Any age with 30 or more years of creditable service
 - Age 55 with a minimum of 25 years of creditable service
 - Age 60 with a minimum of 10 years of creditable service
 - Age 65 with a minimum of 7 years of creditable service

For members hired after January 1, 2007, benefits are provided to any member of Plan A meeting one of the following criteria:

- Age 55 with 30 years of creditable service
- Age 62 with 10 years of creditable service
- Age 67 with 7 years of creditable service

NOTES TO FINANCIAL STATEMENTS

Generally, the monthly retirement allowance for any member of Plan A consists of an amount equal to 3% of the member's monthly average final compensation times years of creditable service. However, under certain conditions (as outlined in the statutes) the benefits are limited to specified amounts. Survivor, death, and disability benefits are also provided under the plan.

In lieu of terminating employment and accepting a service retirement allowance, any member who is eligible to retire may elect to participate in the deferred retirement option plan (DROP) for up to three years and defer the receipt of benefits. During such period, employer contributions continue but employee contributions cease. Monthly benefits that the member would have received during the DROP period are paid into the DROP fund. Interest is earned when the member has completed DROP participation, based on the actual rate of return on the investments identified as DROP funds for the period.

For the year ended December 31, 2016, the actual employer contribution rate was 12.50% and the actuarially required contribution rate was 10.52%.

The Plan receives ad valorem and state revenue sharing funds as employer contributions and those amounts are considered support from nonemployer contributing entities, but are not considered as special funding situations.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources:

As of December 31, 2017, the Jury reported a total of \$726,940 for its proportionate shares of the net pension liability of the Plan.

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 Jury's proportion of the net pension liability was based on a projection of the Jury's long-term contributions to the Plan's relative to the projected contributions of all participating employers, actuarially determined. The Jury's proportions of the Plan as of December 31, 2016 was 0.352967%.

Contributions to the System also include one-fourth of one percent (except Orleans and East Baton Rouge Parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The Jury's contributions to the System under Plan A for the years ended December 31, 2017, 2016, and 2015 were \$275,047, \$270,889, and \$225,184, respectively, equal to the required contributions for each year.

NOTES TO FINANCIAL STATEMENTS

For the year ended December 31, 2017, the Jury recognized pension expense of \$430,765.

In addition, the 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>
Changes in proportion	\$ 747	\$ 3,101
Differences between expected and actual experience	-	127,208
Change of assumptions	138,014	-
Net difference between projected and actual earnings on pension plan investments	564,133	-
Jury's contributions subsequent to the measurement date	<u>284,834</u>	<u>-</u>
 Total deferred outflows and inflows of resources	 <u>\$ 987,728</u>	 <u>\$ 130,309</u>

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

<u>Year Ending December 31,</u>	
2018	\$ 212,636
2019	226,526
2020	148,663
2021	<u>(15,239)</u>
Total	<u>\$ 572,586</u>

NOTES TO FINANCIAL STATEMENTS

Actuarial Assumptions:

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

Inflation	2.50%
Salary increases	5.25%
Investment rate of return	7.00%
Actuarial cost method	entry age normal
Expected remaining service lives	4 years

Mortality rates were based on the RP-2000 Employee Table for active members, Healthy Annuitant Table for healthy annuitants, and Disabled Lives Mortality Tables for disabled annuitants.

The investment rate of return was determined based on a triangulation method which integrated the Capital Asset Pricing Model(top-down), a treasury yield curve approach (bottom-up), and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward looking basis in equilibrium, in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rate 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.

NOTES TO FINANCIAL STATEMENTS

Target Asset Allocation:

The Plan's target asset allocation as of December 31, 2015 is as follows:

<u>Asset Class</u>	
Fixed income	35%
Equity	52%
Alternatives	11%
Real assets	<u>2%</u>
 Total	 <u>100%</u>

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

The following presents the Jury's proportionate share of the net pension liability of the Plan, calculated using the discount rates as shown above, as well as what the Jury's proportionate share of the net pension liability (net pension asset) would be if they were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
<u>\$ 2,174,570</u>	<u>\$ 726,940</u>	<u>\$(497,075)</u>

Pension Plan Fiduciary Net Position:

Detailed information about the Plan's fiduciary net position is available in the separately issued financial statements of the Plan.

Other Pension Liabilities:

The Jury pays a portion of the salaries for employees of the registrar of voters. These employees are also covered by a multiple-employer public employees retirement system requiring employee and employer contributions. The Jury's and employees' contributions to the system is considered immaterial with respect to the Jury and the benefit system as a whole.

NOTES TO FINANCIAL STATEMENTS

Note 7. Operating Leases

As of December 31, 2017, the Jury had entered into eight equipment operating leases having initial or remaining noncancellable terms in excess of one year. The annual commitments under these leases are as follows:

<u>Year Ending</u> <u>December 31,</u>	<u>Totals</u>
2018	\$ 194,430
2019	<u>109,334</u>
	<u>\$ 303,764</u>

The Jury made payments of \$153,691 from the Road Maintenance Fund and \$180,760 from the Drainage Maintenance Fund during the year ended December 31, 2017 under operating leases.

Note 8. Contingencies and Risk Management

The Jury is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Jury carries commercial insurance for all risks of loss, including workers' compensation. There have been no significant reductions in insurance coverage from coverage in the prior year. Settlements have not exceeded insurance coverage for each of the past three fiscal years.

As of the date of this report, there were two pending or threatened litigations involving the wrongful termination by the Jury of two employees. Trials for both cases were completed in May 2018 and the Jury's legal counsel does not believe that either of the claims will be successful.

The Jury had also been sued, as of the date of this report, in one other case involving an automobile accident. The suit is still in the discovery stage and the potential maximum out of pocket cost to the Jury in this case is \$100,000. The Jury has insurance coverage for any remaining claim. The adjuster for the Jury's insurer placed the possible liability in the neighborhood of \$15,000. The claim is being disputed and vigorously defended.

NOTES TO FINANCIAL STATEMENTS

The Jury participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the Jury has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectibility of any related receivable, if any, as of December 31, 2017 may be impaired. In the opinion of the Jury's management, there are no known significant contingent liabilities as of December 31, 2017 relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

Note 10. Subsequent Events

Subsequent events were evaluated through June 8, 2018, which is the date the financial statements were available to be issued, and it was determined that no significant event had occurred requiring disclosure.

REQUIRED SUPPLEMENTARY INFORMATION (Part 2 of 2)

RICHLAND PARISH POLICE JURY
RAYVILLE, LOUISIANA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) -
GOVERNMENTAL FUND - GENERAL FUND

For the Year Ended December 31, 2017

	<u>Budget</u>		<u>Actual</u>	Variance -
	<u>Original</u>	<u>Final</u>		Favorable (Unfavorable)
Revenues:				
Taxes	\$ 1,083,500	\$ 1,073,322	\$ 1,114,422	\$ 41,100
Licenses and permits	158,200	163,490	163,490	-
Intergovernmental	335,700	290,894	290,894	-
Fees, charges, and commissions for services	17,500	21,942	21,670	(272)
Fines and forfeitures	3,500	5,408	5,408	-
Interest and miscellaneous	2,500	4,182	4,566	384
Total revenues	<u>\$ 1,600,900</u>	<u>\$ 1,559,238</u>	<u>\$ 1,600,450</u>	<u>\$ 41,212</u>
Expenditures:				
Current:				
General government:				
Legislative	\$ 235,230	\$ 277,268	\$ 277,268	\$ -
Judicial	108,121	102,673	102,622	51
Elections	44,547	40,754	48,272	(7,518)
Finance and administrative	497,579	589,552	634,646	(45,094)
Other	10,000	11,122	104,037	(92,915)
Public safety	386,337	334,269	70,562	(36,293)
Health and welfare	93,392	90,079	90,438	(359)
Economic development and assistance	100,000	28,082	28,082	-
Capital outlay	157,022	96,753	6,200	90,553
Total expenditures	<u>\$ 1,632,228</u>	<u>\$ 1,570,552</u>	<u>\$ 1,666,127</u>	<u>\$ (91,575)</u>

(continued)

RICHLAND PARISH POLICE JURY
RAYVILLE, LOUISIANA

SCHEDULE OF REVENUES, EXPENDITURES , AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) -
GOVERNMENTAL FUND - GENERAL FUND (Continued)
For the Year Ended December 31, 2017

	<u>Original</u>	<u>Budget</u> Final	<u>Actual</u>	Variance - Favorable (Unfavorable)
Excess (deficiency) of revenues over expenditures	\$(31,328)	\$(11,314)	\$(61,677)	\$(50,363)
Other financing sources (uses):				
Operating transfers in (out)	<u>(600,000)</u>	<u>(373,243)</u>	<u>(341,649)</u>	<u>31,594</u>
Net changes in fund balances	\$(631,328)	\$(384,557)	\$(403,326)	\$(18,769)
Fund balances - beginning (non- GAAP and GAAP budgetary basis)	<u>1,250,000</u>	<u>760,000</u>	<u>1,448,054</u>	<u>688,054</u>
Fund balances - ending (non-GAAP budgetary basis)	<u>\$ 618,672</u>	<u>\$ 375,443</u>	\$ 1,044,728	<u>\$ 669,285</u>
Adjustments to generally accepted accounting principles:				
Revenue accruals			126,059	
Deferred inflows of resources accruals			(140,964)	
Expenditure accruals			<u>3,208</u>	
Fund balance - ending (GAAP basis)			<u>\$ 1,033,031</u>	

RICHLAND PARISH POLICE JURY
RAYVILLE, LOUISIANA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) -
GOVERNMENTAL FUND - ROAD MAINTENANCE FUND
For the Year Ended December 31, 2017

	<u>Budget</u>		<u>Actual</u>	Variance -
	<u>Original</u>	<u>Final</u>		Favorable <u>(Unfavorable)</u>
Revenues:				
Taxes	\$ 2,576,000	\$ 2,753,591	\$ 2,753,591	\$ -
Intergovernmental	350,000	416,448	416,448	-
Fees, charges, and commissions for services	-	17,752	17,752	-
Interest and miscellaneous	-	<u>6,632</u>	<u>7,888</u>	<u>1,256</u>
Total revenues	<u>\$ 2,926,000</u>	<u>\$ 3,194,423</u>	<u>\$ 3,195,679</u>	<u>\$ 1,256</u>
Expenditures:				
Current:				
Public works	\$ 3,127,519	\$ 3,279,667	\$ 3,423,120	\$(143,453)
Capital outlay	-	<u>118,954</u>	<u>118,715</u>	<u>239</u>
Total expenditures	<u>\$ 3,127,519</u>	<u>\$ 3,398,621</u>	<u>\$ 3,541,835</u>	<u>\$(143,214)</u>
Excess (deficiency) of revenues over expenditures	\$(201,519)	\$(204,198)	\$(346,156)	\$(141,958)
Other financing sources:				
Operating transfers in	-	-	<u>150,434</u>	<u>150,434</u>
Net changes in fund balances	\$(201,519)	\$(204,198)	\$(195,722)	\$ 8,476
Fund balances - beginning (non- GAAP and GAAP budgetary basis)	<u>1,785,519</u>	<u>1,785,519</u>	<u>951,478</u>	<u>(834,041)</u>
Fund balances - ending (non-GAAP budgetary basis)	<u>\$ 1,584,000</u>	<u>\$ 1,581,321</u>	\$ 755,756	<u>\$(825,565)</u>
Adjustments to generally accepted accounting principles:				
Revenue accruals			(70,934)	
Expenditure accruals			<u>2,994</u>	
Fund balance - ending (GAAP basis)			<u>\$ 687,816</u>	

RICHLAND PARISH POLICE JURY
RAYVILLE, LOUISIANA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) -
GOVERNMENTAL FUND - DRAINAGE MAINTENANCE FUND
For the Year Ended December 31, 2017

	<u>Original</u>	<u>Budget</u> <u>Final</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
Revenues:				
Taxes	\$ 1,343,200	\$ 1,436,657	\$ 1,436,657	\$ -
Fees, charges, and commissions for services	-	1,212	1,212	-
Interest and miscellaneous	-	-	<u>1,522</u>	<u>1,522</u>
Total revenues	<u>\$ 1,343,200</u>	<u>\$ 1,437,869</u>	<u>\$ 1,439,391</u>	<u>\$ 1,522</u>
Expenditures:				
Current:				
Public works	\$ 1,511,562	\$ 1,701,776	\$ 1,865,939	\$(164,163)
Capital outlay	-	<u>226,680</u>	<u>226,680</u>	-
Total expenditures	<u>\$ 1,511,562</u>	<u>\$ 1,928,456</u>	<u>\$ 2,092,619</u>	<u>\$(164,163)</u>
Excess (deficiency) of revenues over expenditures	\$(168,362)	\$(490,587)	\$(653,228)	\$(162,641)
Other financing sources:				
Operating transfer in	-	-	<u>172,649</u>	<u>172,649</u>
Net changes in fund balances	\$(168,362)	\$(490,587)	\$(480,579)	\$ 10,008
Fund balances - beginning (non-GAAP and GAAP budgetary basis)	<u>2,119,638</u>	<u>2,119,638</u>	<u>1,202,641</u>	<u>(916,997)</u>
Fund balances - ending (non-GAAP budgetary basis)	<u>\$ 1,951,276</u>	<u>\$ 1,629,051</u>	\$ 722,062	<u>\$(906,989)</u>
Adjustments to generally accepted accounting principles:				
Expenditure accruals			<u>10,985</u>	
Fund balance - ending (GAAP basis)			<u>\$ 733,047</u>	

RICHLAND PARISH POLICE JURY
RAYVILLE, LOUISIANA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) -
GOVERNMENTAL FUND - LIBRARY FUND
For the Year Ended December 31, 2017

	<u>Budget</u>		<u>Actual</u>	Variance - Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes	\$ 1,500,000	\$ 1,314,982	\$ 1,314,982	\$ -
Intergovernmental	25,000	63,101	63,101	-
Fees, charges, and commissions for services	15,000	15,000	11,186	(3,814)
Fines and forfeitures	4,400	4,400	5,929	1,529
Interest and miscellaneous	3,100	4,300	13,411	9,111
Total revenues	<u>\$ 1,547,500</u>	<u>\$ 1,401,783</u>	<u>\$ 1,408,609</u>	<u>\$ 6,826</u>
Expenditures:				
Current:				
Culture and recreation	\$ 5,153,646	\$ 3,820,604	\$ 1,083,584	\$ 2,737,020
Capital outlay	-	19,000	210,562	(191,562)
Total expenditures	<u>\$ 5,153,646</u>	<u>\$ 3,839,604</u>	<u>\$ 1,294,146</u>	<u>\$ 2,545,458</u>
Net changes in fund balances	\$(3,606,146)	\$(2,437,821)	\$ 114,463	\$ 2,552,284
Fund balances - beginning (non-GAAP and GAAP budgetary basis)	<u>3,606,146</u>	<u>4,977,228</u>	<u>2,357,364</u>	<u>(2,619,864)</u>
Fund balances - ending (non-GAAP budgetary basis)	<u>\$ -</u>	<u>\$ 2,539,407</u>	\$ 2,471,827	<u>\$(67,580)</u>
Adjustments to generally accepted accounting principles:				
Revenue accruals			133,752	
Deferred revenue accruals			(135,893)	
Expenditure accruals			<u>130,032</u>	
Fund balance - ending (GAAP basis)			<u>\$ 2,599,718</u>	

RICHLAND PARISH POLICE JURY
RAYVILLE, LOUISIANA

NOTE TO BUDGETARY COMPARISON SCHEDULES
For the Year Ended December 31, 2017

Note 1. Revenues and Expenditures - Budget and Actual

The one unfavorable variance exceeding 5% or more occurred in the Drainage Maintenance Fund because the health insurance premiums paid by the General Fund for the Road Maintenance, Drainage Maintenance, and Courthouse Maintenance Funds are budgeted in the cash basis budget as expenditures of the General Fund. But, to correctly report these expenditures in the fund financial statements, to which the cash basis budgets are reconciled, they are reported in the applicable fund that actually incurred the expense as other financing sources (uses).

RICHLAND PARISH POLICE JURY
RAYVILLE, LOUISIANA

SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY - PERSLA
Last Ten Fiscal Years Ended December 31

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Proportion of net pension liability	.35%	.34%	.31%
Proportionate share of net pension liability	\$ 726,940	\$ 907,758	\$ 84,471
Covered employees' payroll	\$ 2,225,728	\$ 1,977,266	\$ 1,717,104
Proportionate share of net pension liability as a percentage of covered employees' payroll	32.66%	45.91%	4.92%
Plan fiduciary net position as a percentage of total pension liability	94.15%	92.23%	99.15%

SCHEDULE OF CONTRIBUTIONS - PERSLA

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 278,216	\$ 286,703	\$ 225,768
Contributions in relation to contractually required contribution	<u>278,216</u>	<u>286,703</u>	<u>225,768</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered employees' payroll	\$ 2,225,728	\$ 1,977,266	\$ 1,717,104
Contribution as a percentage of covered employees' payroll	12.50%	14.50%	13.15%

OTHER SUPPLEMENTARY INFORMATION

RICHLAND PARISH POLICE JURY
RAYVILLE, LOUISIANA

COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS
December 31, 2017

	<u>Health Unit</u>	<u>Off-Duty Officers</u>	<u>Courthouse Maintenance</u>	Total Non-Major Governmental <u>Funds</u>
ASSETS				
Cash	\$ 738,493	\$ 31,296	\$ 88,813	\$ 858,602
Receivables	<u>262,023</u>	<u>2,492</u>	<u>-</u>	<u>264,515</u>
Total assets	<u>\$ 1,000,516</u>	<u>\$ 33,788</u>	<u>\$ 88,813</u>	<u>\$ 1,123,117</u>
LIABILITIES				
Accounts payable	\$ 3,344	\$ 33,335	\$ 4,566	\$ 41,245
DEFERRED INFLOWS OF RESOURCES				
Property taxes	265,691	-	-	265,691
FUND BALANCES				
Restricted for special revenue	<u>731,481</u>	<u>453</u>	<u>84,247</u>	<u>816,181</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,000,516</u>	<u>\$ 33,788</u>	<u>\$ 88,813</u>	<u>\$ 1,123,117</u>

RICHLAND PARISH POLICE JURY
RAYVILLE, LOUISIANA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - NON-MAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2017

	Health <u>Unit</u>	Off-Duty <u>Officers</u>	Courthouse <u>Maintenance</u>	Total Non-Major Governmental <u>Funds</u>
Revenues:				
Taxes	\$ 236,377	\$ -	\$ 299,303	\$ 535,680
Intergovernmental	16,870	-	-	16,870
Fines and forfeitures	-	31,638	-	31,638
Interest and miscellaneous	1,220	28	136	1,384
Total revenues	<u>\$ 254,467</u>	<u>\$ 31,666</u>	<u>\$ 299,439</u>	<u>\$ 585,572</u>
Expenditures:				
Current:				
General government:				
Judicial	\$ -	\$ 33,785	\$ -	\$ 33,785
Other	-	-	329,797	329,797
Health and welfare	199,555	-	-	199,555
Total expenditures	<u>\$ 199,555</u>	<u>\$ 33,785</u>	<u>\$ 329,797</u>	<u>\$ 563,137</u>
Excess (deficiency) of revenues over expenditures	\$ 54,912	\$(2,119)	\$(30,358)	\$ 22,435
Other financing sources				
Operating transfers in	-	-	18,566	18,566
Net changes in fund balances	\$ 54,912	\$(2,119)	\$(11,792)	\$ 41,001
Fund balances - beginning	<u>676,569</u>	<u>2,572</u>	<u>96,039</u>	<u>775,180</u>
Fund balances - ending	<u>\$ 731,481</u>	<u>\$ 453</u>	<u>\$ 84,247</u>	<u>\$ 816,181</u>

RICHLAND PARISH POLICE JURY
RAYVILLE, LOUISIANA

SCHEDULE OF JURORS' COMPENSATION
For the Year Ended December 31, 2017

The schedule of compensation paid to jurors is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Compensation of the jurors is included in the legislative expenditures of the General Fund. In accordance with Louisiana Revised Statute 33:1233, the Jury has elected the monthly payment method of compensation. Under this method, the jurors each received \$1,600 per month as follows:

Althan Smith	\$ 19,200
Steve Lofton	19,200
Sharon D. Gee	19,200
Elliot D. Colvin	19,200
Steve D. Craig	19,200
Cecil W. Reddick	19,200
Paul Slayter	19,200
Patrick L. Stubblefield	19,200
Thomas R. Wiggins, Jr.	<u>19,200</u>
Total jurors' compensation	<u>\$ 172,800</u>

RICHLAND PARISH POLICE JURY
RAYVILLE, LOUISIANA

SCHEDULE OF COMPENSATION, BENEFITS,
AND OTHER PAYMENTS TO AGENCY HEAD
As of and For the Year Ended December 31, 2017

Agency Head Name: Steve Lofton

<u>Purpose</u>	<u>Amounts</u>
Compensation	\$ 19,200
Health insurance	<u>8,660</u>
Total compensation, benefits, and other payments to agency head	<u>\$ 27,860</u>

HILL, INZINA & COMPANY

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

Police Jurors
Richland Parish Police Jury
Rayville, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Richland Parish Police Jury (the "Jury"), as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the basic financial statements of the Jury's primary government and have issued our report thereon dated June 8, 2018.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2017-1, that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Jury's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Jury's Responses to Findings

The Jury's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The Jury's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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 Jury's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Jury's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

/s/ Hill, Inzina & Co.

June 8, 2018

RICHLAND PARISH POLICE JURY
RAYVILLE, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS WITH
MANAGEMENT'S RESPONSE AND PLANNED CORRECTIVE ACTION
As of and for the Year Ended December 31, 2017

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Richland Parish Police Jury (the "Jury"), as of and for the year ended December 31, 2017, which collectively comprise the basic financial statements of the Jury's primary government and have issued our report thereon dated June 8, 2018. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of December 31, 2017 resulted in an unqualified opinion on the primary government's governmental activities, each major fund, and the aggregate remaining fund information. An adverse opinion was rendered on the aggregate discretely presented component units.

Section I - Summary of Auditor's Reports

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

Internal Control

Significant Deficiencies Yes No

Material Weaknesses Yes No

Compliance

Material to Financial Statements Yes No

Section II - Financial Statement Findings

2017-1 Inadequate Segregation of Duties (initially cited in first audit conducted by our firm as of and for the two years ended December 31, 1993)

Criteria: Adequate segregation of duties is essential to a proper internal control structure.

Condition: The segregation of duties is inadequate to provide effective internal control.

Cause: The condition is due to economic limitations.

Effect: Not determined.

Recommendation: No action is recommended.

Management's
response and
planned cor-
rective action:

The Jury has made changes to segregate duties in the office to help ensure a system of checks and balances. The Jury is also working on adding a human resource department.

Section III - Management Letter

None issued.

RICHLAND PARISH POLICE JURY
RAYVILLE, LOUISIANA

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
For the Year Ended December 31, 2017

Section I - Internal Control and Compliance Material to Financial Statements

2016-1 Inadequate Segregation of Duties

Adequate segregation of duties is essential to a proper internal control structure.

Unresolved - 2017-1.

2016-2 Noncompliance with Local Government
Budget Act

The act requires the budget to be amended when actual revenues and other financing sources fail to meet budgeted revenues and other financing sources by 5% or more.

No longer applicable.

Section II - Management Letter

None issued.

HILL, INZINA & COMPANY

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Police Jurors of the Richland Parish Police Jury and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by Richland Parish Police Jury (the "Jury") 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 Jury'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 findings are as follows:

Written Policies and Procedures

1. Obtain the Jury'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 Jury does not have any written policies and procedures), as applicable:
 - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget
**The Jury had no written policies or procedures addressing these specifics relative to budgeting.
 - 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.
**The Jury had no written policies or procedures addressing these specifics relative to purchasing.
 - c) **Disbursements**, including processing, reviewing, and approving
**The Jury had no written policies or procedures addressing these specifics relative to disbursements.

- d) **Receipts**, including receiving, recording, and preparing deposits
**The Jury had no written policies or procedures addressing these specifics relative to receipts.
- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
**The Jury had no written policies or procedures addressing these specifics relative to payroll/personnel.
- 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
**The Jury had no written policies or procedures addressing these specifics relative to contracting.
- 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
**The Jury had no written policies or procedures addressing these specifics relative to credit and debit cards.
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
**The Jury had no written policies and procedures addressing these specifics relative to travel and expense reimbursement.
- 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 annually attest through signature verification that they have read the Commission's ethics policy.
**The Jury had no written policies or procedures addressing these specifics relative to ethics.
- j) **Debt Service**, including (1) debt issuance approval, (2) EMMA reporting requirements, and (3) debt reserve requirements.
**The Jury had no written policies and procedures addressing these specifics relative to debt service.

Police Jurors and Finance Committee

2. Obtain and review the board minutes for the fiscal period, and:

- a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.

****The police jurors met (with a quorum) at least monthly during the fiscal period.**

- 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 Jury's prior audit (GAAP-basis).

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

****The minutes did not reference or include monthly budget-to-actual comparisons but the secretary/treasurer attested that such is provided monthly to each juror for all funds.**

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

****The minutes referenced or included non-budgetary financial information for at least one meeting during the fiscal period.**

Bank Reconciliations

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

****Management of the Jury provided a listing of the bank accounts and representation that the listing was complete.**

4. Using the listing provided by management, select all the Jury'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). 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;

****Monthly bank reconciliations were prepared for the bank accounts selected.**

- 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

**No member of management or a juror with no involvement in the transactions associated with the bank account reviewed any of the bank reconciliations.

- 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.

**None of the reconciliations had reconciling items that had been outstanding for more than six months as of the end of the fiscal period.

Collections

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

**Management of the Jury provided a listing of the collection locations and representation that the listing was complete

6. Using the listing provided by management, select all of the Jury'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). 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.

**All employees of the Jury are covered by blanket bonds and none are covered by separate bonds. All employees located at the three library branches are responsible for collecting cash while only three employees working in the Jury's office are responsible for collecting cash. Only the librarian and two of the three employees working in the Jury's office were responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account. None of the collection locations use a cash register or drawer.

- b) Obtain existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the Jury has a formal process to reconcile 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 collections in the collection locations selected.

**The Jury has no formal, written process to reconcile collections by a person who is not responsible for collections.

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

- Using the Jury's 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.

**The Jury does not use receipts. Copies of the payee's check, transmittal advice, etc. are attached to the deposit receipt provided by the bank. Seven individual deposits were made in the highest (dollar) week of collections. One check from the parish sheriff dated January 7, 2017 comprised three of these seven deposits that cleared the bank accounts on January 9, 2017. Another check from the parish sheriff dated January 6, 2017 cleared the bank account on January 9, 2017. Two deposits cleared the bank accounts within one day of the date on the payees' checks. The library deposits collections from the three branches monthly. The monthly deposit examined did not clear the bank until the 13th day of the following month.

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

**Sequentially numbered receipts, system reports, or other related collection documentation (other than that mentioned above) are not used to verify daily collections.

7. Obtain existing written documentation (e.g. policy manual, written procedure) and report whether the Jury has a process specifically defined (identified as such by the Jury) 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.

**The Jury has no process specifically defined to determine completeness of all collections by a person who is not responsible for collections.

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

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

**The Jury provided a listing of the disbursements and representation that the listing was complete.

9. Using the disbursement population from #8 above, randomly select 25 disbursements (or randomly select disbursements constituting at least one-third of the dollar disbursement

population if the Jury had less than 25 transactions during the fiscal period), excluding credit card/debit card/fuel card/P-card purchases or payments. Obtain supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and report whether the supporting documentation for each transaction demonstrated that:

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

**A purchase order system was used for only four of the seven funds from which disbursements were selected.

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

**100% of the examined purchase orders were issued/approved by a person who did not initiate the purchase.

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

**Purchase orders were issued for 100% of the expenditures selected for which purchase orders should have been issued under the Jury's standing policy. Only eight of 25 (32%) of the expenditures selected were signed by someone approving payment of the invoice while 12% were not signed by the Jury's employee responsible for receiving the goods and/or services.

10. Using the Jury's 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 Jury's purchasing/disbursement system.

**The Jury's secretary/treasurer and her assistant, who both process payments, also may add vendors to the Jury's purchasing/disbursement system.

11. Using the Jury's 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.

**The Jury's secretary/treasurer and her assistant, who both have signatory authority or make the final authorization for disbursements, also initiate and/or record purchases.

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

**Unused checks are maintained in a locked location only when the secretary/treasurer's office door is locked (usually only after normal business hours). Access to the unused checks is not restricted to those persons that do not have signatory authority.

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

**The Jury does have a signature stamp only for the Jury's president which is kept in a locked location only when the secretary/treasurer's office door is locked (usually only after normal business hours). Both the Jury's secretary/treasurer and her assistant attest that the stamp is used only with the Jury president's knowledge and consent. They also attest that signed checks are maintained under the control of one of the co-signers until mailed.

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

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

**The Jury provided a listing of all active credit and fuel cards and representation that the listing was complete.

15. Using the listing prepared by management, randomly select ten cards (or at least one-third of the cards if the Jury 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.

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

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

**There was no evidence that the monthly statements and supporting documentation were reviewed and approved, in writing, by someone other than the authorized card holders.

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

**No finance charges and/or late fees were assessed on the selected statements.

16. Using the monthly statements or combined statements selected under #15 above, obtain supporting documentation for all transactions for each of the 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:

- An original itemized receipt (i.e., identifies precisely what was purchased)
- Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.
- Other documentation that may be required by written policy (e.g., purchase order, written authorization.)

**One of three itemized receipts was not made available for a credit card selected. The business/public purpose was evident from the itemized receipts/invoices examined. Purchase orders were issued as required for the credit card charges.

b) For each transaction, compare the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the Jury'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.

**The Jury has no written policies or procedures relating to purchasing or disbursements. None of the transactions examined were subject to the Louisiana Public Bid Law.

c) For each transaction, compare the Jury'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.

**Examination of each transaction disclosed no instances of noncompliance with Article 7, Section 14 of the Louisiana Constitution.

Travel and Expense Reimbursement

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

**The Jury provided a listing of all travel and related expense reimbursements, by person, and representation that the listing was complete.

18. Obtain the Jury'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 (GSA) (www.gsa.gov) and report any amounts that exceed GSA rates.

**The Jury's standing, but not written, policies related to travel and expense reimbursement are those found on the Internal Revenue Service's website.

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

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

**The Jury did not have written policies and procedures relative to travel. All three of the selected reimbursements included nightly hotel rates that exceeded the GSA rates for the locations. For two of the three hotel stays, rooms were blocked by the hosting entity at the higher rates.

- b) Report whether each expense is supported by:

- An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]
- Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).
- Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance).

**All three expenses examined were reimbursed based on the Jury's standing, but not written, travel and reimbursement policies. The business/public purpose of the expenditures were evident from the documentation examined. Brochures for two of the three conventions attended were not provided by the employees but obtained by the accountant from the hosting entities.

- c) Compare the Jury'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.

**Two of three reimbursements selected included per diem meal allowances for meals served at the conventions. One of the same two reimbursements included a full per diem meal allowance for the day of returning home. The Jury's tax exempt form apparently was not provided for two of the three hotel stays.

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

**None of the three reimbursements were reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Contracts

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

**The Jury provided a listing of all contracts in effect during the fiscal period and representation that the listing was complete.

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

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

**A formal/written contract that supported the service arrangement and fees was examined for the only contract in effect during the fiscal period.

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

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

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

**The contract was initially awarded in 2015.

- 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.

**The contract was not amended during the current fiscal year.

- 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.

**The selected 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).

**The contract was initially awarded in 2015.

Payroll and Personnel

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

**The Jury provided a listing of employees with their related salaries and representation that the listing was complete.

- 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.

**Compensation paid to the five selected employees during the fiscal period in strict accordance with the terms and conditions of the employment contracts 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.

**Only one of the five employees selected received a pay rate increase during the fiscal period and it was approved by the Jury.

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

- a) Report whether all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.

**The selected employees documented their 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.

**There was written documentation that supervisors approved, electronically, the attendance and leave of the selected employees.

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

**The Jury did maintain written leave records in the payroll software system on the selected employees.

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

**The Jury provided a listing of those employees that terminated during the fiscal period and representation that the listing was complete. The two termination payments were made in accordance with the Jury's policy and the employees' pay rates.

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

**Documentation was reviewed providing evidence that 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.

Ethics (excluding nonprofits)

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

**Only three of the five employees selected completed the required ethics training.

27. Inquire of management whether any alleged ethics violations were reported to the Jury 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 Jury's ethics policy. Report whether management received allegations, whether management investigated allegations received, and whether the allegations were addressed in accordance with policy.

**The Jury's secretary/treasurer and her assistant attested that there were no alleged ethics violations reported to the Jury during the fiscal year ended December 31, 2017. The Jury has no written policies or procedures addressing ethics.

Debt Service (excluding nonprofits)

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

**The Jury issued no debt during the fiscal period.

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

**The Jury had no outstanding debt during the fiscal period.

30. If the Jury 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.

**During the fiscal period, the Jury had no tax millages relating to debt service.

Other

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

**The Jury's secretary/treasurer and her assistant attested that there were no misappropriations of public funds during the fiscal year ended December 31, 2017.

32. Observe and report whether the Jury 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.

**The Jury has posted the report on its premises but does not have a website.

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

**No exceptions regarding management's representations in the procedures above were noted.

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

The purpose of this report is solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on 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.

/s/ Hill, Inzina & Co.

January 31, 2018

Management Response:

The Agenda reflects that Financial Reports are given at each meeting. The Budget Comparison is handed out along with the Bank statement and is reported on at each meeting; although, the minutes does not reflect the report unless there is an amendment to the budget.

The Police Jury is in the process of discussing and updating the Police Jury Policy Manual to include Accounting Policies and Procedures and should be in place by the end of 2018.