

**RED RIVER PARISH POLICE JURY
COUSHATTA, LOUISIANA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 2017**



Postlethwaite & Netterville

A Professional Accounting Corporation

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INDEPENDENT AUDITORS' REPORT

Red River Parish Police Jury
Coushatta, Louisiana

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Red River Parish Police Jury (Police 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 Police Jury's primary government as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Basis for Adverse Opinion on the Aggregate Discretely Presented Component Units

The financial statements referred to above do not include financial data for the Police Jury's legally separate component units. Accounting principles generally accepted in the United States of America require financial data for those component units to be reported with the financial data of the Police Jury's primary government unless the Police Jury also issues financial statements for the financial reporting entity that include the financial data for its component units. The Police Jury has not issued such reporting entity financial statements. The impact on these financial statements is unknown.

Adverse Opinion

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

Unmodified Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Red River Parish Police Jury as of December 31, 2017, and the respective changes in financial position and, where applicable, cash flows 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 on pages 4 to 10, the Budgetary Comparison information on pages 51 to 57, the Schedule of Funding Progress and the Schedule of Employer Contributions on page 58, the Schedule of Proportionate Share of the Net Pension Liability – Cost-Sharing Plans on page 59, and the Schedule of Contributions – Cost-Sharing Plans and the related notes on page 60 to 61, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of the Police Jury's primary government. The accompanying Schedule of Compensation Paid to Board Members on page 62 and the Schedule of Compensation Paid to Head of Police Jury on page 63 are presented for the purposes of additional analysis and are not a required part of the basic financial statements.

The Schedule of Compensation Paid to Board Members and the Schedule of Compensation Paid to Head of Police Jury are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the primary government 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 based on our audit, and the procedures performed as described above, these schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated June 29, 2018 on our consideration of the Red River Parish Police Jury's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Red River Parish Police Jury's internal control over financial reporting and compliance.

Postlethwaite & Netterville

Baton Rouge, Louisiana
June 29, 2018

RED RIVER PARISH POLICE JURY
COUSHATTA, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2017

As financial management of the Red River Parish Police Jury (Police Jury) we offer readers of these financial statements an overview and analysis of the Police Jury's financial activities. This narrative is designed to assist readers in focusing on significant financial issues, identify changes in financial position, identify material deviations from approved budget documents (if any) and identify individual fund issues or concerns.

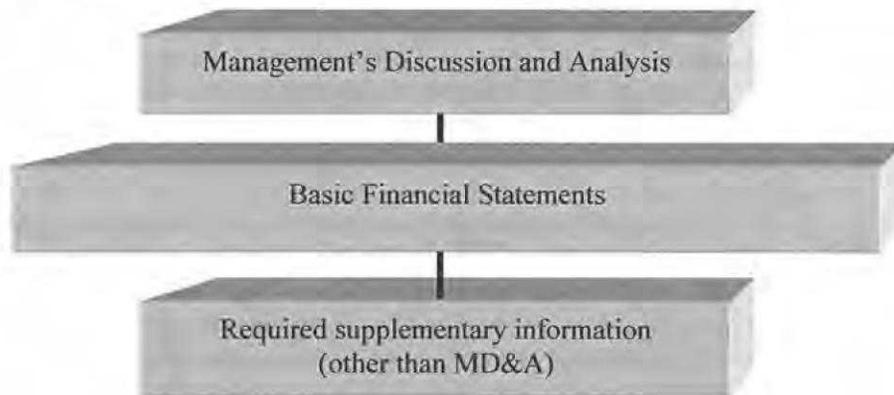
Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and currently known facts.

FINANCIAL HIGHLIGHTS

- ★ Assets and deferred outflows of resources of the Police Jury's governmental activities exceeded its liabilities and deferred inflows of resources on December 31, 2017 by approximately \$57.1 million (net position). Of this amount, approximately \$28.2 million (unrestricted net position) may be used to meet ongoing obligations to our creditors.
- ★ Net position of the governmental activities increased by approximately \$2.8 million.
- ★ As of December 31, 2017, the governmental funds reported combined ending fund balances of approximately \$43.9 million, an increase of approximately \$3.5 million in comparison with the prior year. Approximately 22.5% of this total amount, \$9.9 million is available for spending at the Police Jury's discretion (unassigned fund balance of the General Fund).

OVERVIEW OF THE FINANCIAL STATEMENTS

The following graphic illustrates the minimum requirements for Primary Governments established by Governmental Accounting Standards Board Statement 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments.



RED RIVER PARISH POLICE JURY
COUSHATTA, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2017

OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

These financial statements consist of three sections - Management's Discussion and Analysis (this section), the basic financial statements (including the notes to the financial statements), and required supplementary information.

Government-wide financial statements. The *government-wide financial statements* are designed to be similar to private sector business in that all governmental and business-type activities are consolidated into separate columns which add to a total for the primary government. The governmental activities' statements combine the Governmental Funds' current financial resources with capital assets and long-term obligations. The Police Jury charges a fee to customers to help it cover the costs of certain services it provides for the operations of the Springville Community. The Springville Community sewer system is reported as the only business-type activity of the Police Jury.

The *statement of net position* presents information on all of the Police Jury's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference between them reported as *net position*. Over time, changes in net position may serve as a useful indicator of whether the financial position of the Police Jury is improving or deteriorating.

The *statement of activities* presents information showing how the Police Jury's net position has changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods. (e.g., uncollected taxes and earned but unused vacation leave). The focus of the *statement of activities* is on both the gross and net cost of various activities which are provided by the Police Jury's general tax and other revenues. This is intended to summarize information and simplify the user's analysis of cost of various Police Jury services and/or subsidies to various activities.

Governmental activities reflect those programs provided by the Police Jury to the public that are generally supported through tax dollars such as general administration, public safety, public works, recreation and culture, etc.

Fund financial statements. A *fund* is a grouping of related accounts that are used to maintain control over the resources that have been segregated for specific activities or objectives. Traditional users of governmental financial statements will find the fund financial statement presentation more familiar.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. The Governmental Major Fund presentation is presented on a sources and uses of liquid resources basis. This is the manner in which the budget is developed based on the generally accepted accounting principles (GAAP) basis. Unlike the government-wide financial statements, governmental fund financial statements focus on near-term outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's current financing requirements. The Police Jury has presented the General Fund, Sales Tax, Ambulance Service, Library, Unit 1 Road, and the Public Facilities Maintenance Funds as major funds.

Proprietary funds. *Proprietary funds* consist of an enterprise fund which is an accounting device used to account for charges for sewer services and the associated costs for operations of the sewer system for the Springville Community.

RED RIVER PARISH POLICE JURY
COUSHATTA, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2017

OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the information provided in the government-wide and fund financial statements. The notes are a required part of the basic financial statements.

FINANCIAL ANALYSIS OF THE ENTITY

Condensed Statements of Net Position
For the Years Ended December 31, 2017 and 2016

	Governmental Activities		Business-Type Activities	
	2017	2016	2017	2016
Assets				
Current and other assets	\$ 44,924,101	\$ 40,936,283	\$ 117,860	\$ 90,111
Capital assets, net	13,491,264	14,510,812	474,779	543,827
Total assets	<u>58,415,365</u>	<u>55,447,095</u>	<u>592,639</u>	<u>633,938</u>
Deferred outflows of resources	<u>704,284</u>	<u>1,004,101</u>	<u>-</u>	<u>-</u>
Liabilities				
Current liabilities	503,860	483,785	927	10,263
Long-term liabilities	848,116	1,011,445	-	-
Total liabilities	<u>1,351,976</u>	<u>1,495,230</u>	<u>927</u>	<u>10,263</u>
Deferred inflows of resources	<u>120,438</u>	<u>143,570</u>	<u>-</u>	<u>-</u>
Net position				
Net investment in capital assets	13,491,264	14,510,812	474,779	543,827
Restricted	15,935,484	14,709,695	-	-
Unrestricted	28,220,487	25,591,889	116,933	79,848
Total net position	<u>\$ 57,647,235</u>	<u>\$ 54,812,396</u>	<u>\$ 591,712</u>	<u>\$ 623,675</u>

- Approximately 23.4% of the Police Jury's governmental activities net position and 80.2% of the Police Jury's business-type activities as of December 31, 2017 reflects investments in capital assets (land, buildings, infrastructure, machinery and equipment). The Police Jury uses these assets to provide services to the public consequently these assets are not available for future spending.
- Another 27.6% of the Police Jury's net position is subject to external restrictions.

RED RIVER PARISH POLICE JURY
COUSHATTA, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2017

FINANCIAL ANALYSIS OF THE ENTITY (continued)

- Another 48% of governmental activities net position is unrestricted, and may be used to meet ongoing obligations of the Police Jury to citizens and creditors.

Condensed Statements of Activities
For the Years Ended December 31, 2017 and 2016

	Governmental Activities		Business-Type Activities	
	2017	2016	2017	2016
Revenues				
Program revenues				
Charges for services	\$ 764,508	\$ 751,901	\$ 27,420	\$ 25,257
Operating grants and contributions	643,545	960,363	-	299,750
General revenues				
Ad Valorem taxes	3,574,639	3,534,482	-	-
Sales and use taxes	3,361,325	2,450,494	-	-
Severance tax	1,173,634	1,242,914	-	-
Other tax	209,832	187,133	-	-
Other general revenues (expenses)	503,314	22,371	50,000	100,000
	<u>10,230,797</u>	<u>9,149,658</u>	<u>77,420</u>	<u>425,007</u>
Expenses				
General government	1,751,775	1,922,354	-	-
Public safety	1,551,208	1,610,434	-	-
Public works	3,095,507	3,150,371	-	-
Health and welfare	538,715	515,198	-	-
Recreation and culture	458,753	464,444	-	-
Sewer	-	-	109,383	97,066
	<u>7,395,958</u>	<u>7,662,801</u>	<u>109,383</u>	<u>97,066</u>
Excess of revenues over (under) expenses	<u>2,834,839</u>	<u>1,486,857</u>	<u>(31,963)</u>	<u>327,941</u>

The Police Jury's revenues are comprised primarily of tax revenue (property, sales and severance) as well as fees for services and operating grants. Property taxes and severance taxes remained consistent. Sales and use taxes increased due to normal swings in market activity. The Police Jury's expenses, overall, remained relatively constant.

RED RIVER PARISH POLICE JURY
COUSHATTA, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2017

FINANCIAL ANALYSIS OF THE POLICE JURY'S FUNDS

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

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

The general fund is the chief operating fund of the Police Jury. At the end of the current fiscal year, unassigned fund balance of the general fund was approximately \$9.9 million. Total fund balance of the General Fund increased approximately \$1.1 million during 2017.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The Police Jury's capital assets as of December 31, 2017, total \$14 million (net of accumulated depreciation) in Governmental Activities and Business-Type Activities. These assets are invested in a broad range of capital assets (see table below). These amounts represent a net decrease (including additions, prior period restatements, and retirements) of approximately 7% from the previous year. The major additions include the purchase of a new ambulance, street improvements, and land for the library.

Capital Assets at Year End
(Net of Depreciation)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	2017	2016	2017	2016
Land	\$ 497,849	\$ 301,537	\$ -	\$ -
Construction in progress	561,880	561,880	-	-
Buildings and building improvements	4,027,937	4,269,666	-	-
Streets, parking lots, and other improvements	7,396,965	8,437,228	-	-
Sewer system	-	-	474,779	543,827
Furniture, equipment, and vehicles	916,050	862,866	-	-
Books and informational materials	90,583	77,635	-	-
Total	<u>\$ 13,491,264</u>	<u>\$ 14,510,812</u>	<u>\$ 474,779</u>	<u>\$ 543,827</u>

RED RIVER PARISH POLICE JURY
COUSHATTA, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2017

CAPITAL ASSET AND DEBT ADMINISTRATION (continued)

Following is the cost of certain additions for the Red River Parish Police Jury during the year ended December 31, 2017:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Land	\$ 196,312	\$ -
Buildings and building improvements	29,169	-
Streets, parking lots and other improvements	304,805	-
Sewer system	-	4,824
Furniture, equipment and vehicles	314,844	-
Books and informational materials	32,061	-
Total	<u>\$ 877,191</u>	<u>\$ 4,824</u>

Debt

The Red River Parish Police Jury had \$940,433 in long-term liabilities payable for Governmental Activities, outstanding at year end compared to \$1,089,376 at the previous year end, a decrease of approximately \$149,000 or 14%. The increase is mainly attributable to the decrease in net pension liability.

Outstanding Debt at Year End

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Compensated absences payable	\$ 72,138	\$ 65,919	\$ -	\$ -
Other post-employment benefits payable	255,280	216,437	-	-
Notes payable to FEMA	46,579	69,869	-	-
Net pension liability	566,437	737,151	-	-
Total	<u>\$ 940,434</u>	<u>\$ 1,089,376</u>	<u>\$ -</u>	<u>\$ -</u>

GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year, the Police Jury amended its budget primarily to reflect changes in estimated severance tax revenues and parish road royalty revenues. An analysis of the original budgets compared to final amended budget results are reflected on the next page:

RED RIVER PARISH POLICE JURY
COUSHATTA, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2017

GENERAL FUND BUDGETARY HIGHLIGHTS (continued)

Original and Final Amended Budget Comparison - General Fund

	<u>Original Budget</u>	<u>Final Amended Budget</u>	<u>Difference</u>
Revenue and other financing sources	\$ 1,937,900	\$ 2,716,662	\$ 778,762
Expenditures other financing uses	<u>1,632,178</u>	<u>1,723,062</u>	<u>90,884</u>
Net revenues	<u>\$ 305,722</u>	<u>\$ 993,600</u>	<u>\$ 687,878</u>

Actual revenues were more than final budgeted revenues primarily due to the severance tax collections being more than anticipated. A comparison of the actual results to the final amended budget is reflected in below:

Final Amended Budget and Actual Results Comparison - General Fund

	<u>Final Amended Budget</u>	<u>Actual Results</u>	<u>Difference</u>
Revenue and other financing sources	\$ 2,716,662	\$ 2,787,276	\$ 70,614
Expenditures and other financing uses	<u>1,723,062</u>	<u>1,622,532</u>	<u>(100,530)</u>
Net revenues	<u>\$ 993,600</u>	<u>\$ 1,164,744</u>	<u>\$ 171,144</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Red River Parish Police Jury's elected officials considered the following factors and indicators when setting next year's budget, rates, and fees. These factors and indicators include:

- 1) Taxes
- 2) Fees, charges, and commissions for services
- 3) Inter Governmental revenues (federal and state grants)

The Red River Parish Police Jury does not expect any significant changes in next year's results as compared to the current year.

CONTACTING THE RED RIVER PARISH POLICE JURY'S MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the Red River Parish Police Jury's finances and to show the Red River Parish Police Jury's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Jessie Davis, Red River Parish Police Jury Manager, Post Office Drawer 709, Coushatta, Louisiana 71019.

RED RIVER PARISH POLICE JURY
COUSHATTA, LOUISIANA

STATEMENT OF NET POSITION
DECEMBER 31, 2017

<u>ASSETS</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Current assets			
Cash and cash equivalents	\$ 18,120,612	\$ 117,510	\$ 18,238,122
Investments	22,471,702	-	22,471,702
Receivables	4,314,251	350	4,314,601
Prepaid expense	17,536	-	17,536
Total current assets	<u>44,924,101</u>	<u>117,860</u>	<u>45,041,961</u>
Noncurrent assets			
Capital assets, net of accumulated depreciation	<u>13,491,264</u>	<u>474,779</u>	<u>13,966,043</u>
Total assets	<u>58,415,365</u>	<u>592,639</u>	<u>59,008,004</u>
 <u>DEFERRED OUTFLOWS OF RESOURCES</u>	 <u>704,284</u>	 <u>-</u>	 <u>704,284</u>
 <u>LIABILITIES</u>			
Current liabilities			
Accounts payable and accrued liabilities	411,542	927	412,469
Intergovernmental payable	23,290	-	23,290
Compensated absences payable	69,028	-	69,028
Total current liabilities	<u>503,860</u>	<u>927</u>	<u>504,787</u>
Noncurrent liabilities			
Compensated absences payable, net of current portion	3,110	-	3,110
Intergovernmental payable, net of current portion	23,289	-	23,289
Net pension liability	566,437	-	566,437
Other post-employment benefits payable	255,280	-	255,280
Total noncurrent liabilities	<u>848,116</u>	<u>-</u>	<u>848,116</u>
Total liabilities	<u>1,351,976</u>	<u>927</u>	<u>1,352,903</u>
 <u>DEFERRED INFLOWS OF RESOURCES</u>	 <u>120,438</u>	 <u>-</u>	 <u>120,438</u>
 <u>NET POSITION</u>			
Net investment in capital assets	13,491,264	474,779	13,966,043
Restricted for:			
Sales tax dedicated for the maintenance of ambulances, the costs to provide services, and tourism	5,461,927	-	5,461,927
Dedicated property taxes for library services	6,953,546	-	6,953,546
Dedicated property taxes for health unit services and construction	2,952,193	-	2,952,193
External legal constraints for juror and witness compensation	201,321	-	201,321
External legal constraints for federal and state grant programs	366,497	-	366,497
Unrestricted	<u>28,220,487</u>	<u>116,933</u>	<u>28,337,420</u>
Total net position	<u>\$ 57,647,235</u>	<u>\$ 591,712</u>	<u>\$ 58,238,947</u>

The accompanying notes are an integral part of this statement.

**RED RIVER PARISH POLICE JURY
COUSHATTA, LOUISIANA**

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Expenses	Program Revenues		Changes in Net Position		Total	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities		Business-Type Activities
Primary Government							
Governmental Activities:							
General government	\$ 1,751,775	\$ 243,293	\$ 438,825	\$ -	\$ (1,069,657)	\$ -	\$ (1,069,657)
Public safety	1,551,208	467,338	18,000	-	(1,065,870)	-	(1,065,870)
Public works	3,095,507	50,584	-	186,720	(2,858,203)	-	(2,858,203)
Health and welfare	538,715	-	-	-	(538,715)	-	(538,715)
Recreation and culture	458,753	3,293	-	-	(455,460)	-	(455,460)
Total Governmental Activities	7,395,958	764,508	456,825	186,720	(5,987,905)	-	(5,987,905)
Business-Type Activities:							
Sewer	109,383	27,420	-	-	-	(81,963)	(81,963)
Total Business-Type Activities	109,383	27,420	-	-	-	(81,963)	(81,963)
Total Primary Government	\$ 7,505,341	\$ 791,928	\$ 456,825	\$ 186,720	(5,987,905)	(81,963)	(6,069,868)
General Revenues							
Taxes:							
Ad valorem taxes					3,574,639	-	3,574,639
Sales and use taxes					3,361,325	-	3,361,325
Severance taxes					1,173,634	-	1,173,634
Other					209,832	-	209,832
License and permits					77,568	-	77,568
Gaming revenues					2,608	-	2,608
State revenue sharing					51,248	-	51,248
Interest and investment income (losses)					381,492	-	381,492
Miscellaneous					40,398	-	40,398
Transfers (to) from other funds					(50,000)	50,000	-
Total General Revenues and Transfers					8,822,744	50,000	8,872,744
Change in Net Position					2,834,839	(31,963)	2,802,876
Net Position, Beginning of Year					54,812,396	623,675	55,436,071
Net Position, End of Year					\$ 57,647,235	\$ 591,712	\$ 58,238,947

The accompanying notes are an integral part of this statement.

**RED RIVER PARISH POLICE JURY
COUSHATTA, LOUISIANA**

**GOVERNMENTAL FUNDS
BALANCE SHEET
DECEMBER 31, 2017**

	General Fund	Sales Tax Fund	Ambulance Service Fund	Library Fund	Unit 1 Road Fund	Public Facilities Maintenance Fund	Other non-major Governmental Funds	Total
ASSETS								
Cash	\$ 4,275,950	\$ 2,601,893	\$ 1,417,789	\$ 2,445,367	\$ 1,833,971	\$ 2,094,378	\$ 3,451,264	\$ 18,120,612
Investments	4,958,897	6,681,460	7,363,134	3,226,133	-	-	242,078	22,471,702
Receivables	941,326	295,721	209,447	1,633,699	11,372	711,186	511,500	4,314,251
Due from other funds	3,486	-	-	-	-	-	-	3,486
Prepaid expenses	2,172	-	8,869	2,187	-	4,308	-	17,536
TOTAL ASSETS	10,181,831	9,579,074	8,999,239	7,307,386	1,845,343	2,809,872	4,204,842	44,927,587
DEFERRED OUTFLOWS OF RESOURCES	-	-	-	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS	\$ 10,181,831	\$ 9,579,074	\$ 8,999,239	\$ 7,307,386	\$ 1,845,343	\$ 2,809,872	\$ 4,204,842	\$ 44,927,587
LIABILITIES								
Accounts payable and accrued expenses	\$ 162,793	\$ 64	\$ 44,423	\$ 72,765	\$ 54,919	\$ 38,790	\$ 37,788	\$ 411,542
Due to other funds	-	-	-	-	-	-	3,486	3,486
TOTAL LIABILITIES	162,793	64.00	44,423	72,765	54,919	38,790	41,274	415,028
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenue - property taxes	140,464	-	-	278,888	-	119,072	95,978	634,402
FUND BALANCES:								
Nonspendable:								
Prepaid Expenses	2,172	-	8,869	2,187	-	4,308	-	17,536
Spendable:								
Restricted:								
Dedicated property taxes	-	-	-	6,953,546	-	-	2,952,193	9,905,739
Dedicated sales taxes	-	-	5,461,927	-	-	-	-	5,461,927
Court fees for juror and witness compensation	-	-	-	-	-	-	201,321	201,321
Federal and state grant programs	-	-	-	-	-	-	366,497	366,497
Committed:								
Criminal court costs	-	-	-	-	-	-	77,111	77,111
Ambulance services	-	-	3,484,020	-	-	-	-	3,484,020
Road maintenance and improvements	-	-	-	-	1,790,424	-	344,029	2,134,453
Public facilities maintenance	-	-	-	-	-	2,647,702	-	2,647,702
Buildings and infrastructure	-	9,579,010	-	-	-	-	-	9,579,010
Tourism	-	-	-	-	-	-	126,439	126,439
Unassigned	9,876,402	-	-	-	-	-	-	9,876,402
TOTAL FUND BALANCES	9,878,574	9,579,010	8,954,816	6,955,733	1,790,424	2,652,010	4,067,590	43,878,157
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	\$ 10,181,831	\$ 9,579,074	\$ 8,999,239	\$ 7,307,386	\$ 1,845,343	\$ 2,809,872	\$ 4,204,842	\$ 44,927,587

The accompanying notes are an integral part of this statement.

RED RIVER PARISH POLICE JURY
COUSHATTA, LOUISIANA

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2017

Total Fund Balances at December 31, 2017 - Governmental Funds \$ 43,878,157

Amounts reported for governmental activities in the statement of net position are different due to the following:

Cost of capital assets at December 31, 2017	\$ 29,903,060	
Less: Accumulated Depreciation as of December 31, 2017	<u>(16,411,796)</u>	13,491,264
Deferred outflows at December 31, 2017 (net pension liability)		704,284
Deferred inflows at December 31, 2017 (net pension liability)		(120,438)
Deferred inflows at December 31, 2017 (property tax not available)		634,402
Long-term liabilities at December 31, 2017:		
Compensated absences payable	(72,138)	
Net pension liability	(566,437)	
Payable to GOSHEP	(46,579)	
Other post employment benefits payable	<u>\$ (255,280)</u>	<u>(940,434)</u>
Total net position at December 31, 2017 - Governmental Activities		<u>\$ 57,647,235</u>

The accompanying notes are an integral part of this statement.

**RED RIVER PARISH POLICE JURY
COUSHATTA, LOUISIANA**

**GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2017**

	General Fund	Sales Tax Fund	Ambulance Service Fund	Library Fund	Unit 1 Road Fund	Public Facilities Maintenance Fund	Other non-major Governmental Funds	Total
REVENUES								
Local sources:								
Taxes								
Ad valorem taxes	\$ 704,445	\$ -	\$ -	\$ 1,409,455	\$ -	\$ 604,844	\$ 399,537	\$ 3,118,281
Sales and use taxes	-	2,240,955	1,120,370	-	-	-	-	3,361,325
Severance taxes	1,173,634	-	-	-	-	-	-	1,173,634
Royalties	184,422	-	-	-	-	-	25,410	209,832
License and permits	67,556	-	-	-	8,159	500	1,353	77,568
Gaming revenues	-	-	-	-	-	-	2,608	2,608
Fees, charges, and commissions for services	-	-	467,338	3,293	8,584	42,000	243,293	764,508
State sources:								
Parish transportation fund	-	-	-	-	138,671	-	-	138,671
State revenue sharing	15,505	-	-	17,760	-	10,792	7,191	51,248
Other	50,267	-	-	-	-	48,049	106,595	204,911
Federal grants	96,042	-	-	-	-	-	175,968	272,010
Interest and investment income (expense)	126,895	(17,563)	220,784	50,651	-	-	725	381,492
Miscellaneous	6,711	-	28,352	1,966	3,369.00	-	-	40,398
TOTAL REVENUES	2,425,477	2,223,392	1,836,844	1,483,125	158,783	706,185	962,680	9,796,486
EXPENDITURES								
Current:								
General government	825,570	22,798	-	-	-	-	498,719	1,347,087
Public safety	143,629	-	1,240,455	-	-	-	68,397	1,452,481
Public works	-	-	-	-	1,083,814	467,890	74,889	1,626,593
Health and welfare	250,186	-	-	-	-	-	263,381	513,567
Recreation and culture	-	-	-	394,319	-	-	9,477	403,796
Capital outlay	3,147	-	155,724	191,589	391,480	115,295	19,955	877,190
TOTAL EXPENDITURES	1,222,532	22,798	1,396,179	585,908	1,475,294	583,185	934,818	6,220,714
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ 1,202,945	\$ 2,200,594	\$ 440,665	\$ 897,217	\$ (1,316,511)	\$ 123,000	\$ 27,862	\$ 3,575,772

(continued)

RED RIVER PARISH POLICE JURY
COUSHATTA, LOUISIANA

GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>General Fund</u>	<u>Sales Tax Fund</u>	<u>Ambulance Service Fund</u>	<u>Library Fund</u>	<u>Unit 1 Road Fund</u>	<u>Public Facilities Maintenance Fund</u>	<u>Other non-major Governmental Funds</u>	<u>Total</u>
<u>OTHER FINANCING SOURCES (USES)</u>								
Transfers in	257,486	-	-	-	1,750,000	50,000	296,514	2,354,000
Transfers out	(400,000)	(2,000,000)	-	(4,000)	-	-	-	(2,404,000)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(142,514)</u>	<u>(2,000,000)</u>	<u>-</u>	<u>(4,000)</u>	<u>1,750,000</u>	<u>50,000</u>	<u>296,514</u>	<u>(50,000)</u>
<u>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</u>	1,060,431	200,594	440,665	893,217	433,489	173,000	324,376	3,525,772
Fund Balances, beginning of year	<u>8,818,143</u>	<u>9,378,416</u>	<u>8,514,151</u>	<u>6,062,516</u>	<u>1,356,935</u>	<u>2,479,010</u>	<u>3,743,214</u>	<u>40,352,385</u>
Fund Balances, end of year	<u>\$ 9,878,574</u>	<u>\$ 9,579,010</u>	<u>\$ 8,954,816</u>	<u>\$ 6,955,733</u>	<u>\$ 1,790,424</u>	<u>\$ 2,652,010</u>	<u>\$ 4,067,590</u>	<u>\$ 43,878,157</u>

(concluded)

The accompanying notes are an integral part of this statement.

RED RIVER PARISH POLICE JURY
COUSHATTA, LOUISIANA

RECONCILIATION OF THE GOVERNMENTAL FUNDS -
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017

Excess of Expenditures and Other Financing Uses over Revenues and Other Financing Sources - Total Governmental Funds		\$ 3,525,772
Capital Assets:		
Capital outlay and other expenditures capitalized	\$ 877,191	
Depreciation expense for year ended December 31, 2017	<u>(1,896,739)</u>	(1,019,548)
Change in deferred outflows (net pension liability)		(299,817)
Change in deferred inflows (property tax not available)		456,358
Change in deferred inflows (net pension liability)		23,132
Long-Term Debt:		
Change in post-employment benefit obligation	(38,843)	
Change in net pension liability	170,714	
Change in long term debt	23,290	
Change in compensated absences payable	<u>\$ (6,219)</u>	<u>148,942</u>
Change in Net Position - Governmental Activities		<u>\$ 2,834,839</u>

The accompanying notes are an integral part of this statement.

RED RIVER PARISH POLICE JURY
COUSHATTA, LOUISIANA

PROPRIETARY FUND
STATEMENT OF NET POSITION
DECEMBER 31, 2017

ASSETS

Current Assets:

Cash and cash equivalents	\$ 117,510
Accounts receivable	350
TOTAL CURRENT ASSETS	117,860

Noncurrent Assets:

Capital assets, net	474,779
TOTAL ASSETS	592,639

DEFERRED OUTFLOWS OF RESOURCES

LIABILITIES

Accounts payable and accruals	927
TOTAL CURRENT LIABILITIES	927

DEFERRED INFLOWS OF RESOURCES

NET POSITION

Net investment in capital assets	474,779
Unrestricted	116,933
TOTAL NET POSITION	\$ 591,712

The accompanying notes are an integral part of this statement.

RED RIVER PARISH POLICE JURY
COUSHATTA, LOUISIANA

PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2017

OPERATING REVENUES

Charges for services	\$ 27,420
Total operating revenues	<u>27,420</u>

OPERATING EXPENSES

Depreciation	73,872
Insurance	1,294
Legal and professional	2,192
Office expense	913
Repairs and maintenance	23,461
Utilities	7,651
Total operating expenses	<u>109,383</u>
Operating loss	(81,963)

LOSS BEFORE CONTRIBUTIONS AND TRANSFERS (81,963)

TRANSFERS IN 50,000

CHANGE IN NET POSITION (31,963)

NET POSITION, BEGINNING OF YEAR 623,675

NET POSITION, END OF YEAR \$ 591,712

The accompanying notes are an integral part of this statement.

RED RIVER PARISH POLICE JURY
COUSHATTA, LOUISIANA

PROPRIETARY FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2017

Cash flows from operating activities:	
Receipts from customers	\$ 27,381
Cash payments to suppliers for goods and services	(44,847)
Net cash provided by operating activities	<u>(17,466)</u>
Cash flows from capital financing activities:	
Purchase of fixed assets	(4,824)
Net cash used in capital financing activities	<u>(4,824)</u>
Cash flows from noncapital financing activities:	
Transfers	50,000
Net cash provided by noncapital financing activities	<u>50,000</u>
Net decrease in cash and cash equivalents	27,710
Cash and cash equivalents, beginning of year	<u>89,800</u>
Cash and cash equivalents, end of year	<u>\$ 117,510</u>
Reconciliation of operating income to net cash used in operating activities:	
Operating loss	\$ (81,963)
Adjustments to reconcile operating loss to net cash from operating activities	
Depreciation expense	73,872
Legal and professional expense	-
Increase in accounts receivable	(39)
Decrease in accounts payable and accruals	(9,336)
Net cash used in operating activities	<u>\$ (17,466)</u>

The accompanying notes are an integral part of this statement.

RED RIVER PARISH POLICE JURY
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Background

The Red River Parish Police Jury (Police Jury) is the governing authority for Red River Parish and is a political subdivision of the State of Louisiana. The Police Jury, under the provisions of Louisiana Revised Statutes 33:1236-1244, enacts ordinances, sets policy and establishes programs for public safety, public works, health and welfare, recreation and culture, economic development, and general administrative services. The Police Jury is governed by seven jurors representing the various districts of Red River Parish. The jurors serve four year terms.

Financial Reporting Entity

The financial reporting entity generally consists of the primary government, organizations for which the primary government is financially accountable and a financial benefit/burden relationship exists, and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entities financial statements to be misleading or incomplete. Section 2100 of the Governmental Accounting Standards Board (GASB) *Codification of Governmental Accounting and Financial Reporting Standards*, establishes criteria for determining which component units should be included within the reporting entity. Under these provisions the basic criteria are as follows:

1. Legal status of the potential component unit
2. Financial accountability
 - a. The primary government appoints a voting majority of the potential component unit's governing body (and) the primary government is able to impose its will on the potential component (or)
 - b. When a potential component unit is fiscally dependent on the primary government regardless of whether the organization has separately elected officials or boards.
3. Financial benefit/burden relationship between the Police Jury and the potential component unit.
4. Misleading to exclude: Paragraph 111 of Section 2100 covers other potential component units 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.

Based on the previous criteria, the Police Jury has determined that the following component units are part of the reporting entity: a) Red River Parish Fire Protection District, b) Red River Parish Tax Assessor, c) Red River Parish Clerk of Court, d) the 39th Judicial District – District Attorney, and e) Red River Parish Communications District.

The Police Jury has chosen to issue financial statements of the primary government only, which exclude the above listed component units.

These financial statements include all funds and organizations considered to be part of the primary government.

RED RIVER PARISH POLICE JURY
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Presentation

The Police Jury's basic financial statements consist of government-wide statements on all of the non-fiduciary activities of the primary government and the fund financial statements (individual major fund and combined nonmajor funds). The statements are prepared in accordance with accounting principles generally accepted in the United States of America as applied to governmental units and promulgated by the Governmental Accounting Standards Board (GASB) *Codification of Governmental Accounting and Financial Reporting Standards*. Both the entity-wide financial statements and the proprietary fund financial statements follow the guidance included in GASB statement No. 62 – *Codification of Accounting and Financial Reporting Guidance Contained In Pre-November 30, 1989 FASB and AICPA Pronouncements*.

Government-Wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Exceptions to the general rule are payments between the enterprise funds to other various functions of government for charges of fees and contributions between the primary government which are reported as external transactions. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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

Separate financial statements are provided for governmental and proprietary funds.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

RED RIVER PARISH POLICE JURY
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Ad valorem taxes, severance taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of the special assessment receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. Sales and use tax revenues are recorded in the month collected by the tax collector. All other revenue items are considered to be measurable and available only when cash is received by the government.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Purchases of various operating supplies are regarded as expenditures at the time purchased.

Transfers between funds that are not expected to be repaid (or any other types, such as capital lease transactions, sale of fixed assets, debt extinguishment, long-term proceeds, etc.) are accounted for as other financing sources/(uses). These other financing sources/(uses) are recognized at the time the underlying events occur.

Fund Financial Statements

Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The Police Jury reports the following governmental and proprietary funds:

Governmental Funds

Governmental funds account for all or most of the Police Jury's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of capital assets, and the servicing of general long-term obligations.

General Fund - is the general operating fund of the Police Jury and is considered to be a major fund. It is used to account for all financial resources except those required to be accounted for in any other fund. General tax revenues and other sources of revenue used to finance the fundamental operations of the Police Jury are included in this fund. The fund is charged with all cost of operating the government for which a separate fund has not been established.

RED RIVER PARISH POLICE JURY
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

Governmental Funds (continued)

Special Revenue Funds - are used to account for the proceeds of specific revenue sources other than special assessments, or major capital projects that are legally restricted to expenditures for specific purposes. The Police Jury's major special revenue funds reported in the fund financial statements are as follows:

The Sales Tax Fund which is the fund used to collect sales tax revenue and pay the collection expense regarding sales tax.

The Red River Parish Ambulance Service Fund which is used to fund the operations and maintenance of the parish ambulance district.

The Library Fund accounts to fund the operations and maintenance of the Red River Parish Library.

The Unit One Road Fund which is used to pay for the operations and the maintenance of the parish roads.

The Public Facilities Maintenance Fund which is used to pay for the operation and maintenance of the parish airport.

Proprietary Funds

Proprietary funds account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Proprietary funds differ from governmental funds in that their focus is on income measurement, which, together with the maintenance of equity, is an important financial indicator. Amounts reported as program revenues include a) charges to customers or applicants for goods, services, or privileges provided, b) operating grants and contributions, and c) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. The Springville Sewer Fund is reported as a major proprietary fund and accounts for the provision of sewer services and sewer treatment services to the residents of the Springville Community. All activities necessary to provide such services are accounted for in this fund.

RED RIVER PARISH POLICE JURY
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

Budgetary Accounting

Formal budgetary accounting is employed as a management control. The Police Jury prepares and adopts a budget each year for its general and special revenue funds in accordance with Louisiana Revised Statutes. The operating budget is prepared based on prior year's revenues and expenditures and the estimated increase therein for the current year, using the budgetary basis of accounting. The budgetary basis of accounting is the modified accrual basis used for the fund financials with the exception of Ad valorem tax revenue. The budgetary basis estimates Ad valorem taxes based on total amounts collectible as opposed to using the "available and measurable" criteria. The Police Jury amends its budget when projected revenues are expected to be less than budgeted revenues by five percent or more and/or projected expenditures are expected to be more than budgeted amounts by five percent or more. All budget appropriations lapse at year end.

Cash and Cash Equivalents

Cash and cash equivalents for the primary government include the cash for each individual fund's share of the consolidated operating cash account.

A single consolidated operating bank account has been established in a local bank into which monies are deposited and from which most disbursements are made. In addition, investment purchases are charged and maturities are deposited into the consolidated bank account, the purpose of this consolidation is to reduce administrative costs and provide a single cash balance available for the maximization of investment earnings. Each fund shares in the investment earnings according to its average cash and investments balance, prorated between funds. Cash is transferred from those funds with available cash resources to cover any negative cash balances in other funds at year-end.

Investments

Investments are limited by R.S. 33:2955 and the Police Jury's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

Accounts Receivable and Bad Debt

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Uncollectible amounts due for receivables are recognized as bad debts directly charged off at the time information becomes available which indicates that the particular receivable is not collectible. In governmental fund types, the uncollectible amount is charged directly to the revenue reported. On the other hand, in proprietary fund types, uncollectible amounts due from utility billings are recognized as bad debts through the use of an allowance account or are directly charged off at the time information becomes available which indicates that the particular receivable is not collectible.

RED RIVER PARISH POLICE JURY
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

Capital Assets

Capital assets are carried at historical cost. Depreciation of all exhaustible capital assets used by the Police Jury is charged as an expense against operations in the Statement of Activities. Capital assets net of accumulated depreciation are reported on the Statement of Net Position. Depreciation is computed using the straight line method over the estimated useful life of the assets, generally 10 to 40 years for buildings and building improvements and 5 to 10 years for moveable property. Expenditures for maintenance, repairs and minor renewals are charged to earnings as incurred. Major expenditures for renewals and betterments are capitalized.

Compensated Absences

Full-time employees of the Police Jury earn annual leave at various rates depending on the number of years in service. The maximum amount of annual leave that may be carried forward by each employee is 80 hours, except for library personnel who can carry forward 24 hours. Upon termination, an employee is compensated for up to 80 hours, 24 hours for library personnel, of unused prior annual leave plus any unused current annual leave at the employee's hourly rate of pay at the time of termination.

Long-Term Debt

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

In the government-wide statement of net position and in the proprietary fund types' financial statements, long-term debt is reported as a liability. The long-term debt consists primarily of accrued compensated absences, other post-employment benefits payable and pension liabilities payable.

Long-term debt for governmental funds is not reported as a liability in the fund financial statements. Instead the debt proceeds are reported as other financing sources and payment of principal and interest are reported as expenditures. The accounting for proprietary fund debt is the same in the fund statements as it is in the government-wide statements.

RED RIVER PARISH POLICE JURY
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

Restricted Net Position

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

1. Net investment in capital assets, consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributed to the acquisition, construction, or improvement of those assets plus any unspent proceeds from such borrowings.
2. Restricted net position - net position with constraints placed on the use either by a) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or b) law through constitutional provisions or enabling legislation.
3. Unrestricted - all other net position is reported in this category.

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

Fund Equity

In the fund financial statements, governmental fund equity is classified as fund balance and displayed in five components:

1. Nonspendable - amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
2. Restricted - amounts constrained to specific purposes by either a) creditors, grantors, contributors, or the laws or regulations of other governments, or b) constitutional provisions or enabling legislation.
3. Committed - amounts constrained to specific purposes by the governmental entity at its highest level of decision-making authority. These amounts cannot be used for any other purposes unless the government takes the same highest level action to remove or change the constraint.
4. Assigned - amounts that do not meet the criteria to be classified as restricted or committed that are intended to be used for specific purposes as established by the Police Jury or its management to which the Police Jury has delegated the authority to assign amounts for specific purposes,
5. Unassigned - all other spendable amounts.

The Police Jury establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution.

The Police Jury typically uses restricted fund balances first, followed by committed, assigned and unassigned funds when an expenditure is incurred for purposes for which amounts in any of these fund balance classifications could be used.

RED RIVER PARISH POLICE JURY
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

Sales Taxes

The Police Jury collects a one percent sales and use tax with the net proceeds, after deducting costs of collection and administration, dedicated to the construction, operation, and maintenance of a parish jail facility, with any surplus proceeds to be used for capital outlay, operation and maintenance costs associated with the parish highway system, and other parish owned building and properties.

The Police Jury collects a one-half of one percent sales and use tax with the net proceeds, after deducting costs of collection and administration, dedicated to the construction, operation, and maintenance of a parish ambulance service.

Property Taxes

Property taxes are considered measurable each year following the filing of the tax rolls by the Assessor with the Louisiana Tax Commission. Accordingly, the entire tax roll less an estimate for uncollectable taxes is recorded as taxes receivable in the current budgeted year. Uncollectable taxes are those taxes which based on past experience will not be collected in the subsequent year and are primarily due to subsequent adjustments to the tax roll.

At the governmental fund level, property taxes that are measurable and available (receivable within the current period and collected within the current period or within 60 days thereafter to be used to pay liabilities of the current period) are recognized as revenue in the year of levy. Property taxes that are measurable, but not available, are recorded, net of estimated uncollectable amounts, as deferred inflows of resources in the year of levy. Such unavailable revenues are recognized as revenue in the fiscal year in which they become available.

Estimates

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

Pension Plans

The Red River Parish Police Jury is a participating employer in three defined benefit pension plans (plans) as described in Note 9. 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 each of the plans, and additions to/deductions from each plans' fiduciary net position have been determined on the same basis as they are reported by each of the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments have been reported at fair value within each plan.

RED RIVER PARISH POLICE JURY
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Future Accounting Pronouncements

The Governmental Accounting Standards Board recently issued GASB Statement No. 75 Accounting for Postemployment Benefits, which supersedes accounting standards that currently exist regarding retiree benefits. Under the new standard, governments recognize a liability for the full amount of actuarially determined accrued benefits less amounts funded into a trust rather than recognizing a liability based upon the difference between funding recommendations and actual contributions, as is currently required. Additionally, the liability will be measured according to more prescriptive requirements. The standard is effective for annual reporting periods beginning after June 15, 2017. The Police Jury expects that the new standard could have a material negative effect on its net position for the year ended December 31, 2018. However, the Police Jury is still evaluating the impact.

2. LEVIED TAXES

The Police Jury levies taxes on real and business personal property located within its boundaries. The Red River Parish Tax Assessor assesses the property values and prepares the Police Jury's property tax roll. The Red River Parish Sheriff bills and collects property taxes for the Police Jury. Ad valorem taxes are levied on October 31st and are payable upon receipt of notice. Ad valorem taxes attach as an enforceable lien on property as of December 31st of each year. The following is a summary of authorized and levied ad valorem taxes as of December 31, 2017:

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
General alimony:			
Inside municipalities	3.88	3.63	Constitutional
Outside municipalities	1.94	1.81	Constitutional
Public Facilities Maintenance	3.34	3.04	2018
Health Unit	2.20	2.02	2018
Library	7.20	7.09	2022

The Police Jury is subject to certain property tax abatements granted by the Louisiana State Board of Commerce and Industry (the "State Board"), a state entity governed by board members representing major economic groups and gubernatorial appointees. Abatements to which the government may be subject include those issued for property taxes under the Industrial Tax Exemption Program ("ITEP") and the Restoration Tax Abatement Program ("RTAP"). In addition, the local government has the authority to grant sales tax rebates to taxpayers pursuant to the Enterprise Zone Tax Rebate Program ("EZ Program"). For the year ending December 31, 2017, the government participated in the Industrial Tax Exemption Program.

RED RIVER PARISH POLICE JURY
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

2. **LEVIED TAXES** (continued)

Under the ITEP, as authorized by *Article 7, Section 21(F) of the Louisiana Constitution and Executive Order Number JBE 2016-73*, companies that qualify as manufacturers can apply to the State Board for a property tax exemption on all new property, as defined, used in the manufacturing process. Under the ITEP, companies are required to promise to expand or build manufacturing facilities in Louisiana, with a minimum investment of \$5 million. The exemptions are granted for a 5 year term and are renewable for an additional 5 year term upon approval by the State Board. In the case of the local government, these state-granted abatements have resulted in reductions of property taxes, which the tax assessor administers as a temporary reduction in the assessed value of the property involved. The abatement agreements stipulate a percentage reduction of property taxes, which can be as much as 100 percent. The local government may recapture abated taxes if a company fails to expand facilities or otherwise fail to fulfill its commitments under the agreement.

Taxes abated under ITEP for the fiscal year ended December 31, 2017, were approximately \$313,000.

3. **DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS**

Deposits with Financial Institutions

Custodial credit risk is the risk that, in the event of a bank failure, the Police Jury's deposits may not be returned to it.

These deposits are stated at cost, which approximates market. Under state law, these deposits 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 bank. These pledged securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At December 31, 2017, the carrying amount of demand deposit accounts was \$470,625. The bank balance of \$474,248 is secured by Federal depository insurance. Money market funds of \$17,766,563 are held with an investment management company. The money market funds are covered by Security Investor Protection Corporation (SIPC) insurance of \$250,000 and the remaining balance is collateralized in government money market funds with an S&P rating of AAAM. Certificates of deposits are included in the investment caption in the balance sheet with a balance totaling \$6,917,510. These balances are secured by Federal deposit insurance or collateralized by pledged securities owned by the financial institution in the name of the bank.

Investments

Investments with a maturity of less than 90 days are classified on the statement of net position as "cash and cash equivalents". In accordance with Section I50 paragraphs 110 and 111 of *GASB Codification of Governmental Accounting and Financial Reporting Standards*, investments in U.S. Treasury or Agency obligations that have a remaining maturity at time of purchase of one year or less are stated at amortized cost which is not materially different from fair value. All other investments are shown at fair value.

RED RIVER PARISH POLICE JURY
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
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3. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS (continued)

The Police Jury's investments are in government agency securities that are implicitly guaranteed by the U.S. Government and totaled \$15,554,192. At December 31, 2017 the majority of investments were rated AAAM by Standard and Poor's. The remaining investments are in government securities that are explicitly guaranteed by the U.S. Government.

Interest rate risk is defined as the risk that changes in interest rates will adversely affect the fair value of investments. The Police Jury's investment policy does not limit investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates. However one indicator of the measure of interest rate risk is the dispersion of maturity date or debt instruments.

As of December 31, 2017, the Police Jury had the following investment types and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>< 1 Year</u>	<u>1 to 5 Years</u>	<u>6 to 10 Years</u>	<u>>10 Years</u>
Fixed Income-Government Securities:					
FNMA	\$ 4,402,843	\$ -	\$ -	\$ 1,942,421	\$ 2,460,422
FHLMC	3,313,212	-	984,224	1,466,837	862,151
FHLB	5,834,846	688,067	1,269,554	3,250,011	627,214
	<u>13,550,901</u>	<u>688,067</u>	<u>2,253,778</u>	<u>6,659,269</u>	<u>3,949,787</u>
Certificates of deposit	<u>6,917,510</u>	<u>6,917,510</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>20,468,411</u>	<u>\$ 7,605,577</u>	<u>\$ 2,253,778</u>	<u>\$ 6,659,269</u>	<u>\$ 3,949,787</u>
Mutual funds - Government Securities	<u>2,003,291</u>				
Total - all investments	<u>\$ 22,471,702</u>				

There is no limit on the amount that may be invested in any one issuer according to the Police Jury's policy. At December 31, 2017, investments of the following issuers represented more than 5% of total investments:

Federal National Mortgage Association	20%
FHLMC	15%
Federal Home Loan Bank	26%
Government Securities	9%

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

RED RIVER PARISH POLICE JURY
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

3. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS (continued)

The Police Jury has the following recurring fair value measurements as of December 31, 2017:

- Federal agency obligation securities are valued using a matrix pricing technique based on the securities' relationship to benchmark quoted prices (Level 2 inputs).
- Certificates of deposit are time deposits with a bank. They bear a specific maturity in excess of 90 days. Valuation is determined using a market value pricing model (Level 2 inputs).
- Mutual funds are valued at the daily closing price as reported by the fund. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Police Jury are deemed to be actively traded (Level 1 inputs).

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Federal agency obligation	\$ -	\$ 13,550,901	\$ -	\$ 13,550,901
Certificates of deposit	-	6,917,510	-	6,917,510
Total investments excluding investments Valued at NAV	<u>\$ -</u>	<u>\$ 20,468,411</u>	<u>\$ -</u>	<u>\$ 20,468,411</u>
Mutual funds				<u>2,003,291</u>
Total investments				<u>\$ 22,471,702</u>

4. ACCOUNTS RECEIVABLE

The following is a summary of accounts receivable at December 31, 2017:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Taxes			
Ad valorem	\$ 3,618,917	\$ -	\$ 3,618,917
Sales	409,039	-	409,039
Severance	51,719	-	51,719
Fees, charges, and commission for services	206,282	350	206,632
Other	28,294	-	28,294
Total	<u>\$ 4,314,251</u>	<u>\$ 350</u>	<u>\$ 4,314,601</u>

RED RIVER PARISH POLICE JURY
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

5. CAPITAL ASSETS

A summary of the Police Jury's governmental activities' capital assets at December 31 follows:

	Balance at December 31, <u>2016</u>	<u>Additions</u>	<u>Transfers</u>	Balance at December 31, <u>2017</u>
Capital assets, not being depreciated				
Land	\$ 301,537	\$ 196,312	\$ -	\$ 497,849
Construction in progress	<u>561,880</u>	<u>-</u>	<u>-</u>	<u>561,880</u>
Total capital assets, not being depreciated	863,417	196,312	-	1,059,729
Capital Assets, being depreciated				
Buildings and Building Improvements	10,931,082	29,169	-	10,960,251
Less accumulated depreciation	<u>(6,661,416)</u>	<u>(270,898)</u>	<u>-</u>	<u>(6,932,314)</u>
Total Buildings and Building Improvements	4,269,666	(241,729)	-	4,027,937
Streets, Parking Lots and Other Improvements	13,354,737	304,805	-	13,659,542
Less accumulated depreciation	<u>(4,917,509)</u>	<u>(1,345,068)</u>	<u>-</u>	<u>(6,262,577)</u>
Total Streets, Parking Lots and Other Improvements	8,437,228	(1,040,263)	-	7,396,965
Furniture, Equipment, and Vehicles	3,685,563	314,844	-	4,000,407
Less accumulated depreciation	<u>(2,822,697)</u>	<u>(261,660)</u>	<u>-</u>	<u>(3,084,357)</u>
Total Furniture, Equipment, and Vehicles	862,866	53,184	-	916,050
Library Books and Information Materials	191,070	32,061	-	223,131
Less accumulated depreciation	<u>(113,435)</u>	<u>(19,113)</u>	<u>-</u>	<u>(132,548)</u>
Total Library Books and Information Materials	77,635	12,948	-	90,583
Total Capital Assets, being depreciated	<u>13,647,395</u>	<u>(1,215,860)</u>	<u>-</u>	<u>12,431,535</u>
Governmental Activities				
Total Capital Assets, net	<u>\$ 14,510,812</u>	<u>(\$ 1,019,548)</u>	<u>(\$ -)</u>	<u>\$ 13,491,264</u>

RED RIVER PARISH POLICE JURY
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

5. CAPITAL ASSETS (continued)

Depreciation expense was charged to functions/programs of the governmental-type activities as follows:

General government	\$ 336,862
Public safety	71,125
Public works	1,424,719
Health and welfare	25,148
Recreation and culture	<u>38,885</u>
Total depreciation expense	<u>\$ 1,896,739</u>

A summary of the Police Jury's business-type activities capital assets at December 31, follows:

	<u>Balance at</u> <u>December 31,</u> <u>2016</u>	<u>Additions</u>	<u>Transfers</u>	<u>Balance at</u> <u>December 31,</u> <u>2017</u>
Capital assets, not being depreciated				
Construction in progress	\$ -	\$ -	\$ -	\$ -
Total capital assets, not being depreciated	-	-	-	-
Capital Assets, being depreciated				
Sewer system	1,632,872	4,824	-	1,637,697
Less accumulated depreciation	(1,089,045)	(73,872)	-	(1,162,918)
Total Sewer system	543,827	(69,048)	-	474,779
Total capital assets, being depreciated	<u>543,827</u>	<u>(69,048)</u>	<u>-</u>	<u>474,779</u>
Business-type activities				
Total capital assets, net	<u>\$ 543,827</u>	<u>(\$ 69,048)</u>	<u>\$ -</u>	<u>\$ 474,779</u>
Primary government				
Total capital assets, net	<u>\$ 15,054,639</u>	<u>(\$ 1,088,596)</u>	<u>\$ -</u>	<u>\$ 13,966,043</u>

6. ACCOUNTS PAYABLE AND ACCRUALS

The following is a summary of accounts payable at December 31, 2017:

	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>	<u>Total</u>
Vendor	\$ 244,986	\$ 927	\$ 245,913
Salaries and related benefits	166,556	-	166,556
Total	<u>\$ 411,542</u>	<u>\$ 927</u>	<u>\$ 412,469</u>

RED RIVER PARISH POLICE JURY
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

7. LONG-TERM DEBT

The following is a summary of the long-term obligations of the Police Jury for the year ended December 31:

	Balance at December 31, 2016	Additions	Deletions	Balance at December 31, 2017	Current Amount
Compensated absences	\$ 65,919	\$ 68,888	(\$ 62,669)	\$ 72,138	\$ 69,028
Net OPEB	216,437	38,843	-	255,280	-
FEMA payable	69,869	-	(23,290)	46,579	23,290
Net pension liability	737,151	-	(170,714)	566,437	-
Total	<u>\$ 1,089,376</u>	<u>\$ 107,731</u>	<u>(\$ 256,673)</u>	<u>\$ 940,434</u>	<u>\$ 92,318</u>

8. INTERFUND TRANSFERS

Interfund transfers are to fund the operating deficiencies in each fund due to timing of receipt of revenue funds. In addition, the Sales tax fund and other transfers from the Road Emergency fund (a non-major fund) to Unit 1 Road fund are to assist in ongoing construction projects. Operating transfers for the year ended December 31, 2017, were as follows:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental activities		
General	\$ 257,486	\$ 400,000
Sales tax	-	2,000,000
Library fund	-	4,000
Unit 1 Road fund	1,750,000	-
Public Facilities Maintenance Fund	50,000	-
Other non-major governmental funds	296,514	-
Business-type activities		
Sewer fund	50,000	-
Total	<u>\$ 2,404,000</u>	<u>\$ 2,404,000</u>

9. DEFINED BENEFIT PENSION PLANS

The Red River Parish Police Jury (the Police Jury) is a participating employer in three cost-sharing defined benefit pension plans. These plans are administered by three public employee retirement systems, the Parochial Employees' Retirement System of Louisiana (PERS), the District Attorneys' Retirement System (DARS) and the Registrar of Voters Employees' Retirement System (ROVERS). Article X, Section 29(F) of the Louisiana Constitution of 1974 assigns the authority to establish and amend benefit provisions of these plans to the State Legislature. Each system is administered by a separate board of trustees and all Systems are component units of the State of Louisiana.

RED RIVER PARISH POLICE JURY
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

9. DEFINED BENEFIT PENSION PLANS (continued)

Each of the Systems issues an annual publicly available financial report that includes financial statements and required supplementary information for the system. These reports may be obtained by writing, calling or downloading the reports as follows:

PERS: 7905 Wrenwood Blvd. Baton Rouge, Louisiana 70809 (225) 928-1361 www.persla.org	DARS: 1645 Nicholson Drive. Baton Rouge, LA 70802- 8143 (225) 267-4824 www.ladars.org	ROVERS: PO Box 57. Jennings, LA 70546 (800) 510-8515 www.larovers.com
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The Police Jury follows Government Accounting Standards Board (GASB) Statement 68 on *Accounting and Financial Reporting for Pensions* and Statement 71 on *Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB 68*. These standards require the Police Jury to record its proportional share of each of the pension plans Net Pension Liability and report the following disclosures:

Plan Descriptions:

Parochial Employees' Retirement System of Louisiana (PERS)

Parochial Employees' Retirement System of Louisiana is the administrator of a cost sharing multiple employer defined benefit pension plan. The System was established and provided for by R.S.11:1901 of the Louisiana Revised Statute (LRS). The System provides retirement benefits to employees of taxing districts of a parish or any branch or section of a parish within the State which does not have their own retirement system and which elects to become members of the system.

District Attorneys' Retirement System (DARS)

The District Attorneys' Retirement System, State of Louisiana is the administrator of a cost sharing multiple employer defined benefit pension plan. The System was established on the first day of August, nineteen hundred and fifty-six and was placed under the management of the board of trustees for the purpose of providing retirement allowances and other benefits as stated under the provisions of R.S. 11, Chapter 3 for district attorneys and their assistants in each parish.

Registrar of Voters Employees' Retirement System (ROVERS)

The System was established on January 1, 1955, for the purpose of providing retirement allowances and other benefits as stated under the provisions of R.S. Title 11:2032, as amended, for registrars of voters, their deputies and their permanent employees in each parish. The projection of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through the System in accordance with the benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date.

RED RIVER PARISH POLICE JURY
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

9. DEFINED BENEFIT PENSION PLANS (continued)

Funding Policy

Article X, Section 29(E)(2)(a) of the Louisiana Constitution of 1974 assigns the Legislature the authority to determine employee contributions. Employer contributions are actuarially determined using statutorily established methods on an annual basis and are constitutionally required to cover the employer's portion of the normal cost and provide for the amortization of the unfunded accrued liability. Employer contributions are adopted by the Legislature annually upon recommendation of the Public Retirement Systems' Actuarial Committee (PRSAC).

Contributions to the plans are required and determined by State statute (which may be amended) and are expressed as a percentage of covered payroll. The contribution rates in effect for the year ended December 31, 2016, for the Police Jury and covered employees were as follows:

	Police Jury	Employees
Parochial Employees' Retirement System of Louisiana: Plan A	12.50%	9.50%
District Attorneys' Retirement System	0.00%	8.00%
Registrar of Voters Employees' Retirement System	18.50%	7.00%

The contributions made to the Systems for the past three fiscal years, which equaled the required contributions for each of these years, were as follows:

	December 31,		
	2017	2016	2015
Parochial Employees' Retirement System of Louisiana: Plan A	\$ 178,548	\$ 191,796	\$ 209,282
District Attorneys' Retirement System	-	700	2,100
Registrar of Voters Employees' Retirement System	4,171	4,350	5,270

RED RIVER PARISH POLICE JURY
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

9. DEFINED BENEFIT PENSION PLANS (continued)

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

The following schedule lists the Police Jury's proportionate share of the Net Pension Liability allocated by each of the pension plans based on the measurement dates for each respective retirement system. The Police Jury uses this measurement to record its Net Pension Liability and associated amounts as of the respective measurement dates in accordance with GASB Statement 68. The schedule also includes the proportionate share allocation rate used at the current measurement date for each respective retirement system along with the change compared to the rate used in the previous measurement period for each respective retirement system. The Police Jury's proportion of the Net Pension Liability was based on each Agency's share of contributions to the pension plan relative to the contributions of all participating employers.

	Net Pension Liability at Measurement Date	Rate at Current Measurement Date	Increase (Decrease) in Rate from Previous Measurement Date
Governmental Activities: Parochial Employees' Retirement System of Louisiana: Plan A *	\$ 512,549	0.248869%	(0.010610%)
District Attorneys' Retirement System **	17,754	0.065823%	0.005250%
Registrar of Voters Employees' Retirement System **	36,134	0.164612%	0.014740%
	<u>\$ 566,437</u>		

* The Plan presented has a measurement date of December 31, 2016.

** The Plans presented have a measurement date of June 30, 2017.

RED RIVER PARISH POLICE JURY
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

9. DEFINED BENEFIT PENSION PLANS (continued)

The following schedule list each pension plan's recognized pension expense plus employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions by the Police Jury for the year ended December 31, 2017:

	<u>Pension Expense</u>
Parochial Employees' Retirement System of Louisiana:	
Plan A	\$ 301,801
District Attorneys' Retirement System	7,518
Registrar of Voters Employees' Retirement System	7,325
	<hr/>
	\$ 316,644

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ (101,076)
Changes of assumptions	108,741	(3,263)
Net difference between projected and actual earnings on pension plan investments	408,947	-
Changes in proportion and differences between Employer contributions and proportionate share of contributions	6,132	(16,099)
Employer contributions subsequent to the measurement date	180,464	-
Total	<hr/> <u>\$ 704,284</u>	<hr/> <u>\$ (120,438)</u>

Summary totals of deferred outflows of resources and deferred inflows of resources by pension plan:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Parochial Employees' Retirement System of Louisiana:		
Plan A	\$ 673,615	\$ (95,096)
District Attorneys' Retirement System	18,441	(7,655)
Registrar of Voters Employees' Retirement System	12,228	(17,687)
	<hr/>	<hr/>
	\$ 704,284	\$ (120,438)

RED RIVER PARISH POLICE JURY
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

9. DEFINED BENEFIT PENSION PLANS (continued)

The Police Jury reported a total of \$180,464 as deferred outflow of resources related to pension contributions made subsequent to the measurement which will be recognized as a reduction in Net Pension Liability in the year ended December 31, 2018. The following schedule list the pension contributions made subsequent to the measurement period for each pension plan:

	Subsequent Contributions
Parochial Employees' Retirement System of Louisiana: Plan A	\$ 178,548
District Attorneys' Retirement System	-
Registrar of Voters Employees' Retirement System	1,916
	\$ 180,464

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

Deferral Period	PERS A	DARS	ROVERS	Total
2018	\$ 148,005	\$ 1,565	\$ -	\$ 149,570
2019	158,344	5,072	(3,792)	159,624
2020	104,368	2,204	1,177	107,749
2021	(10,746)	314	(3,686)	(14,118)
2022	-	643	(1,074)	(431)
2023	-	988	-	988
	\$ 399,971	\$ 10,786	\$ (7,375)	\$ 403,382

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of the valuation date for each respective retirement system are as follows:

RED RIVER PARISH POLICE JURY
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

9. DEFINED BENEFIT PENSION PLANS (continued)

	PERS	DARS	ROVERS
Valuation Date	December 31, 2016	June 30, 2017	June 30, 2017
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Actuarial Assumptions:			
Expected Remaining			
Service Lives	4 years	7 years	5 years
Investment Rate of Return	7.00% net of investment expenses	6.75% net of investment expenses	6.75%, net of investment expense
Inflation Rate	2.50% per annum	2.50%	2.50%
Mortality	RP-2000 Healthy Annuitant Sex Distinct Tables projected to 2031 using Scale AA were selected for annuitant and beneficiary mortality. For employees, the RP-2000 Employees Sex Distinct Tables set back 4 years for males and 3 years for females was selected. The RP-2000 Disabled Lives Mortality Table set back 5 years for males and set back 3 years for females was selected for disabled annuitants.	The RP 2000 Combined Healthy with White Collar Adjustment Sex Distinct Tables (set back 1 year for females) projected to 2032 using Scale AA were selected for employee, annuitant, and beneficiary mortality. The RP 2000 Disabled Lives Mortality Table set back 5 years for males and set back 3 years for females was selected for disable annuitants. Setbacks in these tables were used to approximate mortality improvement.	RP-2000 Combined Healthy Mortality Table for active members, healthy annuitants and beneficiaries RP-2000 Disabled Lives Mortality Table for disabled annuitants
Salary Increases	5.25% (2.50% inflation, 2.75% merit)	5.5% (2.5% inflation, 3.0% merit)	6% (2.5% inflation, 3.5% merit)
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.

RED RIVER PARISH POLICE JURY
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

9. DEFINED BENEFIT PENSION PLANS (continued)

The following schedule list the methods used by each of the retirement systems in determining the long term rate of return on pension plan investments:

<u>PERS</u>	<u>DARS</u>	<u>ROVERS</u>
The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the CAPM pricing model (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward looking basis in equilibrium, in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.0% and an adjustment for the effect of rebalancing /diversification. The resulting expected long-term rate of return is 7.66% for the year ended December 31, 2016.	The estimated long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The resulting long-term rate of return is 9.03% for the year ended June 30, 2017.	The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The resulting long-term rate of return is 8.39% for the year ended June 30, 2017.

RED RIVER PARISH POLICE JURY
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

9. DEFINED BENEFIT PENSION PLANS (continued)

The following table provides a summary of the best estimates of arithmetic/geometric real rates of return for each major asset class included in each of the Retirement Systems target asset allocations as of each respective measurement date:

Asset Class	Target Allocation			Long-Term Expected Real Rate of Return		
	PERS	DARS	ROVERS	PERS	DARS	ROVERS
Equities	52.0%	61.8%	55.0%	3.6%	11.3%	4.3%
Fixed income	35.0%	29.0%	30.0%	1.2%	6.8%	0.85%
Alternatives	11.0%	9%	5.0%	0.7%	10.5%	0.31%
Real assets	2.0%	0%	10%	0.1%	0.02%	0.5%
Total	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	5.66%	29.2%	5.89%
Inflation				2.00%	2.50%	2.50%
Expected Arithmetic Nominal Return				<u>7.66%</u>	<u>9.03%</u>	<u>8.39%</u>

Discount Rate

The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, each of the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate used to measure the total pension liability for PERS, DARS and ROVERS was 7.00%, 6.75% and 6.75% for each respective measurement date.

RED RIVER PARISH POLICE JURY
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

9. DEFINED BENEFIT PENSION PLANS (continued)

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

The following table presents the Police Jury's proportionate share of the Net Pension Liability (NPL) using the discount rate of each Retirement System as well as what the Police Jury's proportionate share of the NPL would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate used by each of the Retirement Systems:

	<u>1.0% Decrease</u>	<u>Current Discount Rate</u>	<u>1.0% Increase</u>
PERS A			
Rates	6.00%	7.00%	8.00%
Police Jury's Share of			
NPL	\$ 1,533,240	\$ 512,549	\$ (350,476)
DARS			
Rates	5.75%	6.75%	7.75%
Police Jury's Share of			
NPL	\$ 50,734	\$ 17,754	\$ (10,271)
ROVERS			
Rates	5.75%	6.75%	7.75%
Police Jury's Share of			
NPL	\$ 55,230	\$ 36,134	\$ 19,699

Payables to the Pension Plan

The Police Jury recorded accrued liabilities to each of the Retirement Systems for the year ended December 31, 2017, mainly due to the accrual for payroll at the end of each of the fiscal years. The amounts due are included in liabilities under the amounts reported as accounts payable and accrued liabilities. The balance due to each for the retirement systems at December 31 is as follows:

	<u>2017</u>	<u>2016</u>
Governmental Activities:		
Parochial Employees'		
Retirement System of		
Louisiana:		
Plan A	\$ 69,579	\$ 75,761
District Attorneys' Retirement		
System	267	267
Registrar of Voters Employees'		
Retirement System	1,169	1,325
	<u>\$ 71,015</u>	<u>\$ 77,353</u>

RED RIVER PARISH POLICE JURY
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

10. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

The Police Jury administers a single-employer defined benefit other post employment benefit (OPEB) plan.

Plan Description

The Red River Parish Police Jury's medical benefits are provided through a comprehensive medical plan and are made available to employees upon actual retirement providing they have at least 20 years of service.

Employees are covered by the Parochial Employees' Retirement System of Louisiana, whose retirement eligibility (D.R.O.P. entry) provisions are as follows: 30 years of service at any age; age 55 and 25 years of service; age 60 and 10 years of service; or, age 65 and 7 years of service. For employees hired on and after January 1, 2007 retirement eligibility (D.R.O.P. entry) provisions are as follows: age 55 and 30 years of service; age 62 and 10 years of service; or, age 67 and 7 years of service.

Contribution Rates

Employees do not contribute to their post-employment benefits costs until they become retirees and begin receiving those benefits. The plan provisions and contribution rates are contained in the official plan documents.

Fund Policy

Until 2009, the Red River Parish Police Jury recognized the cost of providing post-employment medical benefits (the Red River Parish Police Jury's portion of the retiree medical benefit premiums) as an expense when the benefit premiums were due and thus financed the cost of the post-employment benefits on a pay-as-you-go basis. In 2017 and 2016, the Red River Parish Police Jury's portion of health care funding cost for retired employees totaled \$21,401 and \$19,816, respectively.

Effective January 1, 2009, the Red River Parish Police Jury implemented Government Accounting Standards Board Codification Section P50, *Accounting and Financial Reporting by Employers for Post employment Benefits Other than Pensions* (GASB Codification Section P50). This amount was applied toward the Net OPEB Benefit Obligation as shown in the following table.

Annual Required Contribution

The Red River Parish Police Jury's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45. The ARC is the sum of the Normal Cost plus the contribution to amortize the Unfunded Actuarial Accrued Liability (UAAL). A level dollar, open amortization period of 30 years (the maximum amortization period allowed by GASB 43/45) has been used for the post-employment benefits. The actuarially computed ARC is as follows:

	<u>2017</u>	<u>2016</u>
Normal cost	\$ 35,608	\$ 34,239
30-year UAL amortization amount	28,495	27,399
Annual required contribution (ARC)	<u>\$ 64,103</u>	<u>\$ 61,638</u>

RED RIVER PARISH POLICE JURY
COUSHATTA, LOUISIANA
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DECEMBER 31, 2017

10. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued)

Net Post-Employment Benefit Obligation

The following table presents the Police Jury's Net OPEB Obligation for fiscal years ending December 31:

	<u>2017</u>	<u>2016</u>
Beginning Net OPEB Obligation	\$ 216,437	\$ 177,785
Annual required contribution	64,103	61,638
Interest on net OPEB Obligation	8,657	7,111
ARC adjustment	(12,517)	(10,281)
OPEB cost	60,244	58,468
Current year retiree premium	(21,401)	(19,816)
Change in net OPEB Obligation	<u>38,843</u>	<u>38,652</u>
Ending Net OPEB Obligation	<u>\$ 255,280</u>	<u>\$ 216,437</u>

The Police Jury's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for 2017 and the preceding two years were as follows:

<u>Fiscal Year</u> <u>Ended</u>	<u>Annual OPEB</u> <u>Cost</u>	<u>Percentage of</u> <u>Annual OPEB</u> <u>Cost Contributed</u>	<u>Increase</u> <u>(Decrease)</u> <u>to Net OPEB</u> <u>Obligation</u>	<u>Net OPEB</u> <u>Obligation</u>
2017	\$ 60,244	35.52%	\$ 38,843	\$ 255,280
2016	\$ 58,468	33.89%	\$ 38,652	\$ 216,437
2015	\$ 56,782	32.31%	\$ 38,434	\$ 177,785

Funded Status and Funding Progress – In 2017 and 2016, the Red River Parish Police Jury made no contributions to its post employment benefits plan. The plan is not funded, has no assets, and hence has a funded ratio of zero. Based on the January 1, 2015, actuarial valuation, the most recent valuation, the Actuarial Accrued Liability (AAL) at the end of the year December 31, 2017 was \$512,453 which is defined as that portion, as determined by a particular actuarial cost method (the Red River Parish Police Jury uses the Projected Unit Credit Cost Method), of the actuarial present value of post employment plan benefits and expenses which is not provided by normal cost.

	<u>2017</u>	<u>2016</u>
Actuarial Accrued Liability (AAL)	\$ 512,453	\$ 492,743
Actuarial Value of Plan Assets (AVP)	-	-
Unfunded Act. Accrued Liability (UAAL)	<u>\$ 512,453</u>	<u>\$ 492,743</u>
Funded Ratio (AVP/AAL)	0.00%	0.00%
Covered Payroll (active plan members)	\$ 2,227,594	\$ 2,388,735
UAAL as a percentage of covered payroll	23.00%	20.63%

RED RIVER PARISH POLICE JURY
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

10. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued)

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

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

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

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

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

Turnover Rate – An age-related turnover scale based on actual experience has been used. The rates, when applied to the active employee census, produce a composite average annual turnover of approximately 3%.

Post employment Benefit Plan Eligibility Requirements – Based on past experience, it has been assumed that entitlement to benefits will commence eight years after eligibility to enter the D.R.O.P., as described above under "Plan Description" (three years in D.R.O.P. and five additional years). Medical benefits are provided to employees upon actual retirement.

RED RIVER PARISH POLICE JURY
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

10. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued)

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

Health Care Cost Trend Rate – The expected rate of increase in medical cost is based on a graded schedule beginning with 8% annually, down to an ultimate annual rate of 5.0% for ten years out and later. Mortality Rate - The 1994 Group Annuity Reserving (94GAR) table, projected to 2002, based on a fixed blend of 50% of the unloaded male mortality rates and 50% of the unloaded female mortality rates, is used. This is a recently published mortality table which has been used in determining the value of accrued benefits in defined benefit pension plans. Projected future mortality improvement has not been used since it is our opinion that this table contains sufficiently conservative margin for the population involved in this valuation.

Method of Determining Value of Benefits – The "value of benefits" has been assumed to be the portion of the premium after retirement date expected to be paid by the employer for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid. The employer pays 100% of the cost of the medical insurance for the retirees. The rates provided applicable before age 65 are "blended" rates. Since GASB 45 mandates that "unblended" rates be used, we have estimated the "unblended" rates for retired before Medicare eligibility to be 130% of the blended rate.

Inflation Rate - Included in both the Investment Return Assumption and the Healthcare Cost Trend rates above is an implicit inflation assumption of 2.50% annually.

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

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

11. CRIMINAL COURT FUND

Louisiana Revised Statute 15:571.11 requires that one-half of any surplus in the Criminal Court Fund at year end be transferred to the Police Jury's General Fund. The amounts due to the to the General Fund of \$3,486 at December 31, 2017.

RED RIVER PARISH POLICE JURY
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

12. RISK MANAGEMENT

The Red River Parish Police 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 Police Jury maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Police Jury.

13. CLAIMS AND JUDGMENTS

The Red River Parish Police Jury participates in federal and state programs that are fully or partially funded by grants received from other Governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Police Jury may be required to reimburse the grantor government. The Police Jury believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial condition of the Police Jury.

There are currently multiple claims pending against the Red River Sales and Use Tax Commission (Commission) claiming a refund of sales and use taxes previously paid. These taxes were not paid in protest and as such were not escrowed by the Commission, but rather distributed to each respective taxing authorities, including the Police Jury. These claims pending against the Commission totaled approximately \$7.9 million at December 31, 2017. The Police Jury's respective share of these claims is approximately \$2.5 million. Subsequent to December 31, 2017, the Commission settled approximately \$919,000 of the pending claims for approximately \$539,000. The Police Jury's share of the settlement amounts totaled approximately \$167,000, which reduced subsequent distributions to the Police Jury. If any of the remaining claims are settled in the taxpayers' favor, the settlement amounts will reduce future distributions. No liability has been accrued on the Police Jury's financial statements.

RED RIVER PARISH POLICE JURY
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

14. EXPENDITURES EXCEEDING APPROPRIATIONS

Excess of expenditures over appropriations in individual funds or departments within the fund occurred as follows:

	<u>Revised Budget</u>	<u>Actual (GAAP Basis)</u>	<u>Variance</u>
General Fund:			
Public safety	\$ 139,300	\$ 143,629	\$ (4,329)
Special Revenue Funds:			
Ambulance fund			
Capital outlay	152,000	155,724	(3,724)
Library fund			
Capital outlay	156,204	191,589	(35,385)
Unit 1 Road fund			
Capital outlay	390,000	391,480	(1,480)
Public facilities maintenance fund			
Capital outlay	103,071	115,295	(12,224)

REQUIRED SUPPLEMENTARY INFORMATION

RED RIVER PARISH POLICE JURY
COUSHATTA, LOUISIANA

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual (Budgetary Basis) (See Note A)</u>	<u>Variance Favorable (Unfavorable)</u>
<u>REVENUES</u>				
Local sources:				
Taxes				
Ad valorem taxes	\$ 780,000	\$ 794,249	\$ 808,758	\$ 14,509
Severance taxes	550,000	1,189,476	1,173,634	(15,842)
Other	131,000	185,325	184,422	(903)
License and permits	63,800	76,625	67,556	(9,069)
State sources:				
State revenue sharing	11,300	15,632	15,505	(127)
Other	41,200	42,988	50,267	7,279
Federal grants	100,000	100,000	96,042	(3,958)
Interest and investment income	4,000	50,000	126,895	76,895
Miscellaneous	2,600	8,367	6,711	(1,656)
TOTAL REVENUES	<u>1,683,900</u>	<u>2,462,662</u>	<u>2,529,790</u>	<u>67,128</u>
<u>EXPENDITURES</u>				
General government	938,218	898,642	825,570	73,072
Public safety	134,200	139,300	143,629	(4,329)
Health and welfare	253,460	279,120	250,186	28,934
Capital outlay	6,300	6,000	3,147	2,853
TOTAL EXPENDITURES	<u>1,332,178</u>	<u>1,323,062</u>	<u>1,222,532</u>	<u>100,530</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>351,722</u>	<u>1,139,600</u>	<u>1,307,258</u>	<u>167,658</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	254,000	254,000	257,486	3,486
Transfers out	(300,000)	(400,000)	(400,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(46,000)</u>	<u>(146,000)</u>	<u>(142,514)</u>	<u>3,486</u>
<u>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</u>	<u>305,722</u>	<u>993,600</u>	<u>1,164,744</u>	<u>171,144</u>
Budgetary Fund Balances, beginning of year	<u>9,280,127</u>	<u>8,748,274</u>	<u>8,854,294</u>	<u>106,020</u>
Budgetary Fund Balances, end of year	<u>\$ 9,585,849</u>	<u>\$ 9,741,874</u>	<u>\$ 10,019,038</u>	<u>\$ 277,164</u>

See accompanying note to budgetary comparison schedules.

RED RIVER PARISH POLICE JURY
COUSHATTA, LOUISIANA

SALES TAX FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2017

	Original Budget	Final Budget	Actual (Budgetary Basis) (See Note A)	Favorable (Unfavorable)
<u>REVENUES</u>				
Local sources:				
Taxes				
Sales and use taxes	\$ 1,500,000	\$ 2,000,000	\$ 2,240,955	\$ 240,955
Interest and investment income (loss)	5,000	-	(17,563)	(17,563)
TOTAL REVENUES	1,505,000	2,000,000	2,223,392	223,392
<u>EXPENDITURES</u>				
General government	20,200	25,371	22,798	2,573
TOTAL EXPENDITURES	20,200	25,371	22,798	2,573
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,484,800	1,974,629	2,200,594	225,965
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	-	-	-	-
Transfers out	(2,250,000)	(2,000,000)	(2,000,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	(2,250,000)	(2,000,000)	(2,000,000)	-
<u>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</u>	(765,200)	(25,371)	200,594	225,965
Budgetary Fund Balances, beginning of year	11,659,131	9,378,416	9,378,416	-
Budgetary Fund Balances, end of year	\$ 10,893,931	\$ 9,353,045	\$ 9,579,010	\$ 225,965

See accompanying note to budgetary comparison schedules.

RED RIVER PARISH POLICE JURY
COUSHATTA, LOUISIANA

AMBULANCE SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2017

	Original Budget	Final Budget	Actual (Budgetary Basis) (See Note A)	Variance Favorable (Unfavorable)
<u>REVENUES</u>				
Local sources:				
Taxes				
Sales and use taxes	\$ 700,000	\$ 1,100,000	\$ 1,120,370	\$ 20,370
Fees, charges, and commissions for services	300,000	400,000	467,338	67,338
Interest and investment income	-	-	220,784	220,784
Miscellaneous	1,200	30,200	28,352	(1,848)
TOTAL REVENUES	<u>1,001,200</u>	<u>1,530,200</u>	<u>1,836,844</u>	<u>306,644</u>
<u>EXPENDITURES</u>				
Public safety	1,246,420	1,294,211	1,240,455	53,756
Capital outlay	15,000	152,000	155,724	(3,724)
TOTAL EXPENDITURES	<u>1,261,420</u>	<u>1,446,211</u>	<u>1,396,179</u>	<u>50,032</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(260,220)</u>	<u>83,989</u>	<u>440,665</u>	<u>356,676</u>
<u>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</u>	<u>(260,220)</u>	<u>83,989</u>	<u>440,665</u>	<u>356,676</u>
Budgetary Fund Balances, beginning of year	<u>8,882,565</u>	<u>8,979,617</u>	<u>8,514,151</u>	<u>(465,466)</u>
Budgetary Fund Balances, end of year	<u>\$ 8,622,345</u>	<u>\$ 9,063,606</u>	<u>\$ 8,954,816</u>	<u>\$ (108,790)</u>

See accompanying note to budgetary comparison schedules.

**RED RIVER PARISH POLICE JURY
COUSHATTA, LOUISIANA**

**LIBRARY FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Original Budget	Final Budget	Actual (Budgetary Basis) (See Note A)	Variance Favorable (Unfavorable)
<u>REVENUES</u>				
Local sources:				
Taxes				
Ad valorem taxes	\$ 1,500,000	\$ 1,585,232	\$ 1,613,326	\$ 28,094
Fees, charges, and commissions for services	3,500	3,500	3,293	(207)
State sources:				
State revenue sharing	17,500	17,926	17,760	(166)
Other	-	-	-	-
Federal grants	-	-	-	-
Interest and investment income	5,000	3,000	50,651	47,651
Miscellaneous	1,250	2,000	1,966	(34)
TOTAL REVENUES	<u>1,527,250</u>	<u>1,611,658</u>	<u>1,686,996</u>	<u>75,338</u>
<u>EXPENDITURES</u>				
Recreation and culture	492,350	451,402	394,319	57,083
Capital Outlay	250,000	156,204	191,589	(35,385)
TOTAL EXPENDITURES	<u>742,350</u>	<u>607,606</u>	<u>585,908</u>	<u>21,698</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>784,900</u>	<u>1,004,052</u>	<u>1,101,088</u>	<u>97,036</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers out	-	-	(4,000)	(4,000)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>(4,000)</u>	<u>(4,000)</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	784,900	1,004,052	1,097,088	93,036
Budgetary Fund Balances, beginning of year	<u>6,155,690</u>	<u>6,062,516</u>	<u>6,137,533</u>	<u>75,017</u>
Budgetary Fund Balances, end of year	<u>\$ 6,940,590</u>	<u>\$ 7,066,568</u>	<u>\$ 7,234,621</u>	<u>\$ 168,053</u>

See accompanying note to budgetary comparison schedules.

**RED RIVER PARISH POLICE JURY
COUSHATTA, LOUISIANA**

**UNIT 1 ROAD FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Original Budget	Final Budget	Actual (Budgetary Basis) (See Note A)	Variance Favorable (Unfavorable)
<u>REVENUES</u>				
Local sources:				
License and permits	\$ 2,000	\$ 2,600	\$ 8,159	\$ 5,559
Fees, charges, and commissions for services	-	-	8,584	8,584
State sources:				
Parish transportation fund	100,000	140,000	138,671	(1,329)
Other	-	4,550	-	(4,550)
Federal grants	-	-	-	-
Miscellaneous	-	99,700	3,369	(96,331)
TOTAL REVENUES	<u>102,000</u>	<u>246,850</u>	<u>158,783</u>	<u>(88,067)</u>
<u>EXPENDITURES</u>				
Public works	1,704,000	1,271,672	1,083,814	187,858
Capital outlay	500,000	390,000	391,480	(1,480)
TOTAL EXPENDITURES	<u>2,204,000</u>	<u>1,661,672</u>	<u>1,475,294</u>	<u>186,378</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(2,102,000)</u>	<u>(1,414,822)</u>	<u>(1,316,511)</u>	<u>98,311</u>
<u>OTHER FINANCING SOURCES</u>				
Transfers in	2,000,000	1,750,000	1,750,000	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>2,000,000</u>	<u>1,750,000</u>	<u>1,750,000</u>	<u>-</u>
<u>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</u>	<u>(102,000)</u>	<u>335,178</u>	<u>433,489</u>	<u>98,311</u>
Budgetary Fund Balances, beginning of year	1,681,892	1,356,935	1,356,935	-
Budgetary Fund Balances, end of year	<u>\$ 1,579,892</u>	<u>\$ 1,692,113</u>	<u>\$ 1,790,424</u>	<u>\$ 98,311</u>

See accompanying note to budgetary comparison schedules.

**RED RIVER PARISH POLICE JURY
COUSHATTA, LOUISIANA**

**PUBLIC FACILITIES MAINTENANCE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual (Budgetary Basis) (See Note A)</u>	<u>Variance Favorable (Unfavorable)</u>
<u>REVENUES</u>				
Local sources:				
Taxes				
Ad valorem taxes	\$ 680,000	\$ 680,000	\$ 691,751	\$ 11,751
License and permits	500	330	500	170
Fees, charges, and commissions for services	42,000	42,000	42,000	-
State sources:				
Parish transportation fund	118,702	-	-	-
State revenue sharing	7,100	10,886	10,792	(94)
Other state funds	800	400	48,049	47,649
Federal grants	-	44,000	-	(44,000)
TOTAL REVENUES	<u>849,102</u>	<u>777,616</u>	<u>793,092</u>	<u>15,476</u>
<u>EXPENDITURES</u>				
Public works	612,793	520,333	467,890	52,443
Capital outlay	234,207	103,071	115,295	(12,224)
TOTAL EXPENDITURES	<u>847,000</u>	<u>623,404</u>	<u>583,185</u>	<u>40,219</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>2,102</u>	<u>154,212</u>	<u>209,907</u>	<u>55,695</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	50,000	50,000	50,000	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>-</u>
<u>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</u>	<u>52,102</u>	<u>204,212</u>	<u>259,907</u>	<u>55,695</u>
Fund Balances, beginning of year	<u>2,626,482</u>	<u>2,479,010</u>	<u>2,511,175</u>	<u>32,165</u>
Fund Balances, end of year	<u>\$ 2,678,584</u>	<u>\$ 2,683,222</u>	<u>\$ 2,771,082</u>	<u>\$ 87,860</u>

See accompanying note to budgetary comparison schedules.

RED RIVER PARISH POLICE JURY
COUSHATTA, LOUISIANA
NOTES TO THE BUDGETARY COMPARISONS SCHEDULES
DECEMBER 31, 2017

Note A – Budget to Actual Reconciliation

Ad valorem taxes collected within 60 days of the reporting period are considered measurable and available and are therefore recognized as revenues in the fund financial statements. Taxes collected after that are considered deferred inflows and are not recognized in the reporting period. Budgets are prepared on a budgetary basis which recognizes taxes collected after 60 days.

A reconciliation of the budgetary basis revenues and fund balance to revenues reflected in accordance with generally accepted accounting principles (GAAP) is presented below.

	General Fund	Library Fund	Public Facilities Maintenance Fund
Ad valorem taxes (GAAP)	\$ 704,445	\$ 1,409,455	\$ 604,844
Prior year deferred inflows	(36,151)	(75,017)	(32,165)
Current year deferred inflows	<u>140,464</u>	<u>278,888</u>	<u>119,072</u>
Ad valorem taxes (budgetary basis)	<u>\$ 808,758</u>	<u>\$ 1,613,326</u>	<u>\$ 691,751</u>
Beginning fund balance (GAAP)	\$ 8,818,143	\$ 6,062,516	\$ 2,479,010
Prior year deferred inflows	<u>36,151</u>	<u>75,017</u>	<u>32,165</u>
Beginning fund balance (budgetary basis)	<u>\$ 8,854,294</u>	<u>\$ 6,137,533</u>	<u>\$ 2,511,175</u>

RED RIVER PARISH POLICE JURY
COUSHATTA, LOUISIANA

SCHEDULE OF FUNDING PROGRESS AND SCHEDULE OF EMPLOYEE CONTRIBUTIONS
YEAR ENDED DECEMBER 31, 2017

SCHEDULE OF FUNDING PROGRESS

Fiscal Year Ending	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/17	01/01/15	\$ -	\$ 512,453	\$ 512,453	0.00%	\$ 2,227,594	23.00%
12/31/16	01/01/15	-	492,743	492,743	0.00%	2,388,735	20.63%
12/31/15	01/01/15	-	473,792	473,792	0.00%	2,223,276	21.31%
12/31/14	01/01/12	-	367,052	367,052	0.00%	1,990,001	18.44%
12/31/13	01/01/12	-	352,935	352,935	0.00%	1,956,443	18.04%
12/31/12	01/01/12	-	339,360	339,360	0.00%	2,379,241	14.26%
12/31/11	01/01/09	-	191,827	191,827	0.00%	2,274,635	8.43%
12/31/10	01/01/09	-	191,827	191,827	0.00%	1,586,162	12.09%

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Fiscal Year Ending	Annual OPEB Cost	Amount Contributed	Percentage of Annual OPEB Costs Contributed	Increase (Decrease) to Net OPEB Obligation	Net OPEB Obligation
12/31/17	\$ 60,244	\$ 21,401	35.52%	\$ 38,843	\$ 255,280
12/31/16	58,468	19,816	33.89%	38,652	216,437
12/31/15	56,782	18,348	32.31%	38,434	177,785
12/31/14	54,251	24,850	45.81%	29,401	139,351
12/31/13	52,616	23,009	43.73%	29,607	109,950
12/31/12	51,068	21,305	41.72%	29,763	80,343
12/31/11	25,953	9,093	35.04%	16,860	50,580
12/31/10	25,953	9,093	35.04%	16,860	33,720

Red River Parish Police Jury
Schedule of the Proportionate Share of the Net Pension Liability
Cost Sharing Plans
For the Year Ended December 31, 2017 (*)

<u>Pension Plan</u>	<u>Year</u>	<u>Employer's Proportion of the Net Pension Liability (Asset)</u>	<u>Employer's Proportionate Share of the Net Pension Liability (Asset)</u>	<u>Employer's Covered- Employee Payroll</u>	<u>Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
Parochial Employees' Retirement System of Louisiana						
	2017	0.2489%	\$ 512,549	\$ 1,475,352	34.7408%	94.15%
	2016	0.2595%	683,031	1,443,327	47.3234%	92.23%
	2015	0.2591%	70,830	1,453,831	4.8720%	99.15%
District Attorneys' Retirement System						
	2017	0.0658%	\$ 17,754	\$ 39,996	44.3894%	93.57%
	2016	0.0606%	11,595	39,996	28.9904%	95.09%
	2015	0.0682%	3,674	39,996	9.1859%	98.56%
	2014	0.0597%	1,190	39,996	2.9753%	99.45%
Registrar of Voters Employees' Retirement System						
	2017	0.1646%	\$ 36,134	\$ 22,547	160.2608%	80.51%
	2016	0.1499%	42,526	20,584	206.5974%	73.98%
	2015	0.1662%	40,708	22,547	180.5473%	76.86%
	2014	0.2337%	54,024	20,581	262.4945%	77.68%

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

(*) The amounts presented have a liability measurement date as follows:

Measurement Date	Pension Plan
December 31 of the prior year	Parochial Employees' Retirement System of Louisiana
June 30 of the year ended	District Attorneys' Retirement System
June 30 of the year ended	Registrar of Voters Employees' Retirement System

Red River Parish Police Jury
Schedule of Contributions to Each Retirement System
Cost Sharing Plans
For the Year Ended December 31, 2017

Pension Plan:	Year	Contractually Required Contribution ¹	Contributions in Relation to Contractually Required Contribution ²	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll ³	Contributions as a % of Covered Employee Payroll
Parochial Employees' Retirement System of Louisiana						
	2017	\$ 178,548	\$ 178,548	-	\$ 1,428,380	12.50%
	2016	191,796	191,796	-	1,475,352	13.00%
	2015	209,282	209,282	-	1,443,327	14.50%
	2014	232,613	232,613	-	1,453,831	16.00%
District Attorneys' Retirement System						
	2017	\$ -	\$ -	-	\$ 39,996	0.00%
	2016	700	700	-	39,996	0.00%
	2015	2,100	2,100	-	39,996	3.50%
	2014	3,350	3,350	-	39,996	8.38%
Registrar of Voters Employees' Retirement System						
	2017	\$ 4,171	\$ 4,171	-	\$ 22,547	18.50%
	2016	4,350	4,350	-	20,584	20.00%
	2015	5,270	5,270	-	22,547	23.37%
	2014	5,418	5,418	-	22,344	24.25%

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

For reference only:

¹ Employer contribution rate multiplied by employer's covered employee payroll

² Actual employer contributions remitted to Retirement Systems

³ Employer's covered employee payroll amount for each of the year ended December 31

RED RIVER PARISH POLICE JURY
COUSHATTA, LOUISIANA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2017

Changes of Benefit Terms include:

Parochial Employees' Retirement System of Louisiana Plan B

- No changes noted

District Attorneys' Retirement System

- No changes noted

Registrar of Voters Employees' Retirement System of Louisiana

- No changes noted

Changes of Assumptions

Parochial Employees' Retirement System of Louisiana Plan B

- No changes noted

District Attorneys' Retirement System

There were changes of assumptions for the year ended June 30, 2017. The service life to amortize deferred inflows and outflows other than investments changed from 6 years to 7 years. The investment rate also changed from 7% to 6.75%.

Registrar of Voters Employees' Retirement System of Louisiana

There were changes of assumptions for the year ended June 30, 2017. The investment rate also changed from 7% to 6.75%.

OTHER SUPPLEMENTARY INFORMATION

RED RIVER PARISH POLICE JURY
COUSHATTA, LOUISIANA

SCHEDULE OF COMPENSATION PAID BOARD MEMBERS
FOR THE YEAR ENDED DECEMBER 31, 2017

Shawn Beard	\$ 14,400
William Brown, President	14,400
Jessie Davis	14,400
Brandon Hillman	14,400
John "June Bug" Moore, Jr.	14,400
Tray Murray	14,400
Ben Taylor	14,400
	<u>\$ 100,800</u>

RED RIVER PARISH POLICE JURY
COUSHATTA, LOUISIANA

SCHEDULE OF COMPENSATION PAID TO HEAD OF POLICE JURY
FOR THE YEAR ENDED DECEMBER 31, 2017

Parish Administration Manager:	<u>Jessie Davis</u>
<u>Purpose</u>	<u>Amount</u>
Salary	\$ 95,388
Benefits - insurance	9,084
Benefits - retirement	11,924
Car allowance	-
Vehicle provided by government	-
Per diem	-
Reimbursements	1,814
Registration fees	275
Conference travel	462
Housing	-
Unvouchered expenses	-
Special meals	-
Other	-
	<u>\$ 118,947</u>

INDEPENDENT AUDITORS' 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

Red River Parish Police Jury
Coushatta, 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, the business-type activities, each major fund, and the aggregate remaining fund information of the Red River Parish Police Jury (Police Jury), as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Red River Parish Police Jury's basic financial statements, and have issued our report thereon dated June 29, 2018.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Postlethwaite & Netterville

Baton Rouge, Louisiana
June 29, 2018

RED RIVER PARISH POLICE JURY
COUSHATTA, LOUISIANA

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
YEAR ENDED DECEMBER 31, 2016

No prior year findings

RED RIVER PARISH POLICE JURY

REPORT TO MANAGEMENT

DECEMBER 31, 2017



Postlethwaite & Netterville

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RED RIVER PARISH POLICE JURY

REPORT TO MANAGEMENT

DECEMBER 31, 2017

June 29, 2018

Red River Parish Police Jury
Coushatta, Louisiana

We have audited the financial statements of the Red River Parish Police Jury (Police Jury), for the year ended December 31, 2017 and have issued our report thereon. As part of our audit, we considered the Police Jury's internal control over financial reporting as well as compliance with the terms of applicable laws and regulations, contracts, and grant agreements that could have a material effect on the financial statements. The purpose of our consideration of internal control and compliance was to establish a basis for designing our auditing procedures, and to determine the effects of compliance to financial statements amounts. Our consideration was not for the purpose of expressing an opinion on the effectiveness of the Police Jury's internal control or expressing an opinion on compliance. We also performed certain statewide agreed upon procedures on compliance and internal control areas as required by the Louisiana Legislative Auditor. Again, those procedures were not performed for the purpose of expressing an opinion on the effectiveness of the Police Jury's internal control or expressing an opinion on compliance.

The objective of internal control is to provide reasonable, but not absolute, assurance as to the safeguarding of assets against loss from unauthorized use or disposition, and the reliability of the financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a system of internal accounting control should not exceed the benefits derived and also recognizes that the evaluation of these factors necessarily requires estimates and judgments by management.

No matter how good a system, there are inherent limitations that should be recognized in considering the potential effectiveness of internal accounting. In the performance of most control procedures, errors can result from misunderstanding of instructions, mistakes of judgment, carelessness, or other personal factors. Control procedures whose effectiveness depends upon segregation of duties can be circumvented by collusion. Similarly, control procedures can be circumvented intentionally by management either with respect to the execution and recording of transactions or with respect to the estimates and judgments required in the preparation of financial statements. Further, projection of any evaluation of internal accounting control to future periods is subject to the risk that the degree of compliance with the procedures may deteriorate. We say this simply to suggest that any system needs to be constantly reviewed and improved where necessary.

During the course of our audit and performing our agreed-upon procedures engagement, we became aware of matters that are opportunities to ensure that there are appropriate internal controls in the future. Our comments are set forth below. This letter does not affect our reports dated June 29, 2018, on the financial statements of the Police Jury and the Police Jury's internal control over financial reporting.

MLC 2017 – 001 Collections and Segregation of Duties

Condition:

Internal controls should be established to ensure that unauthorized transactions are prevented or detected and corrected timely. Generally, effective internal controls segregate the incompatible duties of authorizing the transaction, accounting and reconciliation duties and having access to the assets. If mitigating controls exists, then those control procedures should be clear and documented.

Generally, collections for the Springville Sewer Fund are received by the receptionist and recorded in the billing system and credited to the resident's account. However, when the receptionist is absent, the Secretary/Treasurer or the Assistant Secretary/Treasurer will perform those duties. Both the Secretary/Treasurer and the Assistant Secretary/Treasurer are responsible for recording the transactions. Further, the Secretary/Treasurer is responsible for preparing the bank reconciliations and making deposits. In addition, the collections are not reconciled to the deposits.

Recommendation:

We recommend the following:

- Emphasize limit the collections performed by the Secretary/Treasurer or the Assistant Secretary/Treasurer.
- Establish a procedure whereby, the Secretary/Treasurer reconciles the collections entered into the billing system to deposits evidenced by her initials.
- Emphasize the need to hand out receipts to customers.
- Post a sign near the receptionist's desk instructing the customer to request a receipt if not provided with one.
- Verify that the receptionist cannot transact on her own account or the account of her relatives, if applicable.
- Consider making deposits more frequently

Management Response:

Management agrees with the observation and will implement the recommendations immediately.



MLC 2017 – 002 Federal Programs Internal Control and Procurement Policies

Condition:

The Federal Office of Management and Budget adopted the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards codified in Title 2 U.S. Code of Federal Regulations Part 200, commonly referred to as Uniform Guidance. The Uniform Guidance requires new requirements for expending federal funds for grants received after December 26, 2014. One set of new requirements is the Procurement Standards contained in Subpart D of the Uniform Guidance. These procurement rules differ from what is required in Louisiana State Law for purchasing. The implementation date for these new procurement standards was deferred so that entities can take the steps necessary to implement the needed procedures to comply with the requirements, and is effective January 1, 2018 for the Police Jury. As such, written policies and procedures should be in place to ensure purchases made with federal funds comply with these new requirements. In addition, the Uniform Guidance requires entities receiving federal awards to establish and maintain a system of internal controls over compliance with the federal awards.

Recommendation:

Written policies and procedures should be prepared and implemented to make sure the new federal procurement standards are being followed when purchases are made with federal grants. Additionally, a system of internal control over compliance with federal award requirements should be identified and established as required by Uniform Guidance.

Management Response:

Management is currently reviewing purchasing policies to determine what changes need to be made to be in compliance, and it expects these documents and procedures to be in full compliance during 2018.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with management. We will be pleased to discuss them in further detail at your convenience, to perform an additional study of these matters, or to assist you in implementing the recommendations.

This report is intended solely for the information and use of the Police Jury and the Legislative Auditor, and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:313, this report is distributed by the Legislative Auditor as a public document.

Sincerely,

Postlethwaite & Netterville

RED RIVER PARISH POLICE JURY

LOUISIANA LEGISLATIVE AUDITOR – STATEWIDE
AGREED-UPON PROCEDURES REPORT

FOR THE YEAR ENDED DECEMBER 31, 2017



Postlethwaite & Netterville

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INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Members of the
Red River Parish Police Jury and the
Louisiana Legislative Auditor:

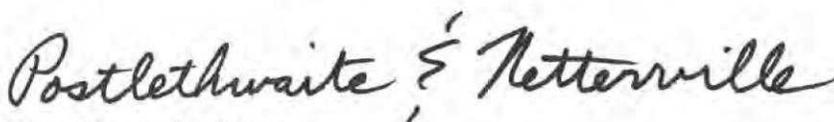
We have performed the procedures enumerated in Schedule A, which were agreed to by Red River Parish Police Jury (Police Jury) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2017 through December 31, 2017. The Police 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 in the attached Schedule A either for the purpose for which this report has been requested or for any other purpose.

The procedures we performed and the associated findings are summarized in the attached Schedule A, which is an integral part of this report.

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.



Baton Rouge, Louisiana
June 29, 2018

**RED RIVER PARISH POLICE JURY
AGREED-UPON PROCEDURES AND ASSOCIATED FINDINGS
DECEMBER 31, 2017**

Schedule A

The procedures performed and the results thereof are set forth below. The procedure is stated first, followed by the results of the procedure presented in italics. If the item being subjected to the procedures is positively identified or present, then the results will read "*No exception noted*". If not, then a description of the exception ensues.

Written Policies and Procedures

1. Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:

- a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget.

The Police Jury is operating under a manual published by the Police Jury Association of Louisiana, but has not adopted a policy for 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 Police Jury is operating under a manual published by the Police Jury Association of Louisiana, but has not adopted a policy for Purchasing.

- c) **Disbursements**, including processing, reviewing, and approving

The Police Jury is operating under a manual published by the Police Jury Association of Louisiana, but has not adopted a policy for Disbursements.

- d) **Receipts**, including receiving, recording, and preparing deposits

The Police Jury is operating under a manual published by the Police Jury Association of Louisiana, but has not adopted a policy for Receipts.

- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

No exceptions noted.

- 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 Police Jury is operating under a manual published by the Police Jury Association of Louisiana, but has not adopted a policy for 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.

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The Police Jury is operating under a manual published by the Police Jury Association of Louisiana, but has not adopted a policy for Credit 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 Police Jury is operating under a manual published by the Police Jury Association of Louisiana, but has not adopted a policy for 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, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.

The Police Jury is operating under a manual published by the Police Jury Association of Louisiana, but has not adopted a policy for Ethics.

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

The Police Jury is operating under a manual published by the Police Jury Association of Louisiana, but has not adopted a policy for Debt Service.

Board (or Finance Committee, if applicable)

2. Obtain and review the board/committee minutes for the fiscal period, and:
- a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.

No exceptions noted.

- b) Report whether the minutes referenced are including monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis). If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.

The Police Jury discussed budget-to-actual comparisons once during the year in November.

- 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.

No exceptions noted.

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Bank Reconciliations

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

A listing of bank accounts was provided and included a total of five bank accounts. A signed representation by management was obtained on the completeness of the listing provided.

4. Using the listing provided by management, select all of the entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three year rotating basis (if more than 5 accounts). For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:

From the listing provided, P&N selected five accounts and requested the bank reconciliations for each of the twelve months ending December 31, 2017, resulting in sixty bank reconciliations requested and subjected to the below procedures.

- a) Bank reconciliations have been prepared;

Of the five bank accounts selected, bank reconciliations were provided for three accounts. The other two accounts had no activity during the year, and therefore no reconciliations were prepared.

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

Of the 36 bank reconciliations for three accounts obtained, 12 reconciliations for one account did not have a reviewer's initials or any other documentation evidencing the review. The reconciliations for two accounts were not provided. Those two accounts had no activity during the year.

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

Of the 36 bank reconciliations for three accounts obtained, 20 bank reconciliations had reconciling items that have been outstanding for more than 6 months. There was no documentation evidencing that these reconciling items were researched for proper disposition.

Collections

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

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A listing of cash collection locations was provided and included a total of two cash collection locations. A signed representation by management was obtained on the completeness of the listing provided.

6. Using the listing provided by management, select all of the entity’s cash collection locations (if five locations or less) or one-third of the collection locations on a three year rotating basis (if more than 5 locations). **For each cash collection location selected:**

From the listing provided, P&N selected two of the locations and performed the procedures noted below.

- 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, (2.1) not responsible for depositing the cash in the bank, (2.2) recording the related transaction, or (2.3) 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.

Of the 2 collection locations selected, P&N noted compliance with the criteria set forth in procedure 6a) as follows:

<u>Person Responsible</u>	<u>Collection Location</u>	<u>Criteria Met (see reference in 6a above)</u>				
		<u>6a)1</u>	<u>6a)2.1</u>	<u>6a)2.2</u>	<u>6a)2.3</u>	<u>6a)3</u>
Receptionist	Central Office	Yes	Yes	Yes	No	NA
Assistant Administrator	Central Office	Yes	Yes	No	Yes	NA
Secretary/Treasurer	Central Office	Yes	No	No	No	NA
Library Director	Library	Yes	Yes	Yes	Yes	NA
Circulation Collector	Library	Yes	Yes	Yes	Yes	NA
Circulation Collector	Library	Yes	Yes	Yes	Yes	NA

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

No exceptions noted.

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

Using the collection data, P&N determined the highest collection week during the year ending December 31, 2017 for each respective collection location and performed the procedures noted below.

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

No exceptions noted.

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

No exceptions noted.

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

There is no written policy or procedure that specifically defines which controls and procedures are implemented for the purpose of determining the completeness of collections.

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

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

The listing of general ledger activity for all disbursements during the fiscal period was provided. A signed representation by management was obtained on the completeness of the listing provided.

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

P&N randomly selected twenty-five disbursements and performed the procedures below.

- 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.

Of the 25 disbursements tested, there was no requisition/purchase order issued for ten disbursements.

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

Of the 25 disbursements tested, there was no evidence that the requisition/purchase order was approved by a person who did not initiate the purchase for 19 disbursements.

- c) Payments for purchases were not processed without 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.

Of the 25 disbursements tested, there were three disbursements where the receipt of goods were not evidenced by a receiving report. The approval of all disbursements tested were evidenced by an approval of the invoice.

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

Two individuals are responsible for processing payments and both have the ability to add vendors.

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

There are four individuals who have signature authority (Secretary/Treasurer, Parish Manager, Board Vice President and Board President). The Secretary/Treasurer also initiates and records purchases.

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

The check stock is kept in a secure and locked location, but access 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.

No exceptions noted.

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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.

A listing of cards was provided and included a total of seven cards. A signed representation by management was obtained on the completeness of the listing provided.

15. Using the listing prepared by management, randomly select 10 cards (or at least one-third of the cards if the entity has less than 10 cards) that were used during the fiscal period, rotating cards each year. 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 perform the procedures below.

P&N selected three credit cards and performed the procedures noted below.

- 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.

For the three cards selected for testing, there was no evidence that the statements were reviewed by someone other than the authorized card holder.

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

No exceptions noted.

16. Using the monthly statements or combined statements selected under #15 above, obtain supporting documentation for all transactions for each of the 3 cards selected (i.e. each of the 3 cards should have one month of transactions subject to testing).

- a) For each transaction, report whether the transaction is supported by:

3. An original itemized receipt (i.e., identifies precisely what was purchased)

For the monthly statements selected for testing, no itemized receipts were maintained. Two of the three cards selected for testing were Fuel Man cards. Fuel Man statements include millage, but there is no evidence of review.

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

There was no documentation indicating the business/public purpose..

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

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

Travel and Expense Reimbursement

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

A listing of general ledger activity for all travel and related expense reimbursements, by person, during the fiscal period was provided. A signed representation by management was obtained on the completeness of the listing provided.

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

There is no written policy.

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

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

No exceptions noted.

- b) Report whether each expense is supported by:
1. An original itemized receipt that identifies precisely what was purchased.

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2. Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).
3. Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance)

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

Contracts

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

A listing of contracts in effect during the fiscal period was provided. A signed representation by management was obtained on the completeness of the listing provided.

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.

Of the four contracts selected for testing, one vendor that provided pest control was not operating under a formal/written contract.

- 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 (bid law) and:

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

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Not applicable.

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

None of the contracts selected for testing were subject to bid law. In procurement of these contracts, the Police Jury did not retain documentation evidencing that they solicit quotes as a best practice.

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

None of the contracts selected for testing were amended.

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

No exceptions noted.

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

No exceptions noted.

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Payroll and Personnel

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

A listing of employees was provided and included a total of 101 employees. A signed representation by management was obtained on the completeness of the listing provided.

- 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.

No exceptions noted.

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

No exceptions noted.

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

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

No exceptions noted.

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

For two of the 25 employees tested, there was no written documentation evidencing the supervisor's approval of the employees' attendance and leave. One of those employees was the supervisor of his department and the other was a part-time employee.

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

No exceptions noted.

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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.

No exceptions noted.

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

No exceptions noted.

Ethics (excluding nonprofits)

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

Of the five employees selected, one employee did not complete the ethics training, because that employee was hired after the training was initiated.

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

No ethics violations reported. No exceptions noted.

Debt Service

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

Not applicable.

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

Not applicable.

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

Not applicable.

Other

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

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

**RED RIVER PARISH POLICE JURY
AGREED-UPON PROCEDURES
MANAGEMENT'S RESPONSE AND CORRECTIVE ACTION PLAN
DECEMBER 31, 2017**

Schedule B

The Red River Parish Police Jury (Police Jury) provided a response and corrective action plan for the exceptions noted in Schedule A and are set forth below.

Written Policies and Procedures

The Police Jury plans to develop/write new or amended policies and procedures where applicable to address the findings noted in this section by December 31, 2018.

Board (or Finance Committee, if applicable)

The Police Jury will begin including budget to actual comparisons in all board meetings, by the August 2018 board meeting.

Bank Reconciliations

For accounts with no activity, we consider the bank statement the reconciliation. We will begin notating on the bank statements with no activity the agreement with the general ledger. The Police Jury will reemphasize existing controls and procedures and implement new documentation standards to address the findings noted in this section by December 31, 2018.

Collections

The Secretary/Treasurer rarely collects cash in the Police Jury office, but will do so only in the absence of the Receptionist. In addition, the Police Jury will develop/write new or amended policies and procedures where applicable to address the findings noted in this section by December 31, 2018.

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

The Police Jury will develop/write new or amended policies and procedures where applicable to address the applicability and usage of requisition/purchase orders the other findings noted in this section by December 31, 2018.

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

The Police Jury will develop/write new or amended policies and procedures where applicable to address the findings noted in this section by December 31, 2018.

Contracts

The Police Jury will develop/write new or amended policies and procedures where applicable to address the findings noted in this section by December 31, 2018.

**RED RIVER PARISH POLICE JURY
AGREED-UPON PROCEDURES
MANAGEMENT'S RESPONSE AND CORRECTIVE ACTION PLAN
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Schedule B

Payroll and Personnel

The Police Jury will develop/write new or amended policies and procedures where applicable to address the findings noted in this section by December 31, 2018.