

AVOYELLES PARISH POLICE JURY

Marksville, Louisiana

Financial Report

Year Ended December 31, 2017

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INDEPENDENT AUDITOR'S REPORT

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To the Members of the Police Jury
Avoyelles Parish
Marksville, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Avoyelles 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 Police Jury's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Basis for Adverse Opinion on Aggregate Discretely Presented Component Units

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

Adverse Opinion on Discretely Presented Component Units

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

Unmodified Opinions

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

Emphasis of Matter

As discussed in Note 15 to the financial statements, the Avoyelles Parish Police Jury has restated its prior period net position and fund balances due to errors discovered in the prior year. Our opinion on the December 31, 2017 financial statements is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the supplementary information on pages 40-49 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.

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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 the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Police Jury's basic financial statements. The other financial information is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards on page 68 is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, Section 8 financial data schedule, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, Section 8 financial data schedule, and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2018, on our consideration of the Police Jury's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 Police Jury's internal control over financial reporting and compliance.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Alexandria, Louisiana
June 25, 2018

BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS**

AVOYELLES PARISH POLICE JURY
Marksville, Louisiana

Statement of Net Position
December 31, 2017

Assets:	
Cash and interest-bearing deposits	\$ 13,687,598
Receivables, net	279,377
Ad valorem taxes, net	2,290,396
Sales tax receivables	328,759
Due from other governmental units	377,086
Prepaid items	169,061
Land and construction in progress	800,606
Capital assets, net	<u>6,495,757</u>
Total assets	<u>24,428,640</u>
Deferred outflows of resources - pensions	<u>291,133</u>
Liabilities:	
Accounts and other payables	513,543
Accrued liabilities	78,541
Unearned revenue	117,934
Due to other governmental units	27,087
Accrued interest payable	12,638
Long-term liabilities:	
Due within on year	115,742
Due in more than one year	980,064
Net pension liability	<u>231,916</u>
Total liabilities	<u>2,077,465</u>
Deferred inflows of resources - pensions	<u>57,108</u>
Net Position:	
Net investment in capital assets	6,296,363
Restricted -	
Public safety	11,449
Public works	9,003,428
Health and welfare	3,315,196
Culture and recreation	2,610,017
Economic development	194,316
Debt service	124,564
Unrestricted	<u>1,029,867</u>
Total net position	<u>\$ 22,585,200</u>

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

AVOYELLES PARISH POLICE JURY
Marksville, Louisiana

Statement of Activities
For the Year Ended December 31, 2017

Activities	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
		Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government:					
Governmental activities:					
General government	\$ 1,731,609	\$ 120,728	\$ 358,855	\$ -	\$ (1,252,026)
Public safety	505,998	137,805	-	-	(368,193)
Public works	5,054,011	10,003	472,531	38,761	(4,532,716)
Health and welfare	1,098,950	-	662,622	-	(436,328)
Culture and recreation	667,302	12,113	-	-	(655,189)
Economic development	274,486	3,994	-	-	(270,492)
Interest on long-term debt	12,666	-	-	-	(12,666)
Total governmental activities	\$ 9,345,022	\$ 284,643	\$ 1,494,008	\$ 38,761	(7,527,610)
General revenues:					
Taxes -					
Property taxes, levied for general purposes					2,889,402
Property taxes, levied for specific purposes					137,218
Sales and use taxes, levied for specific purposes					4,626,152
Severance taxes					239,845
Grants and contributions not restricted to specific programs -					
State revenue sharing					247,581
Parish equalization funds					244,470
Fire insurance rebate					180,566
Occupational licenses and other permits					381,005
Nonemployer pension contribution					19,294
Interest and investment earnings					22,239
Miscellaneous					177,483
Total general revenues					9,165,255
Change in net position					1,637,645
Net position, beginning, as restated					20,947,555
Net position, ending					\$ 22,585,200

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

FUND FINANCIAL STATEMENTS

AVOYELLES PARISH POLICE JURY
Marksville, Louisiana

Balance Sheet
Governmental Funds
December 31, 2017

	General	Road & Bridge	Solid Waste	Drainage
ASSETS				
Cash and interest-bearing deposits	\$ 386,658	\$ 1,407,958	\$ 5,049,226	\$ 917,129
Receivables, net	256,004	-	-	-
Ad valorem taxes, net	-	-	-	412,406
Sales tax receivables	-	82,190	246,569	-
Due from other funds	240,252	-	-	5,507
Due from other governmental units	<u>191,364</u>	<u>40,173</u>	<u>-</u>	<u>23,960</u>
Total assets	<u>\$ 1,074,278</u>	<u>\$ 1,530,321</u>	<u>\$ 5,295,795</u>	<u>\$ 1,359,002</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts and other payables	\$ 69,505	\$ 84,962	\$ 201,983	\$ 19,723
Accrued liabilities	17,903	16,370	12,769	11,255
Unearned revenue	-	-	-	-
Due to other funds	2,772	124,671	73,181	-
Due to other governmental units	<u>27,087</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>117,267</u>	<u>226,003</u>	<u>287,933</u>	<u>30,978</u>
Fund balances:				
Restricted -				
Public safety	-	-	-	-
Public works	-	1,304,318	5,007,862	1,328,024
Health and welfare	-	-	-	-
Culture and recreation	-	-	-	-
Economic development	-	-	-	-
Debt service	-	-	-	-
Unassigned	<u>957,011</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>957,011</u>	<u>1,304,318</u>	<u>5,007,862</u>	<u>1,328,024</u>
Total liabilities and fund balances	<u>\$ 1,074,278</u>	<u>\$ 1,530,321</u>	<u>\$ 5,295,795</u>	<u>\$ 1,359,002</u>

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

Health Unit	Library	Governmental Funds	Total
\$ 2,647,050	\$ 1,921,005	\$ 1,358,572	\$ 13,687,598
-	-	23,373	279,377
471,245	730,429	676,316	2,290,396
-	-	-	328,759
-	-	722	246,481
<u>27,308</u>	<u>42,328</u>	<u>51,953</u>	<u>377,086</u>
<u>\$ 3,145,603</u>	<u>\$ 2,693,762</u>	<u>\$ 2,110,936</u>	<u>\$ 17,209,697</u>
\$ 30,325	\$ 55,170	\$ 51,875	\$ 513,543
5,141	12,704	2,399	78,541
-	-	117,934	117,934
14,120	15,871	15,866	246,481
<u>-</u>	<u>-</u>	<u>-</u>	<u>27,087</u>
<u>49,586</u>	<u>83,745</u>	<u>188,074</u>	<u>983,586</u>
-	-	11,449	11,449
-	-	1,363,224	9,003,428
3,096,017	-	219,179	3,315,196
-	2,610,017	-	2,610,017
-	-	194,316	194,316
-	-	137,202	137,202
-	-	(2,508)	954,503
<u>3,096,017</u>	<u>2,610,017</u>	<u>1,922,862</u>	<u>16,226,111</u>
<u>\$ 3,145,603</u>	<u>\$ 2,693,762</u>	<u>\$ 2,110,936</u>	<u>\$ 17,209,697</u>

AVOYELLES PARISH POLICE JURY
Marksville, Louisiana

Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
December 31, 2017

Total fund balances for governmental funds		\$ 16,226,111
Capital assets, net		7,296,363
Prepaid expenses		169,061
Long-term liabilities:		
Bonds payable	\$ (1,000,000)	
Compensated absences payable	(95,806)	
Net pension liability	(231,916)	
Accrued interest payable	<u>(12,638)</u>	(1,340,360)
Deferred outflows of resources related to net pension liability		291,133
Deferred inflows of resources related to net pension liability		<u>(57,108)</u>
Net position		<u>\$ 22,585,200</u>

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

A VOYELLES PARISH POLICE JURY
Marksville, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balances -
Governmental Funds
For the Year Ended December 31, 2017

	General	Road & Bridge	Solid Waste	Drainage
Revenues:				
Taxes -				
Ad valorem	\$ 293,502	\$ 36	\$ -	\$ 491,858
Sales	-	1,122,206	3,366,619	-
Severance taxes	239,845	-	-	-
Licenses and permits	381,005	-	-	-
Intergovernmental revenues -				
Federal revenues	358,855	-	-	-
State funds -				
Parish transportation funds	-	472,531	-	-
State revenue sharing	23,973	-	-	38,572
Parish equalization funds	244,470	-	-	-
Fire insurance rebate	180,566	-	-	-
Fees, charges and commissions	409,368	-	-	-
Interest income	2,393	1,978	9,243	1,466
Other revenues	49,117	687	7,014	-
Total revenues	2,183,094	1,597,438	3,382,876	531,896
Expenditures:				
Current-				
General government:	1,637,626	-	-	-
Public safety	366,678	-	-	-
Public works	-	1,518,190	3,155,666	404,783
Health and welfare	-	-	-	-
Culture and recreation	25,692	-	-	-
Economic development and assistance	51,560	-	-	-
Debt service-				
Interest expense	-	-	-	-
Total expenditures	2,081,556	1,518,190	3,155,666	404,783
Excess of revenues over expenditures	101,538	79,248	227,210	127,113
Other financing sources (uses):				
Proceeds from issuance of debt	-	-	-	-
Transfers in	56,326	-	-	-
Transfers out	-	-	-	(13,655)
Total other financing sources (uses)	56,326	-	-	(13,655)
Changes in fund balances	157,864	79,248	227,210	113,458
Fund balances, beginning, as restated	799,147	1,225,070	4,780,652	1,214,566
Fund balances, ending	\$ 957,011	\$ 1,304,318	\$ 5,007,862	\$ 1,328,024

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

Health Unit	Library	Other Governmental Funds	Total
\$ 559,879	\$ 867,811	\$ 813,534	\$ 3,026,620
-	-	137,327	4,626,152
-	-	-	239,845
-	-	-	381,005
-	-	701,383	1,060,238
-	-	-	472,531
42,366	68,207	74,463	247,581
-	-	-	244,470
-	-	-	180,566
-	12,113	153,373	574,854
3,181	2,767	1,211	22,239
-	-	120,800	177,618
<u>605,426</u>	<u>950,898</u>	<u>2,002,091</u>	<u>11,253,719</u>
-	-	-	1,637,626
-	-	159,136	525,814
-	-	522,922	5,601,561
375,797	-	694,377	1,070,174
-	626,820	7,515	660,027
-	-	214,586	266,146
-	-	28	28
<u>375,797</u>	<u>626,820</u>	<u>1,598,564</u>	<u>9,761,376</u>
<u>229,629</u>	<u>324,078</u>	<u>403,527</u>	<u>1,492,343</u>
-	-	1,000,000	1,000,000
-	-	-	56,326
<u>(15,604)</u>	<u>(24,185)</u>	<u>(2,882)</u>	<u>(56,326)</u>
<u>(15,604)</u>	<u>(24,185)</u>	<u>997,118</u>	<u>1,000,000</u>
214,025	299,893	1,400,645	2,492,343
<u>2,881,992</u>	<u>2,310,124</u>	<u>522,217</u>	<u>13,733,768</u>
<u>\$ 3,096,017</u>	<u>\$ 2,610,017</u>	<u>\$ 1,922,862</u>	<u>\$ 16,226,111</u>

AVOYELLES PARISH POLICE JURY
Marksville, Louisiana

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended December 31, 2017

Total net change in fund balances per Statement of Revenues, Expenditures and Changes in Fund Balances		\$ 2,492,343
Capital assets:		
Capital outlay	\$ 645,949	
Depreciation expense	<u>(498,475)</u>	147,474
Long-term debt:		
Issuance of debt	(1,000,000)	
Increase of accrued interest payable	(12,638)	
Increase in compensated absences	<u>(15,107)</u>	(1,027,745)
Increase of prepaid expenditures		56,118
Effect of the change in net pension liability, deferred outflows/inflows of resources:		
Increase in pension expense	(49,839)	
Nonemployer pension contribution revenue recognized	<u>19,294</u>	<u>(30,545)</u>
 Total changes in net position per Statement of Activities		 <u>\$ 1,637,645</u>

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

AVOYELLES PARISH POLICE JURY
Marksville, Louisiana

Statement of Fiduciary Assets and Liabilities
Agency Fund
December 31, 2017

ASSETS

Cash	\$ 1,966
Receivables	<u>2,480</u>
Total assets	<u>\$ 4,446</u>

LIABILITIES

Due to other governmental units	<u>\$ 4,446</u>
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The accompanying notes are an integral part of the basic financial statements.

AVOYELLES PARISH POLICE JURY
Marksville, Louisiana

Notes to the Basic Financial Statements

(1) Summary of Significant Accounting Policies

The accompanying financial statements of the Avoyelles Parish Police Jury (Police Jury) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

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

A. Financial Reporting Entity

Avoyelles Parish Police Jury is the governing authority for Avoyelles Parish and is a political subdivision of the State of Louisiana. The Police Jury is governed by nine jurors representing the various districts within the parish. The jurors serve four-year terms.

The financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete, and (d) organizations that are closely related to, or financially integrated with the primary government.

Section 2100 of the 2011 Governmental Accounting Standards Board (GASB) *Codification of Governmental Accounting and Financial Reporting Standards*, "Defining the Financial Reporting Entity" establishes criteria for determining which entities should be considered a component unit and, as such, part of the reporting entity for financial reporting purposes. The basic criteria are as follows:

1. Legal status of the potential component unit including the right to incur its own debt, levy its own taxes and charges, expropriate property in its own name, sue and be sued, and the right to buy, sell and lease property in its own name.
2. Whether the primary government's governing authority appoints a majority of board members of the potential component unit and is able to impose its will on the potential component unit or whether the potential component unit is fiscally dependent on the primary government.

AVOYELLES PARISH POLICE JURY
Marksville, Louisiana

Notes to the Basic Financial Statements

3. Financial benefit/burden relationship between the primary government and the potential component unit.
4. The nature and significance of the relationship between the potential component unit with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading.

The following component unit is not presented in the accompanying financial statements:

Avoyelles Parish Airport Authority

Financial statements of the individual component unit may be obtained from the respective administrative office. This component unit financial data is necessary for reporting in conformity with generally accepted accounting principles.

Related Organizations

The Avoyelles Parish Police Jury appoints a portion of the governing boards of each of the entities described below. However, the Police Jury is not financially accountable for these organizations and therefore they are not component units.

Southwest Water District
Bunkie Hospital District
Ward 3 Water District

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues.

The statement of activities presents a comparison between direct expenses and program revenues for the business-type activities of the Police Jury and for each function of the Police Jury's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

AVOYELLES PARISH POLICE JURY
Marksville, Louisiana

Notes to the Basic Financial Statements

Fund Financial Statements (FFS)

The accounts of the Police Jury are organized on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The various funds of the Police Jury are classified as governmental. The emphasis on fund financial statements is on major governmental funds. A fund is considered major if it is the primary operating fund of the Police Jury or meets the following criteria:

- a. Total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The major funds of the Police Jury are described below:

Governmental Funds -

Governmental Funds are those through which the governmental functions of the Police Jury are financed. The acquisition, use and balance of the Police Jury's expendable financial resources and the related liabilities are accounted for through governmental funds.

The General Fund is the general operating fund of the Police Jury. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of government grants or other specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects of the Police Jury. The following are the Police Jury's major Special Revenue Funds:

The Road and Bridge Fund is used to account for maintenance and upkeep of parish roads and bridges within the respective districts.

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The Solid Waste Fund is used to account for the receipt and use of proceeds of three fourths of one percent (3/4%) sales tax used to provide garbage and waste collection and/or disposal for the Parish.

The Drainage Fund is used to account for the receipt and use of proceeds of ad valorem taxes and state revenue sharing revenue used for the maintenance of the parish drainage system.

The Health Unit Fund is used to account for the receipt and use of proceeds of ad valorem taxes and state revenue sharing revenue used for the maintenance of a health unit, which provides health and welfare services to the citizens of the parish.

The Library Fund is used to account for the receipt and use of proceeds of ad valorem taxes and state revenue sharing revenue used for the operation and maintenance of the parish library.

Governmental fund financial statements include a balance sheet and a statement of revenues, expenditures and changes in fund balances for all major governmental funds and nonmajor funds aggregated. A reconciliation is presented to summarize the differences in fund balances of the governmental fund financial statements and the net position of the governmental activities in the government-wide financial statements.

Fiduciary Funds -

Fiduciary funds account for assets held by the Police Jury in a trustee capacity or as an agency on behalf of other funds within the Police Jury. The funds accounted for in this category by the Police Jury are agency funds. The Police Jury's agency fund is the 12th Judicial District Court Fund which is used to account for the collection and distributions of fines and fees paid to and on behalf of the 12th Judicial District Court.

C. Measurement Focus/Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide statement of net position and the statement of activities, governmental activities are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery) and financial position. All assets and liabilities (whether current or noncurrent) associated with its activities are reported. Government-wide fund equity is classified as net position. In the fund financial statements, the "current financial resources"

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measurement focus is used. Only current financial assets and liabilities are generally included on its balance sheet. Their operating statement presents sources and uses of available spendable financial resources during a given period. This fund uses fund balance as its measure of available spendable financial resources at the end of the period.

Basis of Accounting

In the government-wide statement of net position and statement of activities, the governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

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. Revenues are classified by source and expenditures are classified by function and character. Expenditures (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Program revenues

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

Use of Restricted Resources

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.

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Equity

Cash and interest-bearing deposits

For purposes of the statement of net position, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposits

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of the Police Jury. Under state law, the Police Jury may invest in United States bonds, treasury notes, or certificates.

Interfund receivables and payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as “due to and from other funds.” Short-term interfund loans are reported as “interfund receivables and payables. Long-term interfund loans (noncurrent portion) are reported as “advances to and from other funds.” Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position.

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include ad valorem and sales and use taxes.

Prepaid Items

Payments made to vendors for services that will benefit period beyond December 31, 2017, are recorded as prepaid items.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the governmental activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Police Jury maintains a threshold level of \$1,000 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Prior to January 1, 2003, governmental funds' infrastructure assets were not capitalized. These assets have been valued at estimated historical cost.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

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Buildings and improvements	20-40 years
Equipment, furniture, and fixtures	5 years
Heavy equipment	20-40 years
Infrastructure	20 years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

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. The Police Jury does not have any proprietary funds.

All long-term debt to be repaid from governmental resources would be reported as liabilities in the government-wide statements.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures.

Compensated Absences

After six months of service, employees of the Police Jury earn annual leave at the rate of 5 to 15 days each year, depending upon their length of service. Unused annual leave may be carried forward from year to year, not to exceed 120 days (960 hours) for hourly and salary employees. Upon termination, employees are paid for unused annual leave at the employee's current rate of pay.

Employees of the Police Jury receive from 5 to 15 days of sick leave each year, depending upon their length of service. Unused sick leave may be carried forward from year to year not to exceed 120 days. Upon termination, unused sick leave is forfeited.

At December 31, 2017, employees of the Police Jury had accumulated and vested leave benefits totaling \$95,806.

Deferred Outflows of Resources and Deferred Inflows of Resources

In some instances, the GASB requires a government to delay recognition of decreases in net position as expenditures until a future period. In other instances, governments are required to delay recognition of increases in net position as revenues until a future period. In these circumstances, deferred outflows of resources and

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deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively.

Equity Classifications

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

- a. Net investment in capital assets – consists of net capital assets reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows of resources related to those assets.
- b. Restricted net position – consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets.
- c. Unrestricted net position – consists of all other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

In the fund financial statements, governmental fund equity is classified as fund balance. Fund balances for governmental funds are classified as follows:

- a. Nonspendable – amounts that cannot be spent either because they are not in spendable form or because of legal or contractual constraints requiring they remain intact.
- b. Restricted - amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors, grantors, contributors or amounts constrained due to constitutional provisions or enabling legislation or the laws or regulations of other governments.
- c. Committed - amounts that are constrained for specific purposes that are internally imposed by the Police Jury through formal legislative action and does not lapse at year end. A committed fund balance constraint can only be established, modified, or rescinded by passage of ordinances or resolutions approved by Police Jury members.
- d. Assigned - amounts that are constrained by the Police Jury’s intent to be used for specific purposes, that are neither restricted nor committed. The assignment of fund balance is authorized by a directive from the Police Jury’s Treasurer and approved by a resolution of the Police Jury members.

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- e. Unassigned – all other spendable amounts.

When an expenditure is incurred for the purposes for which both restricted and unrestricted fund balance is available, the Police Jury considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Police Jury considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Police Jury has provided otherwise in his commitment or assignment actions.

E. Revenues, Expenditures, and Expenses

Revenues

The Police Jury considers revenue to be susceptible to accrual in the governmental funds as it becomes measurable and available, as defined under the modified accrual basis of accounting. The Police Jury generally defines the availability period for revenue recognition as received within sixty (60) days of year end. The Police Jury's major revenue sources that meet this availability criterion are taxes, and intergovernmental revenues (including grant revenues). Grant revenues are revenues from federal, state, and private grants. These revenues are recognized when all applicable eligibility requirements are met and are reported as intergovernmental revenues. Interest income is recorded as earned in the fund holding the interest bearing asset. Substantially all other revenues are recorded when received.

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied in October and are actually billed to taxpayers in November. Billed taxes become delinquent on January 1 of the following year. The taxes are based on assessed values determined by the Tax Assessor of Avoyelles Parish and are collected by the Sheriff. Property tax revenues are recognized when levied to the extent that they result in current receivables.

Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function for governmental activities. In the fund financial statements, expenditures of governmental funds are classified by character. In the fund financial statements, governmental funds report expenditures of financial resources.

Interfund Transfers

Permanent reallocations of resources between funds of the reporting entity are classified as interfund transfers. For the purposes of the statement of activities, all interfund transfers between individual governmental funds have been eliminated.

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F. Revenue Restrictions

The Police Jury has various restrictions placed over certain revenue sources from state or local requirements. The proceeds from a 1% sales and use tax levied by the Police Jury are dedicated for the purpose of maintaining roads and bridges and expenses associated with solid waste collection and disposal. There is also a motel tax levied by the Police Jury that is dedicated for tourism inducement.

G. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows, liabilities and deferred inflows disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. These estimates include assessing the collectability of accounts receivable and the useful lives and impairment of tangible and intangible assets, among others. Estimates and assumptions are reviewed periodically and the effects of revisions are reflected in the period they are determined to be necessary. Actual results could differ from those estimates.

(2) Custodial Credit Risks

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the Police Jury's deposits may not be recovered or the Police Jury will not be able to recover the collateral securities that are in the possession of an outside party. These deposits are stated at cost, which approximates market. Under state law these deposits, (or the resulting bank balances) must be secured by federal deposit insurance or similar federal security of 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 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. Deposit balances (bank balances) at December 31, 2017 are secured as follows:

Bank balances	<u>\$ 13,728,348</u>
Insured	\$ 952,391
Uninsured and collateral held by pledging bank not in Police Jury's name	<u>12,775,957</u>
Total	<u>\$ 13,728,348</u>

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(3) Capital Assets

Capital asset activity was as follows:

	<u>Beginning</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending</u>
Capital assets not being depreciated:				
Land	\$ 590,548	\$ -	\$ -	\$ 590,548
Construction in progress	2,421,000	138,772	2,349,714	210,058
Other capital assets:				
Buildings and improvements	5,431,289	20,250	-	5,451,539
Equipment, furniture and fixtures	674,572	22,428	-	697,000
Infrastructure	78,140	2,671,103	-	2,749,243
Heavy equipment	<u>3,577,518</u>	<u>143,110</u>	<u>13,294</u>	<u>3,707,334</u>
Totals	<u>12,773,067</u>	<u>2,995,663</u>	<u>2,363,008</u>	<u>13,405,722</u>
Less accumulated depreciation				
Buildings and improvements	2,035,666	194,917	-	2,230,583
Equipment, furniture and fixtures	592,714	18,856	-	611,570
Infrastructure	51,199	123,113	-	174,312
Heavy equipment	<u>2,944,599</u>	<u>161,589</u>	<u>13,294</u>	<u>3,092,894</u>
Total accumulated depreciation	<u>5,624,178</u>	<u>498,475</u>	<u>13,294</u>	<u>6,109,359</u>
Capital assets, net	<u>\$ 7,148,889</u>	<u>\$ 2,497,188</u>	<u>\$ 2,349,714</u>	<u>\$ 7,296,363</u>

Depreciation expense was charged to primary government activities as follows:

General government	\$ 56,726
Public works	306,780
Economic development	42,980
Health and welfare	45,487
Culture and recreation	24,471
Public safety	<u>22,031</u>
Total depreciation expense	<u>\$ 498,475</u>

(4) Unearned Revenue

Unearned revenue consisted of rent revenue received in advance in the amount of \$80,000, as well as federal funds related to the Section 8 Housing program in the amount of \$37,934.

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(5) Long-Term Liabilities

The following is a summary of long-term liability activity:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Governmental activities:					
Compensated absences	\$ 80,699	\$ 92,949	\$ 77,842	\$ 95,806	\$ 28,742
Certificates of Indebtedness (1)	-	750,000	-	750,000	62,000
Certificates of Indebtedness (2)	-	250,000	-	250,000	25,000
	<u>\$ 80,699</u>	<u>\$ 1,092,949</u>	<u>\$ 77,842</u>	<u>\$ 1,095,806</u>	<u>\$ 115,742</u>

Long-term debt payable was composed of the following:

Certificates of Indebtedness (1)

The Police Jury issued \$750,000 of Limited Tax Certificates of Indebtedness, Series 2017, dated April 26, 2017, for the purpose of improving, maintaining and repairing public roads, bridges and drainage within the parish with principal installments due in amounts ranging from \$62,000 to \$88,000 through March 1, 2027 at an interest rate of 2.55%. \$ 750,000

Certificates of Indebtedness (2)

The Police Jury issued \$250,000 of Limited Tax Certificates of Indebtedness, Series 2017, dated April 26, 2017, for the purpose of improving, maintaining and repairing public roads, bridges and drainage within the parish with principal installments due of \$25,000 through March 1, 2027 at an interest rate of 1.275%. \$ 250,000

The certificates are due as follows:

Year Ending December 31,	Principal payments	Interest payments	Total
2018	\$ 87,000	\$ 29,110	\$ 116,110
2019	94,000	18,483	112,483
2020	95,000	17,283	112,283
2021	97,000	15,154	112,154
2022	98,000	12,986	110,986
2023-2027	<u>529,000</u>	<u>75,582</u>	<u>604,582</u>
	<u>\$ 1,000,000</u>	<u>\$ 168,598</u>	<u>\$ 1,168,598</u>

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(6) Operating Leases

The Police Jury leased equipment under operating leases that expire August 31, 2022. Lease expense amounted to \$17,090. Future minimum lease payments under the operating leases were as follows:

Year Ending December 31,	Total
2018	\$ 51,266
2019	51,266
2020	51,266
2021	51,266
2022	34,178
	\$ 239,242

(7) Pension Plans

The Police Jury participates in three cost-sharing defined benefit plans, each administered by separate public employee retirement systems. Article X, Section 29(F) of the Louisiana Constitution of 1974 assigns the authority to establish and amend benefit provisions of all plans administered by these public employee retirement systems to the State Legislature. These plans are not closed to new entrants. Substantially all Police Jury employees participate in one of the following retirement systems:

Plan Descriptions

Parochial Employees' Retirement System (PERS) provides retirement, disability, and survivor benefits to eligible employees and their beneficiaries as defined in LRS 11:1901 and 11:1941. The Police Jury participates in Plan B.

Louisiana State Employees' Retirement System (LASERS) provides retirement, disability, and survivor benefits to eligible employees and their beneficiaries as defined in the Louisiana Revised Statutes. The age and years of creditable service required in order for a member to receive retirement benefits are established by LRS 11:441 and vary depending on the member's hire date, employer and job classification.

Registrar of Voters Employees' Retirement System (ROVERS) provides retirement, disability, and survivor benefits to eligible registrars of voters in each parish, their deputies, their permanent employees, and their beneficiaries as defined in the Louisiana Revised Statutes. Eligibility for retirement benefits and the computation of retirement benefits are defined in LRS 11:2071-2072.

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The system's financial statements are prepared using the accrual basis of accounting. Employer and employee contributions are recognized in the period in which the employee is compensated for services performed. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan. Interest income is recognized when earned. Ad valorem taxes and revenue sharing monies are recognized in the year collected by the tax collector.

A brief summary of eligibility and benefits of the plans are provided in the following table.

	<u>PERS</u>	<u>LASERS</u>	<u>ROVERS</u>
Final average salary	Final average compensation	Highest 36 months or 60 months ³	Highest 60 months
Years of service required and/or age eligible for benefits	30 years age 55 ² 10 years age 60 ² 7 years age 65 ²	30 years of any age 25 years age 55 20 years of any age ¹ 5-10 years age 60 ⁴	30 years of any age 20 years age 55 ⁶ 10 years age 60 ⁶
Benefit percent per years of service	2.00%	2.5% - 3.5% ⁵	3.0% - 3.33% ⁷

¹ With actuarial reduced benefits

² Employees hired after January 1, 2007: 30 years age 55, 10 years age 62, 7 years age 67

³ Employees hired after a certain date use the revised benefit calculation based on the highest 60 months

⁴ Five to ten years of creditable service at age 60 depending upon the plan or when hired

⁵ Members in regular plan 2.5%, hazardous duty plan 3.33%, and judges 3.5%

⁶ After 12/31/2013 age eligibility is 30 years at 55, 20 years at 60, and 10 years at age 62

⁷ Benefit percent varies depending on hire date

Contributions

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. In addition, PERS and ROVERS receive a percentage of ad valorem taxes collected by parish. These entities are not participating employers in the pension systems and are considered to be nonemployer contributing entities. Contributions of employers, and nonemployer contributing entities effective for the year ended December 31, 2017 for the defined benefit pension plans in which the Police Jury is a participating employer were as follows:

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Plan	Active Member Contribution Percentage	Employer Contribution Percentage	Amount from Nonemployer Contributing Entities	Amount of Government Contributions
PERS	3.00%	8.00%	\$ 14,794	\$ 99,457
LASERS	12.25%	37.35%	-	3,706
ROVERS	7.00%	20.00%	4,500	4,032

Net Pension Liability

The Police Jury's net pension liability at December 31, 2017 is comprised of its proportionate share of the net pension liability relating to each of the cost-sharing plans in which the Police Jury is a participating employer. The Police Jury's net pension liability for each plan was measured as of the plans' measurement date (June 30, 2017 for all plans except PERS and December 31, 2016 for PERS) and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Police Jury's proportionate share of the net pension liability for each of the plans in which it participates was based on the Police Jury's required contributions in proportion to total required contributions for all employers. As of the most recent measurement date, the Police Jury's proportion for each plan and the change in proportion from the prior measurement date were as follows:

Plan	Proportionate Share of Net Pension Liability	Proportionate Share (%) of Net Pension Liability	Increase/(Decrease) from Prior Measurement Date
PERS	\$ 158,912	1.223272%	-0.121340%
LASERS	38,080	0.000540%	0.000010%
ROVERS	34,924	0.159100%	0.000460%
Total	<u>\$ 231,916</u>		

Since the measurement date of the net pension liability was June 30, 2017 (December 31, 2016 for PERS), the net pension liability is based upon fiduciary net position for each of the plans as of those dates. Detailed information about each pension plan's assets, deferred outflows, deferred inflows, and fiduciary net position that was used in the measurement of the Police Jury's net pension liability is available in the separately issued plan financial reports for those fiscal years. The financial report for each plan may be accessed on their website as follows:

- PERS - <http://www.persla.org/>
- LASERS - <http://www.laseronline.org/>
- ROVERS - <http://www.larovers.com/>

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Actuarial Assumptions

The following table provides information concerning actuarial assumptions used in the determination of the total pension liability for each of the defined benefit plans in which the Police Jury is a participating employer:

	<u>PERS</u>	<u>LASERS</u>	<u>ROVERS</u>
Date of experience study on which significant assumptions are based	1/1/2010 - 12/31/2014	7/1/2009 - 6/30/2013	7/1/2009 - 6/30/2014
Expected remaining service lives	4	3	5
Inflation Rate	2.50%	2.8%	2.5%
Projected salary increases	5.25%	2.8% - 14.3%	6.0%
Projected benefit changes including COLAs	None	None	None
Source of mortality assumptions	(1), (2), (3)	(4), (5)	(3), (6)

- (1) RP-2000 Employee Sex Distinct Table was selected for employees.
- (2) RP-2000 Health Annuitant Sex Distinct Tables were selected for annuitants and beneficiaries.
- (3) RP-2000 Disabled Lives Mortality was selected for disabled annuitants.
- (4) RP-2000 Combined Healthy Mortality Table with mortality improvement projected to 2015.
- (5) RP-2000 Disabled Retiree Mortality Table with no projection for mortality improvement.
- (6) RP-2000 Combined Healthy Mortality Table for active members, healthy annuitants and beneficiaries.

Cost of Living Adjustments

The pension plans in which the Police Jury participates have the authority to grant cost-of-living adjustments (COLAs) on an ad hoc basis. COLAs may be granted to the state system (LASERS) if approved with a two-thirds vote of both houses of the Legislature, provided the plan meets certain statutory criteria related to the funded status and interest earnings.

Pursuant to LRS 11:242(B), the power of the Board of Trustees of the statewide systems (PERS and ROVERS) to grant a COLA is effective in calendar years that the legislature fails to grant a COLA, unless in the legislation granting a COLA, the legislature authorizes the Board of Trustees to provide an additional COLA. The authority to grant a COLA by the Board is subject to the funded status and interest earnings. The effects of the benefit changes made as a result of the COLAs is included in the measurement of the total pension liability as of the measurement date at which the ad hoc COLA was granted and the amount is known and reasonably estimable.

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Discount Rate

The discount rates used to measure the Police Jury’s total pension liability for each plan and the significant assumptions used in the determination of the discount rate for each plan are as follows:

	<u>PERS</u>	<u>LASERS</u>	<u>ROVERS</u>
Discount rate	7.00%	7.70%	6.75%
Change in discount rate from prior valuation	-	(.05%)	(.25%)
Plan cash flow assumptions	(1)	(1)	(1)
Rates incorporated in the Discount Rate:			
Long-term Rate of Return	7.66%	8.69%	8.39%
Periods applied	All	All	All
Municipal Bond Rate	N/A	N/A	N/A

***Plan Cash Flow Assumptions:**

- 1) Plan member contributions will be made at the current contributions rates and sponsor contributions will be made at the actuarially determined rates.

The discount rates used to measure the Police Jury’s total pension liability for each plan is equal to the long-term expected rate of return on pension plan investments that are expected to be used to finance the payment of benefits. For LASERS and ROVERS, the long-term expected rate of return for each plan 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 expenses 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 and an adjustment for the effect of rebalancing/diversification. For PERS the rate was determined using a triangulation method which integrated the Capital Asset Pricing Model (CAPM), a treasury yield curve approach and an equity building block model. Risk return and correlation are projected on a forward looking basis in equilibrium, in which best-estimates of expected future real rates of return 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 and an adjustment for the effect of rebalancing/diversification.

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The target allocation and best-estimates of arithmetic/geometric real rates of return for each major asset class are summarized for each plan in the following tables:

Asset Class	PERS*		LASERS**		ROVERS*	
	Target Allocation	Long-term Expected Rate of Return	Target Allocation	Long-term Expected Rate of Return	Target Allocation	Long-term Expected Rate of Return
Cash	-	-	-	-0.24%	-	-
Fixed Income	35%	1.24%	-	-	-	-
Domestic Fixed Income	-	-	-	1.73%	20%	0.50%
International Fixed Income	-	-	-	2.49%	10%	0.35%
Equities	52%	3.63%	-	-	-	-
Domestic Equity	-	-	-	4.31%	40%	3.00%
International Equity	-	-	-	5.35%	15%	1.28%
Global Tactical Asset Allocation	-	-	-	2.84%	-	-
Alternative Investments	11%	0.67%	-	7.41%	5%	0.31%
Real Estate	2%	0.12%	-	-	10%	0.45%
Total	100%		0%		100%	

*Arithmetic real rates of return

**Geometric real rates of return

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:

Changes in the net pension liability may either be reported in pension expense in the year the change occurred or recognized as a deferred outflow of resources or a deferred inflow of resources in the year the change occurred and amortized into pension expense over a number of years. For the year ended December 31, 2017, the Police Jury recognized \$156,300 in pension expense related to all defined benefit plans in which it participates. PERS and ROVERS recognized revenues in the amount of \$19,294 in ad valorem taxes collected from nonemployer contributing entities.

AVOYELLES PARISH POLICE JURY
Marksville, Louisiana

Notes to the Basic Financial Statements

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 52,550
Changes of assumptions	22,458	1,129
Net difference between projected and actual earnings on pension plan investments	163,818	-
Change in proportion and differences between employer contributions and proportionate share of contributions	1,637	3,429
Employer contributions subsequent to the measurement date	103,220	-
Total	\$ 291,133	\$ 57,108

Deferred outflows of resources of \$103,220, resulting from the employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability during the year ending December 31, 2017. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions to be recognized in pension expense are as follows:

Year Ended December 31	Net Amount Recognized in Pension Expense
2018	\$ 41,940
2019	57,303
2020	38,433
2021	(6,871)
	\$ 130,805

Sensitivity of the Police Jury's Proportional Share of the Net Pension Liabilities to Changes in the Discount Rate

The following presents the Police Jury's proportionate shares of the net pension liabilities of the plans, calculated using their respective discount rates, as well as what the Police Jury's proportionate shares of the net pension liabilities would be if they were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

AVOYELLES PARISH POLICE JURY
Marksville, Louisiana

Notes to the Basic Financial Statements

<u>Plan</u>	Current <u>Discount Rate</u>	<u>Net Pension Liability</u>		
		<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
PERS	7.00%	\$ 604,142	\$ 158,912	\$ (216,924)
LASERS	7.70%	47,805	38,080	29,811
ROVERS	6.75%	<u>53,381</u>	<u>34,924</u>	<u>19,039</u>
Total		<u>\$ 705,328</u>	<u>\$ 231,916</u>	<u>\$ (168,074)</u>

Payables to Pension Plans

At December 31, 2017, the Police Jury reported a payable of \$36,523 for the outstanding amount of contributions due to the Systems for the year.

(8) Litigation and Claims

The Police Jury's legal counsel has reviewed various claims and lawsuits in order to evaluate the likelihood of an unfavorable outcome to the Police Jury and to arrive at an estimate, if any, of the amount of range of potential loss to the Police Jury. As of December 31, 2017 no amounts have been incurred which would require accrual

(9) Federal Compliance Contingencies

The Police Jury receives grants for specific purposes that are subject to review and audit by governmental agencies. Such audits could result in a request for reimbursement by the grantor for expenditures disallowed under the terms and conditions of the appropriate agency.

(10) Risk Management

The Jury is exposed to risks of loss in the areas of health care, general and auto liability, property hazards and workers' compensation and employee dishonesty. All of these risks are handled by purchasing commercial insurance coverage. There have not been any significant reductions in the insurance coverage during the year, nor have settlements exceeded insurance coverage for the past three years. Due to current insurance market conditions, the Police Jury is retaining the risk for its general liability exposures in areas where there is no affordable insurance coverage available.

AVOYELLES PARISH POLICE JURY
 Marksville, Louisiana

Notes to the Basic Financial Statements

(11) Deficit Fund Balance

The Tricia Park Sewer Fund, a nonmajor special revenue fund, had a deficit fund balance totaling \$6,903 at December 31, 2017. This deficit will be eliminated by increasing revenues and/or reducing expenditures.

(12) Compensation of Police Jurors

A summary of compensation paid to police jurors for the year ended December 31, 2017 is as follows:

Charles Jones, President	\$ 11,556
Mark Borrel	10,272
Glenn McKinley	10,272
Marsha Wiley	10,272
McKinley Keller	10,272
John Earles	10,272
Trent Clark	10,272
Henry Moreau	10,272
Kirby Roy	<u>10,272</u>
	<u>\$ 93,732</u>

(13) Compensation, Benefits and Other Payments to Board President

A detail of compensation, benefits, and other payments paid to Charles Jones – Board President, for the year ended December 31, 2017 follows:

Purpose	Amount
Salary	<u>\$ 11,556</u>

AVOYELLES PARISH POLICE JURY
Marksville, Louisiana

Notes to the Basic Financial Statements

(14) Interfund Transactions

A. A summary of interfund receivables and payables follows:

	Interfund Receivable	Interfund Payable
Major Governmental Fund:		
General Fund	\$ 240,252	\$ 2,772
Road and Bridge	-	124,671
Solid Waste	-	73,181
Drainage	5,507	-
Health unit	-	14,120
Library	-	15,871
Nonmajor Governmental Funds	722	15,866
Total	\$ 246,481	\$ 246,481

The above amounts are for reimbursements owed for expenditures paid for those funds and for short term loans.

B. Transfers are as follows:

	Transfers In	Transfers Out
Major governmental funds:		
General Fund	\$ 56,326	\$ -
Drainage	-	13,655
Health Unit	-	15,604
Library	-	24,185
Total major funds	56,326	53,444
Nonmajor funds	-	2,882
Total transfers in and out	\$ 56,326	\$ 56,326

Transfers are used to (a) move revenues from the fund that statute or budget requires to collect them in to the fund that statute or budget requires to expend them and to (b) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

AVOYELLES PARISH POLICE JURY
Marksville, Louisiana

Notes to the Basic Financial Statements

(15) Prior Period Adjustment

The Police Jury noted several errors in estimates and assumptions in prior periods. At the fund level only, the balances of prepaid assets and unavailable revenue were overstated. At both the fund and government wide levels, there were net adjustments related to interfund balances that over or understated the respective fund balances, as well as payroll and receivables being overstated. The effects of these errors are as follows:

	Beginning Net position/ Fund Balance	Adjustment to prepaid expenses	Adjustment to accrued liabilities	Adjustment to receivables/ revenues	Other adjustments	Beginning Net position/ Fund Balance, as restated
Governmental Activities	\$ 20,713,897	\$ -	\$ 46,595	\$ 76,347	\$ 108,439	\$ 20,945,278
General Fund	854,816	(20,186)	9,133	74,911	(119,527)	799,147
Road and Bridge Fund	1,140,143	(17,317)	12,037	19,087	71,120	1,225,070
Solid Waste Fund	4,679,320	(23,987)	7,190	57,260	60,869	4,780,652
Drainage Fund	1,120,224	(17,712)	5,944	71,887	34,223	1,214,566
Health Unit Fund	2,777,977	(9,917)	2,623	84,321	26,988	2,881,992
Library Fund	2,147,390	(17,943)	8,339	130,697	41,641	2,310,124
Other Governmental Funds	<u>528,401</u>	<u>(6,037)</u>	<u>1,329</u>	<u>-</u>	<u>(1,476)</u>	<u>522,217</u>
	<u>\$ 33,962,168</u>	<u>\$ (113,099)</u>	<u>\$ 93,190</u>	<u>\$ 514,510</u>	<u>\$ 222,277</u>	<u>\$ 34,679,046</u>

(16) New Accounting Pronouncements

In June 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 87, *Leases*. The statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The provisions of GASB Statement No. 87 are effective for fiscal years beginning after December 15, 2019. The effect of implementation on the Police Jury's financial statements has not yet been determined.

**REQUIRED
SUPPLEMENTARY INFORMATION**

AVOYELLES PARISH POLICE JURY
 Marksville, Louisiana
 General Fund

Budgetary Comparison Schedule
 For the Year Ended December 31, 2017

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		(Negative)
Revenues:				
Ad valorem tax	\$ 280,000	\$ 265,827	\$ 293,502	\$ 27,675
Severance taxes	235,000	179,508	239,845	
Licenses and permits	413,500	369,119	381,005	11,886
Intergovernmental revenues -				
Federal grants	239,530	327,726	358,855	31,129
State funds -				
State revenue sharing	65,000	80,793	23,973	(56,820)
Parish equalization funds	216,300	228,853	244,470	60,337
Other	170,000	180,566	180,566	-
Fees, charges and commissions	519,750	420,447	409,368	(11,079)
Interest income	1,251	2,034	2,393	359
Other	16,500	42,172	49,117	6,945
Total revenues	<u>2,156,831</u>	<u>2,097,045</u>	<u>2,183,094</u>	<u>70,432</u>
Expenditures:				
Current -				
General government:	1,621,375	1,642,932	1,637,626	5,306
Public safety	451,635	398,566	366,678	31,888
Culture and recreation	28,270	27,836	25,692	2,144
Economic development and assistance	57,440	53,915	51,560	2,355
Total expenditures	<u>2,158,720</u>	<u>2,123,249</u>	<u>2,081,556</u>	<u>41,693</u>
Excess (deficiency) of revenues over expenditures	(1,889)	(26,204)	101,538	127,742
Other financing sources:				
Transfers in	100,000	100,000	56,326	(43,674)
Change in fund balance	98,111	73,796	157,864	84,068
Fund balance, beginning, as restated	<u>799,147</u>	<u>799,147</u>	<u>799,147</u>	<u>-</u>
Fund balance, ending	<u>\$ 897,258</u>	<u>\$ 872,943</u>	<u>\$ 957,011</u>	<u>\$ 84,068</u>

AVOYELLES PARISH POLICE JURY
 Marksville, Louisiana
 Road and Bridge Fund

Budgetary Comparison Schedule
 For the Year Ended December 31, 2017

	Budget		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Ad valorem tax	\$ -	\$ -	\$ 36	\$ 36
Sales tax	1,100,000	1,035,000	1,122,206	87,206
State funds -				
Parish transportation funds	425,000	470,000	472,531	2,531
Interest income	2,000	1,683	1,978	295
Other	10,000	687	687	-
Total revenues	<u>1,537,000</u>	<u>1,507,370</u>	<u>1,597,438</u>	<u>90,032</u>
Expenditures:				
Current -				
Public works	<u>1,535,500</u>	<u>1,464,324</u>	<u>1,518,190</u>	<u>(53,866)</u>
Excess of revenues over expenditures	1,500	43,046	79,248	36,202
Fund balance, beginning, as restated	<u>1,225,070</u>	<u>1,225,070</u>	<u>1,225,070</u>	<u>-</u>
Fund balance, ending	<u>\$ 1,226,570</u>	<u>\$ 1,268,116</u>	<u>\$ 1,304,318</u>	<u>\$ 36,202</u>

AVOYELLES PARISH POLICE JURY
 Marksville, Louisiana
 Solid Waste Fund

Budgetary Comparison Schedule
 For the Year Ended December 31, 2017

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Sales tax	\$ 3,135,000	\$ 3,065,669	\$ 3,366,619	\$ 300,950
Interest income	3,500	4,200	9,243	5,043
Other revenues	<u>7,000</u>	<u>7,014</u>	<u>7,014</u>	<u>-</u>
Total revenues	<u>3,145,500</u>	<u>3,076,883</u>	<u>3,382,876</u>	<u>305,993</u>
Expenditures:				
Current -				
Public works	<u>3,043,753</u>	<u>3,064,334</u>	<u>3,155,666</u>	<u>(91,332)</u>
Excess of revenues over expenditures	<u>101,747</u>	<u>12,549</u>	<u>227,210</u>	<u>214,661</u>
Other financing uses:				
Transfers out	<u>(100,000)</u>	<u>(100,000)</u>	<u>-</u>	<u>100,000</u>
Change in fund balance	1,747	(87,451)	227,210	314,661
Fund balance, beginning, as restated	<u>4,780,652</u>	<u>4,780,652</u>	<u>4,780,652</u>	<u>-</u>
Fund balance, ending	<u>\$ 4,882,399</u>	<u>\$ 4,793,201</u>	<u>\$ 5,007,862</u>	<u>\$ 214,661</u>

AVOYELLES PARISH POLICE JURY
 Marksville, Louisiana
 Drainage Fund

Budgetary Comparison Schedule
 For the Year Ended December 31, 2017

	<u>Budget</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget
				Positive (Negative)
Revenues:				
Ad valorem taxes	\$ 400,000	\$ 350,000	\$ 491,858	\$ 141,858
State funds -				
State revenue sharing	24,500	29,973	38,572	8,599
Interest income	<u>1,500</u>	<u>1,300</u>	<u>1,466</u>	<u>166</u>
Total revenues	<u>426,000</u>	<u>381,273</u>	<u>531,896</u>	<u>150,623</u>
Expenditures:				
Current -				
Public works	<u>406,050</u>	<u>369,884</u>	<u>404,783</u>	<u>(34,899)</u>
Excess of revenues over expenditures	<u>19,950</u>	<u>11,389</u>	<u>127,113</u>	<u>115,724</u>
Other financing uses:				
Transfers out	<u>-</u>	<u>-</u>	<u>(13,655)</u>	<u>(13,655)</u>
Change in fund balance	19,950	11,389	113,458	102,069
Fund balance, beginning, as restated	<u>804,934</u>	<u>804,934</u>	<u>1,214,566</u>	<u>409,632</u>
Fund balance, ending	<u>\$ 824,884</u>	<u>\$ 816,323</u>	<u>\$ 1,328,024</u>	<u>\$ 511,701</u>

AVOYELLES PARISH POLICE JURY
 Marksville, Louisiana
 Health Unit Fund

Budgetary Comparison Schedule
 For the Year Ended December 31, 2017

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		(Negative)
Revenues:				
Ad valorem taxes	\$ 450,000	\$ 430,000	\$ 559,879	\$129,879
State funds -				
State revenue sharing	17,500	34,249	42,366	8,117
Interest income	2,000	2,350	3,181	831
Total revenues	<u>469,500</u>	<u>466,599</u>	<u>605,426</u>	<u>138,827</u>
Expenditures:				
Current -				
Health and welfare	<u>262,150</u>	<u>369,549</u>	<u>375,797</u>	<u>(6,248)</u>
Excess of revenues over expenditures	<u>207,350</u>	<u>97,050</u>	<u>229,629</u>	<u>132,579</u>
Other financing uses:				
Transfers out	<u>-</u>	<u>-</u>	<u>(15,604)</u>	<u>(15,604)</u>
Change in fund balance	207,350	97,050	214,025	116,975
Fund balance, beginning, as restated	<u>2,881,992</u>	<u>2,881,992</u>	<u>2,881,992</u>	<u>-</u>
Fund balance, ending	<u>\$ 3,089,342</u>	<u>\$ 2,979,042</u>	<u>\$ 3,096,017</u>	<u>\$132,579</u>

AVOYELLES PARISH POLICE JURY
 Marksville, Louisiana
 Library Fund

Budgetary Comparison Schedule
 For the Year Ended December 31, 2017

	Budget		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Ad valorem taxes	\$ 650,000	\$ 665,000	\$ 867,811	\$202,811
State funds -				
State revenue sharing	35,000	53,085	68,207	15,122
Fees, charges and commissions	7,000	11,180	12,113	933
Interest income	1,200	2,340	2,767	427
Other revenue	2,500	-	-	-
Total revenues	<u>695,700</u>	<u>731,605</u>	<u>950,898</u>	<u>219,293</u>
Expenditures:				
Current -				
Culture and recreation	<u>525,075</u>	<u>638,776</u>	<u>626,820</u>	<u>11,956</u>
Excess of revenues over expenditures	<u>170,625</u>	<u>92,829</u>	<u>324,078</u>	<u>231,249</u>
Other financing uses:				
Transfers out	<u>-</u>	<u>-</u>	<u>(24,185)</u>	<u>(24,185)</u>
Change in fund balance	170,625	92,829	299,893	255,434
Fund balance, beginning, as restated	<u>2,310,124</u>	<u>2,310,124</u>	<u>2,310,124</u>	<u>-</u>
Fund balance, ending	<u>\$ 2,480,749</u>	<u>\$ 2,402,953</u>	<u>\$ 2,610,017</u>	<u>\$255,434</u>

AVOYELLES PARISH POLICE JURY
Marksville, Louisiana

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

(1) Budgets and Budgetary Accounting

The Avoyelles Parish Police Jury follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The Secretary-Treasurer prepares and submits the proposed budget to the parish governing authority prior to the fifteenth day of the fiscal year for which the budget is to be applicable.
2. A summary of the proposed budget is published, and the public is notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for a hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is legally adopted prior to the commencement of the fiscal year for which the budget is being adopted.
5. All budgetary appropriations lapse at the end of each fiscal year.
6. The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts included in the accompanying financial statements are as originally adopted or as finally amended by the Avoyelles Parish Police Jury.

(2) Excess of Expenditures over Appropriations

The Road and Bridge, Solid Waste, Drainage and Health Unit Fund incurred expenditures in excess of appropriations.

AVOYELLES PARISH POLICE JURY
Marksville, Louisiana

Schedule of Employers' Share of Net Pension Liability
For the Year Ended December 31, 2017

* Year ended December 31,	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Employee Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
Parochial Employees Retirement System - Plan B:					
2015	1.420770%	\$ 3,946	\$ 1,206,037	0.3%	99.89%
2016	1.344612%	\$ 239,402	\$ 1,292,378	18.5%	93.48%
2017	1.223272%	\$ 158,912	\$ 1,218,607	13.0%	94.15%
Louisiana State Employees' Retirement System: **					
2015	0.000530%	\$ 35,776	\$ 9,600	372.7%	62.70%
2016	0.000530%	\$ 41,854	\$ 9,600	436.0%	57.70%
2017	0.000540%	\$ 38,080	\$ 9,600	396.7%	62.50%
Registrar of Voters Retirement System: **					
2015	0.160660%	\$ 39,346	\$ 21,792	180.6%	76.86%
2016	0.158640%	\$ 45,014	\$ 21,792	206.6%	73.98%
2017	0.159100%	\$ 34,924	\$ 21,792	160.3%	80.51%

* The amounts presented have a measurement date of December 31

** The amounts presented have a measurement date of June 30

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

AVOYELLES PARISH POLICE JURY
Marksville, Louisiana

Schedule of Employer Contributions
For the Year Ended December 31, 2017

Year ended December 31,	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
Parochial Employees Retirement System - Plan B:					
2015	\$ 116,314	\$ 116,314	\$ -	\$ 1,292,378	9.00%
2016	\$ 97,333	\$ 97,333	\$ -	\$ 1,218,607	8.00%
2017	\$ 99,457	\$ 99,457	\$ -	\$ 1,243,207	8.00%
Louisiana State Employees' Retirement System:					
2015	\$ 3,722	\$ 3,722	\$ -	\$ 9,600	38.77%
2016	\$ 3,650	\$ 3,650	\$ -	\$ 9,600	38.02%
2017	\$ 3,706	\$ 3,706	\$ -	\$ 9,600	38.60%
Registrar of Voters Retirement System:					
2015	\$ 5,094	\$ 5,094	\$ -	\$ 21,792	23.38%
2016	\$ 4,631	\$ 4,631	\$ -	\$ 21,792	21.25%
2017	\$ 4,032	\$ 4,032	\$ -	\$ 21,792	18.50%

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

AVOYELLES PARISH POLICE JURY
Marksville, Louisiana

Notes to Retirement System Schedules
For the Year Ended December 31, 2017

(1) Retirement Systems

A. Parochial Employees' Retirement System

- 1) Changes of benefit terms – There were no changes of benefit terms for the year ended December 31, 2017.
- 2) Changes of assumptions – There were no changes of assumptions for the year ended December 31, 2017.

B. Louisiana State Employees' Retirement System

- 1) Changes of benefit terms – There were no changes of benefit terms for the year ended December 31, 2017.
- 2) Changes of assumptions – Amounts reported in the fiscal year ended December 31, 2017 for the retirement system reflect an adjustment in the discount rate used to measure total pension liability. The discount rate was reduced by .05% to 7.70% as of the valuation date of June 30, 2017. In addition, the inflation rate used decreased .25% to 2.75% and the projected ranges of salary increases for various member types increased and decreased, based on member.

C. Registrar of Voters Employees' Retirement System

- 1) Changes of benefit terms – There were no changes of benefit terms for the year ended December 31, 2017.
- 2) Changes of assumptions – Amounts reported in the fiscal year ended December 31, 2017 for the retirement system reflect an adjustment in the discount rate used to measure total pension liability. The discount rate was reduced by .25% to 6.75% as of the valuation date of June 30, 2017.

**OTHER FINANCIAL
INFORMATION**

AVOYELLES PARISH POLICE JURY
 Marksville, Louisiana
 Nonmajor Governmental Funds

Combining Balance Sheet
 December 31, 2017

	Special Revenue	Capital Projects	Road District Debt Service Fund	Total
ASSETS				
Cash and interest-bearing deposits	\$ 1,022,151	\$ 199,219	\$ 137,202	\$ 1,358,572
Receivables, net	23,373	-	-	23,373
Ad valorem taxes, net	676,316	-	-	676,316
Due from other funds	722	-	-	722
Due from other governments	49,642	2,311	-	51,953
Total assets	\$ 1,772,204	\$ 201,530	\$ 137,202	\$ 2,110,936
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts and other payables	\$ 49,564	\$ 2,311	\$ -	\$ 51,875
Accrued liabilities	2,399	-	-	2,399
Unearned revenue	37,934	80,000	-	117,934
Due to other funds	15,866	-	-	15,866
Total liabilities	105,763	82,311	-	188,074
Fund balances:				
Restricted -				
Economic development	169,946	24,370	-	194,316
Public safety	11,449	-	-	11,449
Public works	1,268,375	94,849	-	1,363,224
Health and welfare	219,179	-	-	219,179
Debt Service	-	-	137,202	137,202
Unassigned	(2,508)	-	-	(2,508)
Total fund balances	1,666,441	119,219	137,202	1,922,862
Total liabilities and fund balances	\$ 1,772,204	\$ 201,530	\$ 137,202	\$ 2,110,936

AVOYELLES PARISH POLICE JURY
Marksville, Louisiana
Nonmajor Governmental Funds

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

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Total</u>
Revenues:				
Taxes -				
Ad valorem	\$ 676,316	\$ -	\$ 137,218	\$ 813,534
Sales taxes	137,327	-	-	137,327
Intergovernmental revenues -				
Federal grants	662,622	38,761	-	701,383
State funds:				
State revenue sharing	74,463	-	-	74,463
Fees, charges and commissions	143,370	10,003	-	153,373
Interest income	916	283	12	1,211
Other revenues	<u>120,800</u>	<u>-</u>	<u>-</u>	<u>120,800</u>
Total revenues	<u>1,815,814</u>	<u>49,047</u>	<u>137,230</u>	<u>2,002,091</u>
Expenditures:				
Current -				
Economic development	175,825	38,761	-	214,586
Culture and recreation	7,515	-	-	7,515
Health and welfare	694,377	-	-	694,377
Public safety	159,136	-	-	159,136
Public works	522,922	-	-	522,922
Debt service -				
Interest expense	<u>-</u>	<u>-</u>	<u>28</u>	<u>28</u>
Total expenditures	<u>1,559,775</u>	<u>38,761</u>	<u>28</u>	<u>1,598,564</u>
Change in fund balance	256,039	10,286	137,202	403,527
Other financing sources (uses):				
Proceeds from issuance of debt	1,000,000	-	-	1,000,000
Transfers out	<u>(2,882)</u>	<u>-</u>	<u>-</u>	<u>(2,882)</u>
Total other financing sources (uses)	<u>997,118</u>	<u>-</u>	<u>-</u>	<u>997,118</u>
Excess of revenues and other sources over expenditures and other uses	1,253,157	10,286	137,202	1,400,645
Fund balances, beginning, as restated	<u>413,284</u>	<u>108,933</u>	<u>-</u>	<u>522,217</u>
Fund balances, ending	<u>\$ 1,666,441</u>	<u>\$ 119,219</u>	<u>\$ 137,202</u>	<u>\$ 1,922,862</u>

NONMAJOR SPECIAL REVENUE FUNDS

Law Enforcement Fund

To account for court costs which are then used to pay expenses related to the 12th Judicial District court and transfer funds to the Off-Duty Witness Fees fund as needed.

Tricia Park Sewer Fund

To account for the operation and maintenance of the Tricia Park Sewerage System. Financing is provided by charges to customers and operating transfers from the General Fund.

Off-Duty Witness Fees Fund

To account for court costs used to pay off-duty officers for their testimony in criminal cases.

Tourist Commission Fund

To account for revenues and subsequent disbursements used to encourage the development of tourism in Avoyelles Parish. Primary sources of revenues is the 5% hotel/motel tax levied upon the occupancy of hotel and motel rooms and overnight camping facilities.

Criminal Court Fund

To account for the receipt of court fees and fines and the subsequent disbursement of these receipts for salaries and operating expenses of the criminal court. Operation is also financed by transfers from the General Fund.

Section 8 HUD - Program

To account for funds provided under the Section 8 Housing Voucher Program by the United States Department of Housing and Urban Development. The monies are used to aid low income families in obtaining decent, safe and sanitary housing through a system of rental subsidies.

Road District #2

To account for expenditures for maintaining roads within district #2 of the parish. Major means of financing is provided by ad valorem taxes and state revenue sharing.

Avoyelles Port Commission

To account for monies received on-behalf of the Avoyelles Port Commission.

AVOYELLES PARISH POLICE JURY
Marksville, Louisiana
Nonmajor Special Revenue Funds

Combining Balance Sheet
December 31, 2017

	Law Enforcement	Tricia Park Sewer	Off-Duty Witness Fees	Tourist Commission	Criminal Court	Section 8	Road District #2	Avoyelles Port Comission	Total
ASSETS									
Cash and interest-bearing deposits	\$ 10,206	\$ -	\$ 13	\$ 171,079	\$ 3,705	\$ 266,417	\$ 570,731	\$ -	\$ 1,022,151
Receivables, net	615	-	615	10,418	11,725	-	-	-	23,373
Ad valorem taxes, net	-	-	-	-	-	-	676,316	-	676,316
Due from other governments	-	-	-	-	-	-	49,642	-	49,642
Due from other funds	-	-	-	722	-	-	-	-	722
Total assets	<u>\$ 10,821</u>	<u>\$ -</u>	<u>\$ 628</u>	<u>\$ 182,219</u>	<u>\$ 15,430</u>	<u>\$ 266,417</u>	<u>\$ 1,296,689</u>	<u>\$ -</u>	<u>\$ 1,772,204</u>
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts and other payables	\$ -	\$ -	\$ -	\$ 11,259	\$ 9,205	\$ 786	\$ 28,314	\$ -	\$ 49,564
Accrued liabilities	-	-	-	1,014	-	1,385	-	-	2,399
Unearned revenue	-	-	-	-	-	37,934	-	-	37,934
Due to other funds	-	6,903	-	-	1,830	7,133	-	-	15,866
Total liabilities	<u>-</u>	<u>6,903</u>	<u>-</u>	<u>12,273</u>	<u>11,035</u>	<u>47,238</u>	<u>28,314</u>	<u>-</u>	<u>105,763</u>
Fund balances:									
Restricted -									
Economic development	-	-	-	169,946	-	-	-	-	169,946
Public safety	10,821	-	628	-	-	-	-	-	11,449
Public works	-	-	-	-	-	-	1,268,375	-	1,268,375
Health and welfare	-	-	-	-	-	219,179	-	-	219,179
Unassigned (deficit)	-	(6,903)	-	-	4,395	-	-	-	(2,508)
Total fund balances	<u>10,821</u>	<u>(6,903)</u>	<u>628</u>	<u>169,946</u>	<u>4,395</u>	<u>219,179</u>	<u>1,268,375</u>	<u>-</u>	<u>1,666,441</u>
Total liabilities and fund balances	<u>\$ 10,821</u>	<u>\$ -</u>	<u>\$ 628</u>	<u>\$ 182,219</u>	<u>\$ 15,430</u>	<u>\$ 266,417</u>	<u>\$ 1,296,689</u>	<u>\$ -</u>	<u>\$ 1,772,204</u>

AVOYELLES PARISH POLICE JURY
 Marksville, Louisiana
 Nonmajor Special Revenue Funds

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

	<u>Law Enforcement</u>	<u>Tricia Park Sewer</u>	<u>Off-Duty Witness Fees</u>	<u>Tourist Commission</u>
Revenues:				
Ad valorem	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	137,327
Intergovernmental revenues -				
Federal grants	-	-	-	-
State funds -				
State revenue sharing	-	-	-	-
Fees, charges and commissions	9,516	1,571	7,800	3,994
Interest income	58	-	32	343
Other revenues	-	-	-	34,793
Total revenues	<u>9,574</u>	<u>1,571</u>	<u>7,832</u>	<u>176,457</u>
Expenditures:				
Current -				
Economic development	-	-	-	175,825
Culture and recreation	-	-	-	7,515
Health and welfare	-	-	-	-
Public safety	15,954	-	9,310	-
Public works	-	3,465	-	-
Total expenditures	<u>15,954</u>	<u>3,465</u>	<u>9,310</u>	<u>183,340</u>
Excess (deficiency) of revenues over expenditures	<u>(6,380)</u>	<u>(1,894)</u>	<u>(1,478)</u>	<u>(6,883)</u>
Other financing sources (uses):				
Proceeds from issuance of debt	-	-	-	-
Transfers out	-	-	-	(2,882)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,882)</u>
Change in fund balance	(6,380)	(1,894)	(1,478)	(9,765)
Fund balances (deficit), beginning, as restated	<u>17,201</u>	<u>(5,009)</u>	<u>2,106</u>	<u>179,711</u>
Fund balances (deficit), ending	<u>\$ 10,821</u>	<u>\$ (6,903)</u>	<u>\$ 628</u>	<u>\$ 169,946</u>

Criminal Court	Section 8	Road District #2	Avoyelles Port Comission	Total
\$ -	\$ -	\$ 676,316	\$ -	\$ 676,316
-	-	-	-	137,327
-	662,622	-	-	662,622
-	-	74,463	-	74,463
120,489	-	-	-	143,370
38	445	-	-	916
9,300	39,654	-	37,053	120,800
<u>129,827</u>	<u>702,721</u>	<u>750,779</u>	<u>37,053</u>	<u>1,815,814</u>
-	-	-	-	175,825
-	-	-	-	7,515
-	694,377	-	-	694,377
133,872	-	-	-	159,136
-	-	482,404	37,053	522,922
<u>133,872</u>	<u>694,377</u>	<u>482,404</u>	<u>37,053</u>	<u>1,559,775</u>
<u>(4,045)</u>	<u>8,344</u>	<u>268,375</u>	<u>-</u>	<u>256,039</u>
-	-	1,000,000	-	1,000,000
-	-	-	-	(2,882)
-	-	1,000,000	-	997,118
(4,045)	8,344	1,268,375	-	1,253,157
8,440	210,835	-	-	413,284
<u>\$ 4,395</u>	<u>\$ 219,179</u>	<u>\$ 1,268,375</u>	<u>\$ -</u>	<u>\$ 1,666,441</u>

NONMAJOR CAPITAL PROJECTS FUNDS

Bayou Lacombe Drainage Project

To account for the cost to clean out and dredge the existing Bayou Lacombe channel. Funding to be provided by local funds in the amount of \$178,000 and a DOTD grant in the amount of \$291,000.

Casino Capital Improvements

To account for the accumulation of resources for, and payment of, cost to construct and improve public roads and bridges.

Downtown Marksville Restoration Project

To account for the cost of improvements for downtown Marksville. These improvements are funded by the Clerk of Court and operating funds of the Police Jury.

LSU Agriculture Center/ 4-H Museum

To account for the cost of building a county agents office and 4-H museum which will also house the Avoyelles Parish Commission of Tourism.

Bordelonville Volunteer Fire Department 2007 LCDBG

To account for funds appropriated by Bordelonville Fire Department to the Police Jury to hire a consultant to carry out all administrative activities related to the grant. These funds will be used to enlarge the water system for the Volunteer Fire Department.

Industrial Park Grant

To account for revenues and expenditures related to a grant received for capital improvements to the Industrial Park Road in Mansura, LA.

EECBG - Library

To account for revenues and expenditures related to a grant received for energy efficient capital improvements to the public Libraries.

Courtoom Renovations

To account for revenues and expenditures related to an intergovernmental agreement with the Avoyelles Assessor's Office for improvements to the courtrooms

LCDBG Ike Gustav

To account for the receipt of and expenditures of grant proceeds related to the implementation of recovery programs designed to address the impact of Hurricanes Ike and Gustav.

Blair Road LCDBG

To account for revenues and expenditures related to a grant received from the State of Louisiana Division of Administration for water system improvements along Blair road.

AVOYELLES PARISH POLICE JURY
 Marksville, Louisiana
 Nonmajor Capital Projects Funds

Balance Sheet
 December 31, 2017

	Bayou Lacombe Drainage Project	Casino Capital Improvements	Downtown Marksville Restoration Project	LSU Ag Center / 4-H Museum
ASSETS				
Cash and interest-bearing deposits	\$ 67,501	\$ 4,417	\$ 121	\$ 4,581
Due from other governments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 67,501</u>	<u>\$ 4,417</u>	<u>\$ 121</u>	<u>\$ 4,581</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Unearned revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:				
Restricted for -				
Public works	67,501	4,417	-	-
Economic development	<u>-</u>	<u>-</u>	<u>121</u>	<u>4,581</u>
Total fund balances	<u>67,501</u>	<u>4,417</u>	<u>121</u>	<u>4,581</u>
Total liabilities and fund balances	<u>\$ 67,501</u>	<u>\$ 4,417</u>	<u>\$ 121</u>	<u>\$ 4,581</u>

Bordelonville V.F.D. 2007 LCDBG	Industrial Park Grant	EECBG Library	Courtroom Renovations	LCBG Ike Gustav	Blair Road LCDBG	Total
\$ 968	\$ 19,668	\$ 1,841	\$ 100,055	\$ 15	\$ 52	\$ 199,219
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,311</u>	<u>-</u>	<u>2,311</u>
<u>\$ 968</u>	<u>\$ 19,668</u>	<u>\$ 1,841</u>	<u>\$ 100,055</u>	<u>\$ 2,326</u>	<u>\$ 52</u>	<u>\$ 201,530</u>
\$ -	\$ -	\$ -	\$ -	\$ 2,311	\$ -	\$ 2,311
<u>-</u>	<u>-</u>	<u>-</u>	<u>80,000</u>	<u>-</u>	<u>-</u>	<u>80,000</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>80,000</u>	<u>2,311</u>	<u>-</u>	<u>82,311</u>
968	-	1,841	20,055	15	52	94,849
<u>-</u>	<u>19,668</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,370</u>
<u>968</u>	<u>19,668</u>	<u>1,841</u>	<u>20,055</u>	<u>15</u>	<u>52</u>	<u>119,219</u>
<u>\$ 968</u>	<u>\$ 19,668</u>	<u>\$ 1,841</u>	<u>\$ 100,055</u>	<u>\$ 15</u>	<u>\$ 52</u>	<u>\$ 201,530</u>

AVOYELLES PARISH POLICE JURY
 Marksville, Louisiana
 Nonmajor Capital Projects Funds

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

	<u>Bayou Lacombe Drainage</u>	<u>Casino Capital Improvements</u>	<u>Downtown Marksville Restoration Project</u>	<u>LSU Ag Center / 4-H Museum</u>
Revenues:				
Intergovernmental -				
Federal grants	\$ -	\$ -	\$ -	\$ -
Fees, charges, and commissions	-	-	-	-
Interest income	<u>101</u>	<u>96</u>	<u>-</u>	<u>7</u>
Total revenues	<u>101</u>	<u>96</u>	<u>-</u>	<u>7</u>
Expenditures:				
Current -				
Public works	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balance	101	96	-	7
Fund balances, beginning	<u>67,400</u>	<u>4,321</u>	<u>121</u>	<u>4,574</u>
Fund balances, ending	<u>\$ 67,501</u>	<u>\$ 4,417</u>	<u>\$ 121</u>	<u>\$ 4,581</u>

Bordelonville V.F.D. 2007 LCDBG	Industrial Park Grant	EECBG Library	Courtroom Renovations	LCBG Ike Gustav	Blair Road LCDBG	Total
\$ -	\$ -	\$ -	\$ -	\$ 38,761	\$ -	\$ 38,761
-	-	-	10,003	-	-	\$ 10,003
-	29	-	50	-	-	283
<u>-</u>	<u>29</u>	<u>-</u>	<u>10,053</u>	<u>38,761</u>	<u>-</u>	<u>49,047</u>
-	-	-	-	38,761	-	38,761
-	29	-	10,053	-	-	10,286
<u>968</u>	<u>19,639</u>	<u>1,841</u>	<u>10,002</u>	<u>15</u>	<u>52</u>	<u>108,933</u>
<u>\$ 968</u>	<u>\$ 19,668</u>	<u>\$ 1,841</u>	<u>\$ 20,055</u>	<u>\$ 15</u>	<u>\$ 52</u>	<u>\$ 119,219</u>

AVOYELLES PARISH POLICE JURY

Financial Data Schedule - Balance Sheet
Section 8 Housing Program
December 31, 2017

Line Item Number	Account Description	14.871 Housing Choice Vouchers	14.IKE DHAP- IKE	97.109 Housing Assistance Grant	Total
111	Cash - unrestricted	\$ 40,934	\$ 159,499	\$ 55,757	\$ 256,190
113	Cash - other restricted	10,344	-	-	10,344
115	Cash - restricted for payment of current liabilities	-	-	-	-
100	Total cash	<u>51,278</u>	<u>159,499</u>	<u>55,757</u>	<u>266,534</u>
122	Accounts receivable - HUD other projects	-	-	-	-
125	Accounts receivable - Miscellaneous	-	-	-	-
120	Total Receivables, Net of Allowance for Doubtful Accounts	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
142	Prepaid expenses and other assets	-	-	-	-
150	Total current assets	<u>51,278</u>	<u>159,499</u>	<u>55,757</u>	<u>266,534</u>
164	Furniture, equipment & machinery - administration	42,306	-	-	42,306
166	Accumulated depreciation	(36,454)	-	-	(36,454)
160	Total capital assets, net of accumulated depreciation	<u>5,852</u>	<u>-</u>	<u>-</u>	<u>5,852</u>
180	Total noncurrent assets	<u>5,852</u>	<u>-</u>	<u>-</u>	<u>5,852</u>
190	Total assets	<u>\$ 57,130</u>	<u>\$ 159,499</u>	<u>\$ 55,757</u>	<u>\$ 272,386</u>
312	Accounts Payable <= 90 Days	\$ 7,087	\$ -	\$ -	\$ 7,087
321	Accrued wage/payroll taxes payable	1,385	-	-	1,385
322	Accrued compensation absences - current portion	857	-	-	857
342	Unearned revenue	<u>1,674</u>	<u>-</u>	<u>36,260</u>	<u>37,934</u>
310	Total current liabilities	<u>11,003</u>	<u>-</u>	<u>36,260</u>	<u>47,263</u>
300	Total liabilities	<u>11,003</u>	<u>-</u>	<u>36,260</u>	<u>47,263</u>
400	Deferred Outflow of Resources	-	-	-	-
508.4	Net investment in capital assets	5,852	-	-	5,852
511.4	Restricted net position	10,344	-	-	10,344
512.4	Unrestricted net position	<u>29,931</u>	<u>159,499</u>	<u>19,497</u>	<u>208,927</u>
513	Total equity - net position	<u>46,127</u>	<u>159,499</u>	<u>19,497</u>	<u>225,123</u>
600	Total liabilities and net position	<u>\$ 57,130</u>	<u>\$ 159,499</u>	<u>\$ 55,757</u>	<u>\$ 272,386</u>

AVOYELLES PARISH POLICE JURY

Financial Data Schedule - Income Statement
 Section 8 Housing Program
 Year Ended December 31, 2017

Line Item Number	Account Description	14.871 Housing Choice Vouchers	14.IKE DHAP- IKE	97.109 Housing Assistance Grant	Total
70600	HUD PHA operating grants	\$ 583,736	\$ -	\$ -	\$ 583,736
71100	Investment income - unrestricted	445	-	-	445
71400	Fraud recovery	2,162	-	-	2,162
71500	Other revenue	<u>37,491</u>	<u>-</u>	<u>-</u>	<u>37,491</u>
70000	Total revenue	<u>623,834</u>	<u>-</u>	<u>-</u>	<u>623,834</u>
91100	Administrative salaries	31,610	-	-	31,610
91200	Auditing fees	996	-	-	996
91500	Employee benefit contributions- administrative	12,264	-	-	12,264
91600	Office expenses	<u>15,987</u>	<u>-</u>	<u>-</u>	<u>15,987</u>
91900	Other	<u>7,597</u>	<u>-</u>	<u>-</u>	<u>7,597</u>
91000	Total operating - administrative	<u>68,454</u>	<u>-</u>	<u>-</u>	<u>68,454</u>
96130	Workmen's Compensation	<u>1,090</u>	<u>-</u>	<u>-</u>	<u>1,090</u>
96100	Total insurance premiums	<u>1,090</u>	<u>-</u>	<u>-</u>	<u>1,090</u>
96210	Compensated absences	<u>254</u>	<u>-</u>	<u>-</u>	<u>254</u>
96000	Total other general expenses	<u>254</u>	<u>-</u>	<u>-</u>	<u>254</u>
96900	Total operating expenses	<u>69,798</u>	<u>-</u>	<u>-</u>	<u>69,798</u>
97000	Excess operating revenue over operating expenses	<u>554,036</u>	<u>-</u>	<u>-</u>	<u>554,036</u>
97300	Housing assistance payments	513,367	-	-	513,367
97350	HAP Portability-In	32,579	-	-	32,579
97400	Depreciation expense	<u>2,285</u>	<u>-</u>	<u>-</u>	<u>2,285</u>
90000	Total expenses	<u>618,029</u>	<u>-</u>	<u>-</u>	<u>618,029</u>
10000	Excess (deficiency) of revenue over (under) expenses	<u>5,805</u>	<u>-</u>	<u>-</u>	<u>5,805</u>
11030	Beginning equity	<u>40,322</u>	<u>159,499</u>	<u>19,497</u>	<u>219,318</u>
11170	Administrative fee equity	<u>47,086</u>	<u>-</u>	<u>-</u>	<u>47,086</u>
11180	Housing assistance payments equity	<u>\$ 10,344</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,344</u>
11190	Unit months available	1,566	-	-	1,566
11210	Unit months leased	1,488	-	-	1,488

INTERNAL CONTROL, COMPLIANCE

AND

OTHER MATTERS

KOLDER, SLAVEN & COMPANY, LLC

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

To the Members of the Police Jury
Avoyelles Parish
Marksville, 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 in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Avoyelles 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 Police Jury's basic financial statements, and have issued our report thereon dated June 25, 2018. The opinion on the Police Jury's report entity was adverse because the financial statements do not include financial data of the component units of the Police Jury. The financial statements of the omitted component units were not audited in accordance with the *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with these omitted component units.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the

accompanying schedule of current year and prior year audit findings and corrective action plan as items 2017-001 and 2017-002 to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Police Jury's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying summary schedule of current and prior year audit findings and corrective action plan as items 2017-003, 2017-004 and 2017-005.

Avoyelles Parish Police Jury's Response to Findings

Avoyelles Parish Police Jury's response to the findings identified in our audit is described in the accompanying summary schedule of current and prior year audit findings and corrective action plan. The Police Jury's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Although the intended use of this report may be limited, under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Alexandria, Louisiana
June 25, 2018

KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Members of the Police Jury
Avoyelles Parish
Marksville, Louisiana

Report on Compliance for Each Major Federal Program

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

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the Police Jury complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2017.

Report on Internal Control over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose. Although the intended use of this report may be limited, under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Alexandria, Louisiana
June 25, 2018

AVOYELLES PARISH POLICE JURY
Marksville, Louisiana

Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2017

Federal Grantor/Pass-Through Grantor/Program Name	CFDA Number	Pass-Through Identifying No.	Expenditures
U.S. Department of Housing and Urban Development -			
Direct Program -			
Section 8 Housing Choice Vouchers *	14.871		\$ 662,622
Passed-through Louisiana Division of Administration,			
Office of Finance and Support Services:			
Community Development Block Grants	14.228	684281	<u>38,761</u>
Total U.S. Department of Housing and Urban Development			<u>701,383</u>
United States Department of the Interior			
Direct Program -			
Payments in Lieu of Taxes	15.226		<u>2,107</u>
United States Department of Transportation			
Passed-through State of Louisiana Office of Community Development			
Formula Grants for Rural Areas	20.509	LA-2016-007-00	108,004
Formula Grants for Rural Areas	20.509	LA-18-X029	<u>102,950</u>
Total United States Department of Transportation			210,954
U.S. Department of Homeland Security -			
Passed-through State of Louisiana Military Department of Homeland Security and Emergency Preparedness Disaster Grants:			
Public Assistance (Presidentially Declared Disasters)	97.036	PW 446	70,992
Public Assistance (Presidentially Declared Disasters)	97.036	PW 831	33,043
Public Assistance (Presidentially Declared Disasters)	97.036	PW 833	1,738
Public Assistance (Presidentially Declared Disasters)	97.036	PW 834	5,215
Homeland Security Grant Program	97.067	EMW-2013-SS-00122	18,886
Homeland Security Grant Program	97.067	EMW-2014-SS-00045S01	<u>15,920</u>
Total U.S. Department of Homeland Security			<u>145,794</u>
Total Federal Awards			<u>\$ 1,060,238</u>

* Denotes major program.

AVOYELLES PARISH POLICE JURY
Marksville, Louisiana

Notes to Schedule of Expenditures of Federal Awards
Year Ended December 31, 2017

(1) General

The accompanying Schedule of Expenditures of Federal Awards presents the federal grant activity of the Avoyelles Parish Police Jury (Police Jury). All federal financial assistance received directly from federal agencies is included on the schedule as well as federal financial assistance passed through other government agencies.

(2) Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note 1 to the Police Jury's financial statements.

(3) Indirect Cost Rate

The Police Jury has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

AVOYELLES PARISH POLICE JURY
Marksville, Louisiana

Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2017

Part I. Summary of Auditor's Results:

1. The auditor's report expresses an unmodified opinion on the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Avoyelles Parish Police Jury. Additionally, the auditor's report expresses an adverse opinion on the financial statements of the aggregately discretely presented component units of the Avoyelles Parish Police Jury, because the Police Jury does not issue reporting entity financial statements to include all component units.
2. Deficiencies in internal control were disclosed during the audit of the financial statements which were considered to be significant deficiencies.
3. Instances on noncompliance material to the financial statements which would be required to be reported in accordance with *Government Auditing Standards* were disclosed during the audit.
4. There were no significant deficiencies or material weaknesses in internal control over the major federal award program disclosed.
5. The auditor's report on compliance expressed an unmodified opinion.
6. The audit disclosed no findings required to be reported under 2 CFR section 200.516(a).
7. The major program was the U.S. Department of Housing and Urban Development Section 8 Housing Choice Vouchers (CFDA 14.871).
8. The dollar threshold used to distinguish between Type A and Type B programs was \$750,000.
9. The Avoyelles Parish Police Jury did not qualify as a low-risk auditee.

AVOYELLES PARISH POLICE JURY
Marksville, Louisiana

Schedule of Findings and Questioned Costs (Continued)
For the Year Ended December 31, 2017

Part II. Findings – Financial Statement Audit

A. **Internal Control Findings -**

See internal control findings 2017-001 through 2017-002 on the summary schedule of current and prior year audit findings and corrective action plan.

B. **Compliance Findings –**

See compliance findings 2017-003 through 2017-005 in the summary schedule of current and prior year audit findings and corrective action plan.

Part III. Findings and questioned costs – Federal Award Programs

A. **Internal Control Findings -**

There were no internal control findings to be reported.

B. **Compliance Findings -**

There were no compliance findings to be reported.

AVOYELLES PARISH POLICE JURY
Marksville, Louisiana

Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan
Year Ended December 31, 2017 (Continued)

Part I: Current Year Findings and Management's Corrective Action Plan

A. Internal Control Over Financial Reporting

2017-001 Inadequate Segregation of Accounting Functions

Fiscal year finding initially occurred: Unknown

CONDITION: The Avoyelles Parish Police Jury did not have adequate segregation of functions within the accounting system.

CRITERIA: AU-C §315.04, *Understanding the Entity and its Environment and Assessing the Risks of Material Misstatement*, defines internal control as follows:

“Internal control is a process, affected by those charged with governance, management, and other personnel, designed to provide reasonable assurance about the achievement of objectives with regard to reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.”

CAUSE: The cause of the condition is the fact that the Police Jury does not have a sufficient number of staff performing administrative and financial duties so as to provide adequate segregation of accounting and financial duties.

EFFECT: Failure to adequately segregate accounting and financial functions increases the risk that errors and/or irregularities including fraud and/or defalcations may occur and not be prevented and/or detected.

RECOMMENDATION: Management should evaluate the cost vs. benefit of complete segregation and whenever possible should reassign incompatible duties among different employees to ensure that a single employee does not have control of more than one of the following responsibilities: (1) authorization; (2) custody; (3) recordkeeping; and (4) reconciliation.

MANAGEMENT'S CORRECTIVE ACTION PLAN: Mr. Charles Jones, President, determined that it is not cost effective to achieve complete segregation of duties within the accounting department. No plan is considered necessary.

AVOYELLES PARISH POLICE JURY
Marksville, Louisiana

Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan
Year Ended December 31, 2017 (Continued)

2017-002 Application of Generally Accepted Accounting Principles (GAAP)

Fiscal year finding initially occurred: 2007

CONDITION: The Avoyelles Parish Police Jury does not have adequate internal controls over recording the entity's financial transactions or preparing its financial statements, including the related notes in accordance with generally accepted accounting principles (GAAP).

CRITERIA: AU accounting principles in recording the entity's financial transactions or preparing its financial statements."-C §265.A37 identifies the following as a deficiency in the design of (internal) controls:

"... in an entity that prepares financial statements in accordance with generally accepted accounting principles, the person responsible for the accounting and reporting function lacks the skills and knowledge to apply generally accepted accounting principles"

CAUSE: The cause of the condition is the result of a failure to design or implement policies and procedures necessary to achieve adequate internal control.

EFFECT: Financial statements and related supporting transactions may reflect a departure from generally accepted accounting principles.

RECOMMENDATION: Management should evaluate the additional costs required to achieve the desired benefit and determine if it is economically feasible in relation to the benefit received.

MANAGEMENT'S CORRECTIVE ACTION PLAN: Mr. Charles Jones, President, has evaluated the cost vs. benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interests of the Police Jury to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.

AVOYELLES PARISH POLICE JURY
Marksville, Louisiana

Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan
Year Ended December 31, 2017 (Continued)

B. Compliance

2017-003 Noncompliance with Parish Transportation Act

Fiscal year finding initially occurred: 2016

CONDITION: The Police Jury did not comply with LA-R.S 48:755(A) of Parish Transportation Act.

CRITERIA: LA-R.S.48:755 (A) requires "Each parish shall adopt a parishwide system of administration inclusive of parish roads within municipalities which shall include the development of a capital improvement program"

CAUSE: The Police Jury failed to maintain a capital improvement program as required by LA-R.S. 48:755(A).

EFFECT: The Policy Jury failed to comply with LA-R.S. 48:755(A) of the Parish Transportation Act.

RECOMMENDATION: Management should ensure that the provisions of the Parish Transportation Act are followed.

MANAGEMENT'S CORRECTIVE ACTION PLAN: The Police Jury is working with their engineers to develop a capital improvements program.

2017-004 Budget Noncompliance

Fiscal year finding initially occurred: 2017

CONDITION: Actual expenditures exceeded budgeted expenditures by more than 5% in the Drainage Fund.

CRITERIA: LSA-RS39:1311 et seq, Budgetary Authority and Control, provides for budget amendments when:

"A (2) Total actual expenditures and other uses plus projected expenditures and other uses for the remainder of the year, within a fund, are exceeding the total budgeted expenditures and other uses by five percent or more."

CAUSE: The Police Jury failed to properly amend the budget as needed throughout the year.

AVOYELLES PARISH POLICE JURY
Marksville, Louisiana

Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan
Year Ended December 31, 2017 (Continued)

EFFECT: The Police Jury may not prevent and/or detect compliance violations due to over expenditure of the appropriated budget, and/or errors or irregularities on a timely basis.

RECOMMENDATION: The Police Jury should periodically compare actual activity to budgeted amounts and adopt budgetary comparison amendments as necessary to cause compliance with state statute.

MANAGEMENT'S CORRECTIVE ACTION PLAN: The Police Jury will adhere to the provisions of LSA-RS 39:1911 et seq by monitoring its financial statements closely and amending the budget when actual plus projected expenditures exceed budgeted expenditures by five percent or more.

2017-005 Bid Law Noncompliance

CONDITION: The Police Jury purchased crushed concrete for \$100,000 without advertising and accepting bids as required under LA-RS 38:2212.1.

CRITERIA: LA-R.S. 38:2212.1 Advertisement and letting to lowest responsible bidder; materials and supplies requires that all purchases of any materials or supplies exceeding the sum of thirty thousand dollars to be paid out of public funds shall be advertised and let by contract to the lowest responsible bidder who has bid according to the specifications as advertised.

CAUSE: The condition is a result of failure to monitor compliance with LA-R.S. 38:2212.1.

EFFECT: The Policy Jury failed to comply with LA-R.S. 38:2212.1

RECOMMENDATION: Management should comply with the requirements of LA-R.S. 38:2212.1 by implementing controls in place to monitor those purchases that require compliance with the statutes.

MANAGEMENT'S CORRECTIVE ACTION PLAN: Management will monitor the Police Jury's purchases more efficiently to make sure that the Jury complies with all bid law compliance requirements.

AVOYELLES PARISH POLICE JURY
Marksville, Louisiana

Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan
Year Ended December 31, 2017 (Continued)

Part II: Prior Year Findings:

A. Internal Control Over Financial Reporting

2016-001 Inadequate Segregation of Functions

CONDITION: The Avoyelles Parish Police Jury did not have adequate segregation of functions within the accounting system.

RECOMMENDATION: Due to the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.

CURRENT STATUS: Unresolved. See item 2017-001.

2016-002 Application of Generally Accepted Accounting Principles (GAAP)

CONDITION: The Avoyelles Parish Police Jury does not have adequate internal controls over recording the entity's financial transactions or preparing its financial statements, including the related notes in accordance with generally accepted accounting principles (GAAP).

RECOMMENDATION: Management should evaluate the additional costs required to achieve the desired benefit and determine if it is economically feasible in relation to the benefit received.

CURRENT STATUS: Unresolved. See item 2017-002.

2016-003 Comp Time and Annual Leave Policy

CONDITION: The Policy Jury violated its policies and procedures with regard to comp time and annual leave.

RECOMMENDATION: Management should adhere to their comp time policy.

CURRENT STATUS: Resolved.

AVOYELLES PARISH POLICE JURY
Marksville, Louisiana

Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan
Year Ended December 31, 2017 (Continued)

B. Compliance

2016-004 Timeliness of Deposit

CONDITION: The Policy Jury did not make deposits timely as required by LA R.S. 39:1212 which states that all funds and local depositing authorities shall be deposited daily whenever practicable.

RECOMMENDATION: Deposits should be made in a timely manner.

CURRENT STATUS: Resolved.

2016-005 Noncompliance with Parish Transportation Act

Fiscal year finding initially occurred: 2016

CONDITION: The Police Jury did not comply with LA-R.S 48:755(A) of Parish Transportation Act.

RECOMMENDATION: Management should ensure that the provisions of the Parish Transportation Act are followed.

CURRENT STATUS: Unresolved. See item 2017-003.

2016-006 Budget Noncompliance

CONDITION: Budget variance in excess of 5% was incurred in the General Fund, Health Unit Fund and the Library Fund.

RECOMMENDATION: The Police Jury should periodically compare actual activity to budgeted amounts and adopt budgetary amendments as necessary to cause compliance with state statute

CURRENT STATUS: Unresolved. See Item 2017-004.

Avoyelles Parish Police Jury

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ASSISTANT
SECRETARY-TREASURER

KEVIN P. BORDELON

CIVIL WORKS
DIRECTOR

KEITH GREENHOUSE

PARISH

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

Audit conducted by:

Kolder, Slaven & Company, LLC
1428 Metro Drive
Alexandria, LA 71301

Audit Period: Fiscal year ended December 31, 2017

The findings from the December 31, 2017 schedule of findings and questioned costs are discussed below. The finding is numbered consistently with the number assigned in the schedule.

FINDING – FINANCIAL AUDIT**Significant Deficiency**

2017-001 RECOMMENDATION: Management should evaluate the cost vs. benefit of complete segregation and whenever possible should reassign incompatible duties among different employees to ensure that a single employee does not have control of more than one of the following responsibilities: (1) authorization; (2) custody; (3) recordkeeping; and (4) reconciliation.

MANAGEMENT'S CORRECTIVE ACTION PLAN: Mr. Charles Jones, President, determined that it is not cost effective to achieve complete segregation of duties within the accounting department. The Police Jury will review accounting records as a compensating control.

2017-002 RECOMMENDATION: Management should evaluate the additional costs required to achieve the desired benefit and determine if it is economically feasible in relation to the benefit received.

MANAGEMENT'S CORRECTIVE ACTION PLAN: Mr. Charles Jones, President, has evaluated the cost vs. benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interests of the Police Jury to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.

Compliance

2017-003 RECOMMENDATION: Management should ensure that the provisions of the Parish Transportation Act are followed.

MANAGEMENT'S CORRECTIVE ACTION PLAN: The Police Jury is working with their engineers to develop a capital improvements program.

2017-004 RECOMMENDATION: The Police Jury should periodically compare actual activity to budgeted amounts and adopt budgetary comparison amendments as necessary to cause compliance with state statute.

MANAGEMENT'S CORRECTIVE ACTION PLAN: The Police Jury will adhere to the provisions of LSA-RS 39:1911 et seq by monitoring its financial statements closely and amending the budget when actual plus projected expenditures exceed budgeted expenditures by five percent or more.

2017-005 EFFECT: The Policy Jury failed to comply with LA-R.S. 38:2212.1

RECOMMENDATION: Management should comply with the requirements of LA-R.S. 38:2212.1 by implementing controls in place to monitor those purchases that require compliance with the statutes

If there are questions regarding the plan, please call Jamey Wiley, Secretary/Treasurer, at 318-253-9208.

Sincerely,

Jamey Wiley
Secretary/Treasurer

Avoyelles Parish Police Jury
Agreed-Upon Procedures Report
Period Ended December 31, 2017

KOLDER, SLAVEN & COMPANY, LLC

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Members of the Police Jury
the Louisiana Legislative Auditor

We have performed the procedures enumerated below, which were agreed to by the Avoyelles Parish 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 Avoyelles Parish Police Jury's management is responsible for those C/C identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. We obtained the entity's written policies and procedures and reported whether those written policies and procedures address each of the following financial/business functions (or reported that the entity does not have any written policies and procedures), as applicable:
 - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
 - b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
 - c) **Disbursements**, including processing, reviewing, and approving.
 - d) **Receipts**, including receiving, recording, and preparing deposits.

- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage.
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy. Note: Ethics requirements are not applicable to nonprofits.
- j) **Debt Service**, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Board (or Finance Committee, if applicable)

- 2. We obtained and reviewed the board/committee minutes for the fiscal period, and:
 - a) Reported whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.
 - b) Reported whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).
 - If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, reported 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, reported whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.
 - c) Reported 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.

Bank Reconciliations

- 3. We obtained a listing of client bank accounts from management and management's representation that the listing is complete.
- 4. Using the listing provided by management, we selected 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, we obtained bank statements and reconciliations for all months in the fiscal period and reported whether:

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

Collections

- 5. We obtained a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.
- 6. Using the listing provided by management, we selected 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:
 - a) We obtained existing written documentation (e.g. insurance policy, policy manual, job description) and reported whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.
 - b) We obtained existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and reported whether the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.
 - c) We selected the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:
 - Using entity collection documentation, deposit slips, and bank statements, we traced daily collections to the deposit date on the corresponding bank statement and reported whether the deposits were made within one day of collection. If deposits were not made within one day of collection, reported the number of days from receipt to deposit for each day at each collection location.
 - Using sequentially numbered receipts, system reports, or other related collection documentation, we verified that daily cash collections are completely supported by documentation and report any exceptions.
- 7. We obtained existing written documentation (e.g. policy manual, written procedure) and reported whether the entity has a process specifically defined (identified as such by the entity) to determine completeness of all collections, including electronic transfers, for each revenue source and agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation) by a person who is not responsible for collections.

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

8. We obtained a listing of entity disbursements from management or, alternately, obtained the general ledger and sorted/filtered for entity disbursements. We obtained management's representation that the listing or general ledger population is complete.
9. Using the disbursement population from #8 above, we randomly selected 25 disbursements (or randomly selected 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. We obtained supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and reported whether the supporting documentation for each transaction demonstrated that:
 - a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.
 - b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.
 - c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice.
10. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), we reported whether the person responsible for processing payments is prohibited from adding vendors to the entity's purchasing/disbursement system.
11. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), we reported whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.
12. We inquired of management and observed 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 reported any exceptions. Alternately, if the checks are electronically printed on blank check stock, we reviewed entity documentation (electronic system control documentation) and reported whether the persons with signatory authority have system access to print checks.
13. If a signature stamp or signature machine is used, we inquired 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. We inquired of the signer whether signed checks are likewise maintained under the control of the signer or authorized user until mailed. We reported any exceptions.

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

14. We obtained 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. We obtained management's representation that the listing is complete.

15. Using the listing prepared by management, we randomly selected 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.

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

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

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

- a) For each transaction, we reported whether the transaction is supported by:
 - An original itemized receipt (i.e., identifies precisely what was purchased)
 - Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.
 - Other documentation that may be required by written policy (e.g., purchase order, written authorization.)
- b) For each transaction, we compared 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 reported any exceptions.
- c) For each transaction, we compared 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 reported any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed).

Travel and Expense Reimbursement

17. We obtained from management a listing of all travel and related expense reimbursements, by person, during the fiscal period or, alternately, we obtained the general ledger and sorted/filtered for travel reimbursements. We obtained management's representation that the listing or general ledger is complete.
18. We obtained the entity's written policies related to travel and expense reimbursements. We compared the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration (www.gsa.gov) and reported any amounts that exceed GSA rates.
19. Using the listing or general ledger from #17 above, we selected the three persons who incurred the most travel costs during the fiscal period. We obtained 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) We compared expense documentation to written policies and reported 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, we compared to the GSA rates (#18 above) and reported each reimbursement that exceeded those rates.
- b) We reported whether each expense is supported by:
 - An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]
 - Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).
 - Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance).
- c) We compared 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).
- d) We reported whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Contracts

20. We obtained a listing of all contracts in effect during the fiscal period or, alternately, we obtained the general ledger and sorted/filtered for contract payments. We obtained management's representation that the listing or general ledger is complete.
21. Using the listing above, we selected 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). We obtained the related contracts and paid invoices and:
 - a) We reported whether there is a formal/written contract that supports the services arrangement and the amount paid.
 - b) We compared each contract's detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:
 - If yes, we obtained/compared supporting contract documentation to legal requirements and reported whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder).
 - If no, we obtained supporting contract documentation and reported whether the entity solicited quotes as a best practice.

- c) We reported whether the contract was amended. If so, we reported the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.
- d) We selected the largest payment from each of the five contracts, obtained the supporting invoice, compared the invoice to the contract terms, and reported whether the invoice and related payment complied with the terms and conditions of the contract.
- e) We obtained/reviewed contract documentation and board minutes and reported whether there is documentation of board approval, if required by policy or law (e.g. Lawrason Act or Home Rule Charter).

Payroll and Personnel

- 22. We obtained a listing of employees (and elected officials, if applicable) with their related salaries, and obtained management's representation that the listing is complete. Randomly select five employees/officials, obtained their personnel files, and:
 - a) Reviewed compensation paid to each employee during the fiscal period and reported whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.
 - b) Reviewed changes made to hourly pay rates/salaries during the fiscal period and reported whether those changes were approved in writing and in accordance with written policy.
- 23. We obtained 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, we randomly selected 25 employees/officials (or randomly selected one-third of employees/officials if the entity had less than 25 employees during the fiscal period), and:
 - a) Reported whether all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).
 - b) Reported whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.
 - c) Reported whether there is written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.
- 24. We obtained 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, we selected the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtained the personnel files for the two employees/officials. We reported whether the termination payments were made in strict accordance with policy and/or contract and approved by management.
- 25. We obtained supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. We reported 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.

Ethics (excluding nonprofits)

26. Using the five randomly selected employees/officials from procedure #22 under “Payroll and Personnel” above, we obtained ethics compliance documentation from management and reported whether the entity maintained documentation to demonstrate that required ethics training was completed.
27. We inquired of management whether any alleged ethics violations were reported to the entity during the fiscal period. If applicable, we reviewed 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. We reported whether management received allegations, whether management investigated allegations received, and whether the allegations were addressed in accordance with policy.

Debt Service (excluding nonprofits)

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

Other

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

Findings:

No exceptions were found as a result of applying the procedures listed above except:

Written Policies:

Avoyelles Parish Police Jury does not have written policies addressing disbursements, receipts, contracting, or credit cards.

Avoyelles Parish Police Jury does not have written policies addressing how purchases are initiated, how vendors are added to the vendor list, or the preparation and approval process of purchase requisitions and purchase orders.

Avoyelles Parish Police Jury does not have written policies addressing payroll processing or reviewing and approving time and attendance records.

Board:

Avoyelles Parish Police Jury's minutes did not reference or include budget to actual comparisons for the General Fund and any additional major funds.

Bank Reconciliations:

Avoyelles Parish Police Jury's bank reconciliations did not include evidence of management or board review.

Collections:

Prior to November 2017 the Avoyelles Parish Police Jury's bond policy did not cover all employees responsible for collecting cash. As of November 2017, all employees responsible for collecting cash are bonded.

For 2 of the locations tested the person responsible for collecting cash is also responsible for depositing the cash in the bank.

For 1 of the locations tested the person responsible for collecting cash is also responsible for recording the related transaction, reconciling the related bank statement, and shares a cash register with another employee.

For 1 of the locations tested cash reconciliations are not performed by someone independent of the collection process.

For 2 of the locations tested the date variance from collection to deposit was greater than one day.

For 1 of the locations tested the date variance was unable to be tested because there was no indication of the date received.

For 3 of the locations tested daily cash collections are not completely supported by documentation.

For 3 of the locations tested there is no written policy specifically defined to determine the completeness of all collections by a person who is not responsible for collections.

Disbursements:

Avoyelles Parish Police Jury does not have written documentation indicating that the person responsible for processing payments is prohibited from adding vendors to the disbursement system.

Avoyelles Parish Police Jury does not have written documentation indicating that the individual with signatory authority has no responsibility for initiating or recording purchases.

Credit Cards:

Avoyelles Parish Police Jury does not have a written policy regarding credit cards; therefore, other documentation required by policy and compliance with policy were unable to be tested.

Payroll:

Of the 25 employees tested, there is no written documentation that supervisors approved, electronically or in writing, the attendance and leave of 5 Library employees.

Written approval by management for termination payments was not obtained.

Management's Response:

Management of the Avoyelles Parish Police Jury concurs with the exceptions and are working to address the deficiencies identified.

We were not engaged to perform, and did not perform, 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 results of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Alexandria, Louisiana
June 25, 2018