

WEST FELICIANA PARISH GOVERNMENT
ST. FRANCISVILLE, LOUISIANA

*Basic Financial
Statements, Independent Auditors' Reports, and
Supplemental Information*

Year Ended June 30, 2017



Postlethwaite & Netterville

A Professional Accounting Corporation

www.pncpa.com

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INDEPENDENT AUDITORS' REPORT



Postlethwaite & Netterville

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A Professional Accounting Corporation

Independent Auditors' Report

Honorable President and Council
of the West Feliciana Parish Government
St. Francisville, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the West Feliciana Parish Government (Government) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Government'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.

Auditors' Responsibility

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

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

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

Summary of Opinions

<u>Opinion Unit</u>	<u>Type of Opinion</u>
Governmental Activities	Unmodified
Business-Type Activities	Unmodified
Aggregate Discretely Presented Component Units	Adverse
General	Unmodified
Solid Waste	Unmodified
Recreation	Unmodified
Road Improvement	Unmodified
Economic Development	Unmodified
Buildings and Grounds	Unmodified
Aggregate remaining fund information	Unmodified
Waterworks District No. 13	Unmodified
Hardwood Sewer	Unmodified
Solitude Sewer	Unmodified
Turner Sewer	Unmodified
Independence Sewer	Unmodified

Basis for Adverse Opinion on Aggregate Discretely Presented Component Units

The financial statements referred to above do not include financial data for most of the Government's legally separate discretely presented 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 Government's primary government unless the Government also issues financial statements for the financial reporting entity that include the financial data for its component units. The Government has not issued such reporting entity financial statements. The impact on the aggregate discretely presented component units is unknown.

Adverse Opinion

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on Aggregate Discretely Presented Component Units" paragraph, the financial statements referred to above do not present fairly the financial position of the aggregate discretely presented component units of the Government, as of June 30, 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, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the primary government of the Government, as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Information, the Schedule of Funding Progress and Employer Contributions of the Government's Other Post Employment Benefit Plan, Schedule of the Proportionate Share of the Net Pension Liability, and Schedule of Contributions to Each Retirement System and the related notes, presented on pages 5 through 14, 71 through 76, page 77, page 78, and pages 79 through 80, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Government's basic financial statements. The combining non-major governmental fund financial statements and the schedule of compensation, benefits, and other payments to the parish president, Schedule of West Feliciana Parish Government Council Members, Schedule of Insurance in Force, and Schedule of Information Required by Rural Development on pages 81 through 83 and page 84, page 85, page 86, and pages 87 through 88 respectively, are presented for purposes of additional analysis and are not a required part of the basic financial statements.



The combining non-major fund financial statements; and the schedule of compensation, benefits, and other payments to the parish president 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 state ments themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Schedule of Insurance in Force and the Schedule of Information Required by Rural Development on pages 87 and 88 through 89, are presented for additional analysis and are not a required part of the basic financial statements. That information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2017 on our consideration of the Government's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Government's internal control over financial reporting and compliance.

Postlethwaite & Netterville

Baton Rouge, Louisiana
December 29, 2017

**WEST FELICIANA PARISH GOVERNMENT
ST. FRANCISVILLE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Our analysis of financial performance of the West Feliciana Parish Government (the Government) provides an overview of the Government's financial activities for the year ended June 30, 2017. Please read it in conjunction with the Government's financial statements. The Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes, and currently known facts.

FINANCIAL HIGHLIGHTS

The Government adopted a Home Rule Charter on November 26, 2012, that became effective on January 1, 2014. The Charter provided for a mayor-council form of government.

In the year ended June 30, 2017, the Government's governmental revenues decreased relative to the prior period by approximately \$457,000. This is attributable to a decrease in the federal assistance received during the year. Governmental expenses decreased by approximately \$601,000 which is also attributable to a decrease in spending during the fiscal year. The major financial highlights for the year ended June 30, 2017 are as follows:

- Assets and deferred outflows of the primary government exceeded its liabilities and deferred inflows at the close of the year by approximately \$36.3 million (net position). Of this amount, approximately \$6.4 million (unrestricted net position) may be used without restrictions to meet the primary government's ongoing obligations to citizens and creditors.
- The primary government's total net position increased by approximately \$765,000 during the year ended June 30, 2017, indicating an increase over the prior period.
- Governmental activities' net position had an increase of approximately \$930,000.
- Business-type total net position had a decrease of approximately \$164,000.
- As of the end of the 2017 period, the primary government's governmental funds reported combined fund balances of approximately \$9.9 million, a decrease of approximately \$96,000 in comparison to the prior period balance. This is predominantly due to increases in expenditures in the General Fund.

Significant aspects of the Government's financial well-being, as of and for the year ended June 30, 2017, is detailed throughout this analysis.

**WEST FELICIANA PARISH GOVERNMENT
ST. FRANCISVILLE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS**

USING THIS ANNUAL REPORT

Governmental Accounting Standards Board Statement No. 34 focuses on the government as a whole and on major individual funds. Both perspectives allow the reader to address relevant questions, broaden a basis for comparison from year to year and should enhance the Government's accountability.

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the Government as a whole and present a longer-term view of the Government's finances.

For governmental activities, fund financial statements depict how services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Government's operations in more detail than the government-wide statements by providing information about the Government's most significant funds.

Reporting on the Government as a Whole

The Statement of Net Position and the Statement of Activities report information about the Government as a whole and about its activities in a way to determine if the Government is in better condition as a result of the year's financial results. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to accounting methods used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. Thus, revenues and expenses are reported in these statements for some items that will only result in cash flows in future periods.

These two statements report the Government's net position and related changes. You can think of the Government's net position—the difference between assets and liabilities—as one way to measure the Government's financial health, or financial position. Over time, increases or decreases in the Government's net position is one indicator of whether its financial health is improving or deteriorating. You will need to consider other non-financial factors, however, such as changes in the Government's property and sales tax base and the condition of the Government's roads and buildings, to assess the overall health of the Government.

In the Statement of Net Position and the Statement of Activities, we divide the Government into two kinds of activities:

Governmental activities - Most of the Government's basic services are reported here, including public safety, streets and sanitation, culture and recreation, economic development and general administration. Property and sales taxes, charges for services, and state and federal grants finance most of these activities.

Business-type activities - The Government charges a fee to customers to help it cover the cost of certain services it provides. The Government operates four sewer systems, water and wastewater treatment system which are reported here.

**WEST FELICIANA PARISH GOVERNMENT
ST. FRANCISVILLE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS**

The analysis below of the primary government focuses on the net position and change in net position of the Government's governmental and business-type activities.

West Feliciana Parish Government
Statements of Net Position
June 30, 2017 and June 30, 2016
(in thousands)

	Governmental Activities		Business-type Activities		Primary Government Total	
	2017	2016	2017	2016	2017	2016
Current and other assets	\$ 11,718	\$ 11,150	\$ 1,553	\$ 1,382	\$ 13,271	\$ 12,532
Capital assets	22,089	21,493	9,041	9,274	31,130	30,767
Total assets	<u>33,807</u>	<u>32,643</u>	<u>10,594</u>	<u>10,656</u>	<u>44,401</u>	<u>43,299</u>
Deferred outflows of resources-						
Pension Related	<u>358</u>	<u>473</u>	<u>108</u>	<u>145</u>	<u>466</u>	<u>618</u>
Current and other liabilities	1,820	1,377	241	197	2,061	1,574
Long-term liabilities	<u>3,438</u>	<u>3,766</u>	<u>3,003</u>	<u>2,985</u>	<u>6,441</u>	<u>6,751</u>
Total Liabilities	5,258	5,143	3,244	3,182	8,502	8,325
Deferred inflows of resources-						
Pension Related	<u>85</u>	<u>80</u>	<u>22</u>	<u>20</u>	<u>107</u>	<u>100</u>
Net Position:						
Net investments in capital assets	19,132	18,358	6,172	6,286	25,304	24,644
Restricted	4,316	4,618	207	206	4,523	4,824
Unrestricted	<u>5,374</u>	<u>4,915</u>	<u>1,057</u>	<u>1,108</u>	<u>6,431</u>	<u>6,023</u>
Total net position	<u>\$ 28,822</u>	<u>\$ 27,891</u>	<u>\$ 7,436</u>	<u>\$ 7,600</u>	<u>\$ 36,258</u>	<u>\$ 35,491</u>

At June 30, 2017, the Government's net position was approximately \$36.3 million, of which approximately \$6.4 million was unrestricted. Restricted net position of \$4.5 million is reported separately to show legal constraints from debt covenants and enabling legislation that limits the Government's ability to use that net position for day-to-day operations.

Total net position of the Government's governmental activities increased by approximately \$930,000 during the year ended June 30, 2017. Unrestricted net position represents the portion of the Government's resources that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements.

**WEST FELICIANA PARISH GOVERNMENT
ST. FRANCISVILLE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS**

The Government operates utility systems for its constituents. The principal focus of this activity is to operate on a profitable basis or to at least cover the costs. The net position of the Government's business activities decreased by approximately \$164,000 during the year ended June 30, 2017.

The results of this period's operations for the primary government as a whole as reported in the Statement of Activities, are as follows for the year ended June 30, 2017 and June 30, 2016 (in thousands):

West Feliciana Parish Government
St. Francisville, Louisiana
Statements of Activities
For the year ended June 30, 2017 and the ended June 30, 2016
(in thousands)

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Revenues:						
Program revenues:						
Fees and charges for services	\$ 612	\$ 631	\$ 1,854	\$ 1,947	\$ 2,466	\$ 2,578
Operating grants	720	1,342	-	12	720	1,354
Capital grants/contributions	285	324	-	91	285	415
General revenues:						
Ad valorem taxes	4,770	4,677	-	-	4,770	4,677
Sales taxes	1,982	1,778	-	-	1,982	1,778
Video poker	176	171	-	-	176	171
Other taxes	4	31	-	-	4	31
Other general revenues	385	241	39	-	424	241
Total revenues	<u>8,934</u>	<u>9,195</u>	<u>1,893</u>	<u>2,050</u>	<u>10,827</u>	<u>11,245</u>
Functions/Program Expenses:						
General government	1,880	2,183	-	-	1,880	2,183
Culture and recreation	1,691	1,711	-	-	1,691	1,711
Economic development	237	351	-	-	237	351
Health and welfare	489	446	-	-	489	446
Public safety	230	237	-	-	230	237
Public works	3,437	3,879	-	-	3,437	3,879
Business type expenses	-	-	2,016	1,767	2,016	1,767
Interest expense	80	87	-	-	80	87
Total expenses	<u>8,044</u>	<u>8,894</u>	<u>2,016</u>	<u>1,767</u>	<u>10,060</u>	<u>10,661</u>
Increase (decrease) in net position						
before transfers	890	301	(123)	283	767	584
Transfers	40	40	(40)	(40)	-	-
Change in net position	930	341	(163)	243	767	584
Beginning net position	<u>27,892</u>	<u>27,551</u>	<u>7,599</u>	<u>7,356</u>	<u>35,491</u>	<u>34,907</u>
Ending net position	<u>\$ 28,822</u>	<u>\$ 27,892</u>	<u>\$ 7,436</u>	<u>\$ 7,599</u>	<u>\$ 36,258</u>	<u>\$ 35,491</u>

**WEST FELICIANA PARISH GOVERNMENT
ST. FRANCISVILLE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Component units – The government-wide financial statements include not only the Government, but also legally separate entities for which the Government is financially accountable. Financial information for these component units is reported separately from the financial information for the Government.

Fund Financial Statements

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

Reporting the Government's Most Significant Funds

The fund financial statements provide detailed information about the most significant funds and not the Government as a whole. Some funds are required to be established by State law or by bond covenants. However, the Government establishes other funds to control and manage financial resources for particular purposes or meeting legal responsibilities for using certain taxes, grants, and other assets. The Government's two kinds of funds, governmental and proprietary, use different accounting bases.

Governmental funds - Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the year. Most of the Government's basic services are reported in governmental funds. These funds use the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Government's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Government's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in the reconciliation to the financial statements.

Proprietary funds - When the Government charges customers for the services it provides—whether to outside customers or to other units of the Government—these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the Government's proprietary funds are the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds.

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

Other information - In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning original and final budgetary comparisons to actual results for the year for the Government's major funds. These schedules are included for additional information and analysis and do not constitute a part of the basic financial statements.

**WEST FELICIANA PARISH GOVERNMENT
ST. FRANCISVILLE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Financial Analysis of the Government's Funds

The government operations of the Government are accounted for in the General, Special Revenue, Debt Service, and Capital Project Funds. The focus of these funds, as noted earlier, is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the Government's financing requirements. The following is a summary of general governmental operations for the year ended June 30, 2017 by fund type (in thousands):

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
Revenues & other financing sources	\$ 2,038	\$ 6,695	\$ 377	\$ -	\$ 9,110
Expenditures & other financing uses	1,992	6,945	258	11	9,206
Surplus (deficit)	46	(250)	119	(11)	(96)
Fund Balance					
June 30, 2016	<u>5,503</u>	<u>3,955</u>	<u>542</u>	<u>19</u>	<u>10,019</u>
Fund Balance					
June 30, 2017	<u>\$ 5,549</u>	<u>\$ 3,705</u>	<u>\$ 661</u>	<u>\$ 8</u>	<u>\$ 9,923</u>

The Government's governmental funds experienced a deficit of approximately \$96,000 during the year ended June 30, 2017. This was predominantly due to less improvements projects and an increased effort by the Government to limit spending. At June 30, 2017, fund balances were approximately \$9.9 million. Approximately \$2.8 million is unassigned and available for utilization at the Government's discretion. The remainder of the fund balance has been restricted, committed, or classified as nonspendable. These restrictions are for debt service, infrastructure and maintenance, and public improvements. Committed funds are primarily to be used for emergency and Government designated capital projects.

The General Fund is the chief operating fund of the Government. Fund balance of the General Fund was approximately \$5.5 at the end of June 2017 and June 2016. The fund balance remained constant as there was an increased effort to limit spending.

The Government's other major governmental funds are the Solid Waste Fund, Recreation Fund, Road Improvement Fund, Economic Development Fund, and Buildings and Grounds Fund. The Solid Waste Fund operated at a surplus of approximately \$326,000. The Recreation Fund operated at a surplus of approximately \$156,000. This was due to additional community events held during the year. The Road Improvement Fund operated at a deficit of approximately \$406,000 due to planned capital outlay for various road projects. The Economic Development Fund operated at a slight surplus of approximately \$84,000 as received ad valorem taxes exceeded fund expenditures. The Buildings and Grounds Fund operated at a deficit of approximately \$44,000 due to the cost of projects for public works.

**WEST FELICIANA PARISH GOVERNMENT
ST. FRANCISVILLE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Sources of governmental revenues, excluding transfers, are summarized below for the year ended June 30, 2017 and the year ended June 30, 2016.

<u>Source of Revenue</u>	(in thousands)			
	2017		2016	
	Revenue	Percent	Revenue	Percent
Taxes	\$ 6,931	78%	\$ 6,658	73%
Intergovernmental	974	11%	1,637	18%
Licenses and permits	178	2%	158	2%
Charges for services	435	5%	473	5%
Other	386	4%	241	2%
Total	\$ 8,904	100%	\$ 9,167	100%

Revenues of the primary government for governmental fund types for the 2017 year totaled \$8.9 million, compared with \$9.2 million for the previous period. The decrease compared to prior year is due to the receipt of federal assistance in 2016 of approximately \$1.4 million which was due to Disaster Relief assistance.

The expenditures of the primary government decreased by approximately \$1.8 million for the 2017 year. The decrease in expenditures is due to a decrease in public works expenses resulting from less monies received from the federal grant.

General governmental expenditures for each major function are summarized in the following table.

<u>Function</u>	(in thousands)			
	2017		2016	
	Expenditure	Percent	Expenditure	Percent
General government	\$ 1,871	21%	\$ 1,920	18%
Culture and recreation	1,465	16%	1,514	14%
Economic development	207	2%	314	3%
Health and welfare	427	5%	398	4%
Public safety	200	2%	211	2%
Public works	3,022	33%	3,612	33%
Capital outlay	1,590	18%	2,601	24%
Debt service	257	3%	257	2%
Total	\$ 9,039	100%	\$ 10,827	100%

**WEST FELICIANA PARISH GOVERNMENT
ST. FRANCISVILLE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS**

VARIATIONS BETWEEN ORIGINAL AND FINAL BUDGET

Budget amendments were adopted during the year ended June 30, 2017 for the General Fund, Solid Waste Fund, Recreation Fund, Road Improvement Fund, Economic Development Fund, and Buildings and Grounds to better reflect actual operations as they evolve through the fiscal year. The various funds' amendments were a result of anticipated variance in revenues compared to originally budgeted amounts and increases to expenditures.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of the 2017 year, the Government had approximately \$31.1 million invested in a broad range of capital assets, including land, construction in progress, buildings, utility systems, equipment, furniture and fixtures, library collection, building improvements, infrastructure, and vehicles. This amount represents an approximate \$363,000 increase in overall capital investment balance from the prior period.

(in thousands)

	Governmental Activities		Business-type Activities		Totals	
	2017	2016	2017	2016	2017	2016
Land	\$ 2,588	\$ 2,575	\$ -	\$ -	\$ 2,588	\$ 2,575
Construction in progress	1,410	686	-	-	1,410	686
Buildings	13,955	13,856	-	-	13,955	13,856
Utility systems	-	-	8,820	9,082	8,820	9,082
Equipment	988	1,051	133	154	1,121	1,205
Furniture and fixtures	9	12	-	-	9	12
Library collection	43	71	-	-	43	71
Building improvements	70	88	-	-	70	88
Infrastructure	2,916	3,069	-	-	2,916	3,069
Vehicles	110	85	88	38	198	123
Total assets, net of depreciation	<u>\$ 22,089</u>	<u>\$ 21,493</u>	<u>\$ 9,041</u>	<u>\$ 9,274</u>	<u>\$ 31,130</u>	<u>\$ 30,767</u>

More detailed information about the Government's capital assets as well as information on the Government's capital projects is presented in Note 5 to the financial statements. The Government had approximately \$1.9 million in net capital additions during the 2017 year. These capital outlays were predominantly related to the purchase of land and property and various recreation and road improvement projects. Depreciation expense of the Government's assets of approximately \$1,504,000 offset additions and resulted in a net increase in capital assets of approximately \$363,000.

**WEST FELICIANA PARISH GOVERNMENT
ST. FRANCISVILLE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Debt

At June 30, 2017, the Government had \$6.4 million in bonds and long-term obligations versus \$7.2 million at June 30, 2016 — as shown below:

	<u>Governmental Activities</u>			
	<u>6/30/2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>6/30/2017</u>
Bonds payable	\$ 3,135	\$ -	\$ 177	\$ 2,958
Net post-employment benefits	13	2	-	15
Net pension liability	462	-	171	291
Compensated absences	174	99	99	174
Claims and judgements	<u>300</u>	<u>-</u>	<u>300</u>	<u>-</u>
Total governmental activities	<u>\$ 4,084</u>	<u>\$ 101</u>	<u>\$ 747</u>	<u>\$ 3,438</u>

	<u>Business-Type Activities</u>			
	<u>6/30/2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>6/30/2017</u>
Bonds payable	\$ 2,836	\$ -	\$ 101	\$ 2,735
Notes payable	151	-	19	132
Compensated absences	53	18	23	48
Net pension liability	100	-	24	76
Net post-employment benefits	<u>8</u>	<u>3</u>	<u>-</u>	<u>11</u>
Total business-type activities	<u>\$ 3,148</u>	<u>\$ 21</u>	<u>\$ 167</u>	<u>\$ 3,002</u>

The Government remained current on all bonds and notes outstanding and retired approximately \$257,000 in bonds and notes during the year ended June 30, 2017.

More detailed information about the Government's long-term liabilities is presented in Notes 11 and 12 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The Government's elected and appointed officials considered many factors when setting the budget and tax rates. One of those factors is the economy. With ad valorem tax and sales tax being the largest sources of income to support the general governmental operations of the Government, local business activities can have a significant impact on the Government.

For the 2017-2018 year, total revenues and other financing sources are budgeted to remain stable with current year fiscal amounts.

The majority of the Government's revenue is derived from ad valorem taxes. In recent years, the Government has experienced lower ad valorem tax receipts due to a declining tax base. The Government expects this trend to continue in the 2017-2018 period.

WEST FELICIANA PARISH GOVERNMENT
ST. FRANCISVILLE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS

Contacting the Government's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the Government's finances and to show accountability for the money it receives. If you have questions about this report or need additional financial information, contact Sherrel Johnson with the Government's Finance Department at (225) 635-3864, or P.O. Box 1921, St. Francisville, Louisiana 70775.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

WEST FELICIANA PARISH GOVERNMENT
STATEMENT OF NET POSITION
JUNE 30, 2017

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS:			
Cash and cash equivalents	\$ 706,875	\$ 268,033	\$ 974,908
Investments	9,772,997	754,812	10,527,809
Taxes receivable	284,954	-	284,954
Due from other governments	30,796	-	30,796
Accounts receivable (net)	74,288	127,398	201,686
Prepaid expenses	202,635	27,982	230,617
Restricted assets:			
Cash and cash equivalents	39,996	167,506	207,502
Investments	604,431	207,242	811,673
Capital assets:			
Land and construction in progress	3,997,686	-	3,997,686
Depreciable capital assets, net	18,092,432	9,040,722	27,133,154
TOTAL ASSETS	33,807,090	10,593,695	44,400,785
DEFERRED OUTFLOWS OF RESOURCES -			
PENSION RELATED:	357,812	107,623	465,435
LIABILITIES:			
Cash in excess of bank balance	917,206	-	917,206
Accounts payable	582,267	115,586	697,853
Accrued expenses and other liabilities	229,803	49,006	278,809
Customer deposits	-	167,506	167,506
Internal balances	90,860	(90,860)	-
Long-term liabilities:			
Due within one year	262,430	167,079	429,509
Due beyond one year	2,884,388	2,760,334	5,644,722
Net pension liability	291,126	75,117	366,243
TOTAL LIABILITIES	5,258,080	3,243,768	8,501,848
DEFERRED INFLOWS OF RESOURCES -			
PENSION RELATED:	84,665	21,919	106,584
NET POSITION:			
Net investment in capital assets	19,132,118	6,172,155	25,304,273
Restricted for:			
Debt service	661,261	207,242	868,503
Capital improvements	1,478,733	-	1,478,733
Health unit	284,698	-	284,698
Library	741,984	-	741,984
Other	1,149,380	-	1,149,380
Unrestricted	5,373,983	1,056,234	6,430,217
TOTAL NET POSITION	\$ 28,822,157	\$ 7,435,631	\$ 36,257,788

The accompanying notes are an integral part of this financial statement.

WEST FELICIANA PARISH GOVERNMENT
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2017

	Primary Government				Net (Expense) Revenue and Changes in Net Position	
	Expenses	Program Revenues				Governmental Activities
		Fees and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		
<u>Function/Programs</u>						
<u>Primary Government</u>						
Governmental activities:						
General government	\$ 1,879,460	\$ 498,841	\$ 647,761	\$ -	\$ (732,858)	
Culture and recreation	1,690,756	-	-	-	(1,690,756)	
Economic development	237,259	-	-	-	(237,259)	
Health and welfare	488,659	-	39,402	-	(449,257)	
Public safety	230,272	113,463	-	186,640	69,831	
Public works	3,437,051	-	32,557	98,157	(3,306,337)	
Interest on long-term debt	80,300	-	-	-	(80,300)	
Total governmental activities	8,043,757	612,304	719,720	284,797	(6,426,936)	
Business-type activities:						
Enterprise - Waterworks District No. 13	1,753,545	1,684,264	-	-	-	
Enterprise - Hardwood sewer	29,664	28,242	-	-	-	
Enterprise - Solitude sewer	96,717	70,875	-	-	-	
Enterprise - Turner sewer	10,734	13,848	-	-	-	
Enterprise - Independence sewer	125,638	56,372	-	-	-	
Total business-type activities	2,016,298	1,853,601	-	-	-	
Total primary government	\$ 10,060,055	\$ 2,465,905	\$ 719,720	\$ 284,797	(6,426,936)	

General revenues:	
Ad valorem taxes	4,769,627
Sales taxes	1,981,690
Video poker	176,201
Other taxes	3,718
Other	385,442
Transfers (to) from other funds	40,000
Total general revenues and transfers	7,356,678
Change in net position	929,742
Net position, June 30, 2016	27,892,415
Net position, June 30, 2017	\$ 28,822,157

The accompanying notes are an integral part of this financial statement.

<u>Net (Expense)</u>	
<u>Revenue and</u>	
<u>Changes in Net</u>	
<u>Position</u>	
<u>Business-type</u>	<u>Total</u>
<u>Activities</u>	
\$ -	\$ (732,858)
-	(1,690,756)
-	(237,259)
-	(449,257)
-	69,831
-	(3,306,337)
-	(80,300)
<u>-</u>	<u>(6,426,936)</u>
(69,281)	(69,281)
(1,422)	(1,422)
(25,842)	(25,842)
3,114	3,114
<u>(69,266)</u>	<u>(69,266)</u>
<u>(162,697)</u>	<u>(162,697)</u>
<u>(162,697)</u>	<u>(6,589,633)</u>
-	4,769,627
-	1,981,690
-	176,201
-	3,718
38,917	424,359
<u>(40,000)</u>	<u>-</u>
<u>(1,083)</u>	<u>7,355,595</u>
(163,780)	765,962
<u>7,599,411</u>	<u>35,491,826</u>
<u>\$ 7,435,631</u>	<u>\$ 36,257,788</u>

FUND FINANCIAL STATEMENTS

WEST FELICIANA PARISH GOVERNMENT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2017

	General	Solid Waste	Recreation	Road Improvement	Economic Development	Building and Grounds	Non-Major Governmental Funds	Total Governmental Funds
ASSETS								
Cash and cash equivalents	\$ 140,693	\$ 408,027	\$ 106,214	207	\$ -	\$ -	\$ 51,734	\$ 706,875
Investments	3,459,063	99,728	289,529	1,825,772	722,167	1,700,060	1,676,678	9,772,997
Prepaid expenses	49,221	-	45,399	66,743	329	25,607	15,336	202,635
Receivables, net:								
Accounts	10,425	-	125	49,764	-	-	13,974	74,288
Taxes	71,095	131,206	79,299	1,301	284	858	911	284,954
Due from other funds	2,381,678	196,929	-	45,094	-	33,000	333,624	2,990,325
Due from other governments	30,796	-	-	-	-	-	-	30,796
Restricted assets:								
Cash and cash equivalents	-	-	-	-	-	-	39,996	39,996
Investments	-	-	-	-	-	-	604,431	604,431
TOTAL ASSETS	\$ 6,142,971	\$ 835,890	\$ 520,566	\$ 1,988,881	\$ 722,780	\$ 1,759,525	\$ 2,736,684	\$ 14,707,297
LIABILITIES								
Cash in excess of bank balance	\$ -	\$ -	\$ -	\$ -	\$ -	518,400	\$ 398,806	\$ 917,206
Accounts payable	51,618	599	59,992	330,780	27,489	49,791	61,998	582,267
Accrued expenses and liabilities	95,395	2,759	35,854	44,907	568.00	9,249	14,853	203,585
Due to other funds	447,038	20,500	474,657	1,222,129	506,436	11,351	399,074	3,081,185
TOTAL LIABILITIES	594,051	23,858	570,503	1,597,816	534,493	588,791	874,731	4,784,243
FUND BALANCES								
Nonspendable	49,221	-	45,399	66,743	329	25,607	15,336	202,635
Restricted	-	812,032	-	324,322	187,958	1,145,127	1,846,617	4,316,056
Committed	2,569,266	-	-	-	-	-	-	2,569,266
Unassigned (deficit)	2,930,433	-	(95,336)	-	-	-	-	2,835,097
TOTAL FUND BALANCES	5,548,920	812,032	(49,937)	391,065	188,287	1,170,734	1,861,953	9,923,054
TOTAL LIABILITIES AND FUND BALANCES	\$ 6,142,971	\$ 835,890	\$ 520,566	\$ 1,988,881	\$ 722,780	\$ 1,759,525	\$ 2,736,684	\$ 14,707,297

The accompanying notes are an integral part of this financial statement.

WEST FELICIANA PARISH GOVERNMENT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2017

Fund balance, June 30, 2017 - governmental funds		\$ 9,923,054
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds:		
Cost of capital assets at June 30, 2017	31,799,139	
Less: accumulated depreciation as of June 30, 2017	<u>(9,709,021)</u>	22,090,118
Accrued interest on long-term debt		(26,218)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental fund liabilities:		
Bonds payable		(2,958,000)
Compensated absences		(174,292)
Net OPEB obligation		(14,526)
Claims and judgments payable		<u>-</u>
Net pension obligation balances in accordance with GASB 68:		
Deferred outflow of resources - deferred pension contributions		96,123
Deferred outflow of resources - related to net pension liability		261,689
Net pension liability		(291,126)
Deferred inflow of resources - related to net pension liability		<u>(84,665)</u>
Total net position at June 30, 2017 - governmental activities		<u>\$ 28,822,157</u>

The accompanying notes are an integral part of this financial statement.

WEST FELICIANA PARISH GOVERNMENT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2017

	General	Solid Waste	Recreation	Road Improvement	Economic Development	Building and Grounds	Non-Major Governmental Funds	Total Governmental Funds
REVENUES:								
Intergovernmental revenues	\$ 343,649	32,557	\$ 23,684	\$ 335,838	\$ -	\$ -	\$ 239,176	\$ 974,904
Taxes:								
Ad valorem	971,935	-	412,609	1,213,555	264,831	800,946	1,105,751	4,769,627
Beer	3,718	-	-	-	-	-	-	3,718
Sales	95,380	1,205,158	681,152	-	-	-	-	1,981,690
Video poker	176,201	-	-	-	-	-	-	176,201
Licenses and permits	177,606	-	-	-	-	-	-	177,606
Charges for services	59,421	-	248,933	-	-	-	126,344	434,698
Other revenues	63,173	12,673	18,512	228,930	8,108	9,462	44,584	385,442
TOTAL REVENUES:	<u>1,891,083</u>	<u>1,250,388</u>	<u>1,384,890</u>	<u>1,778,323</u>	<u>272,939</u>	<u>810,408</u>	<u>1,515,855</u>	<u>8,903,886</u>
EXPENDITURES:								
General government	1,599,275	-	8,000	51,027	-	-	212,243	1,870,545
Culture and recreation	-	-	1,090,490	-	-	-	374,261	1,464,751
Economic development	22,189	-	-	-	185,285	-	-	207,474
Health and welfare	111,522	-	-	-	-	-	315,791	427,313
Public safety	199,838	-	-	-	-	-	-	199,838
Public works	-	914,610	-	1,311,947	-	795,580	-	3,022,137
Capital outlay	-	-	100,266	771,633	-	48,905	669,298	1,590,102
Debt service:								
Principal	-	-	-	-	-	-	177,000	177,000
Interest	-	-	-	-	-	-	80,300	80,300
TOTAL EXPENDITURES:	<u>1,932,824</u>	<u>914,610</u>	<u>1,198,756</u>	<u>2,134,607</u>	<u>185,285</u>	<u>844,485</u>	<u>1,828,893</u>	<u>9,039,460</u>
Excess (deficiency) of revenues over expenditures	(41,741)	335,778	186,134	(356,284)	87,654	(34,077)	(313,038)	(135,574)
Other financing sources (uses):								
Transfers to other funds	(59,378)	(10,000)	(30,000)	(50,000)	(4,000)	(10,000)	(3,000)	(166,378)
Transfers from other funds	147,000	-	-	-	-	-	59,378	206,378
Total other financing sources (uses)	<u>87,622</u>	<u>(10,000)</u>	<u>(30,000)</u>	<u>(50,000)</u>	<u>(4,000)</u>	<u>(10,000)</u>	<u>56,378</u>	<u>40,000</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)	45,881	325,778	156,134	(406,284)	83,654	(44,077)	(256,660)	(95,574)
Fund balance, beginning	<u>5,503,039</u>	<u>486,254</u>	<u>(206,071)</u>	<u>797,349</u>	<u>104,633</u>	<u>1,214,811</u>	<u>2,118,613</u>	<u>10,018,628</u>
Fund balance, ending	<u>\$ 5,548,920</u>	<u>\$ 812,032</u>	<u>\$ (49,937)</u>	<u>\$ 391,065</u>	<u>\$ 188,287</u>	<u>\$ 1,170,734</u>	<u>\$ 1,861,953</u>	<u>\$ 9,923,054</u>

The accompanying notes are an integral part of this financial statement.

WEST FELICIANA PARISH GOVERNMENT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2017

Net change in fund balances - governmental funds \$ (95,574)

The change in net position reported for governmental activities in the statement of activities is different because:

Governmental funds report capital outlay as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay and other capitalized purchases	1,629,779	
Depreciation expense	<u>(1,032,505)</u>	597,274

Some expenses reported in the Statement of Activities do not require the use of current financial resources and are not reported as expenditures in the governmental funds, or reported as expenditures in the governmental funds, but recorded as a payout of a liability in the governmental activity.

Bond principal payments	177,000	
Compensated absences	(651)	
Change in accrued interest on long-term debt	1,372	
Change in claims and judgments payable	300,000	
Other post-employment benefit expense	<u>(1,587)</u>	476,134

Change in net pension liability and deferred inflows and outflows in accordance with GASB 68		<u>(48,092)</u>
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Change in net position of governmental activities		<u>\$ 929,742</u>
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The accompanying notes are an integral part of this financial statement.

WEST FELICIANA PARISH GOVERNMENT
STATEMENT OF NET POSITION
ENTERPRISE FUNDS
JUNE 30, 2017

	Waterworks District No. 13	Hardwood Sewer	Solitude Sewer	Turner Sewer	Independence Sewer	Total
ASSETS						
Current assets:						
Cash and cash equivalents	\$ 175,447	\$ 42,565	\$ 9,449	\$ 10,031	\$ 30,541	\$ 268,033
Investments	754,812	-	-	-	-	754,812
Receivables, net						
Accounts	103,547	4,462	11,355	2,380	5,654	127,398
Due from other funds	422,095	-	-	-	-	422,095
Prepaid items	26,397	573	516	491	5	27,982
Total current assets	1,482,298	47,600	21,320	12,902	36,200	1,600,320
Restricted assets						
Cash and cash equivalents	167,506	-	-	-	-	167,506
Investments	207,242	-	-	-	-	207,242
Total restricted assets	374,748	-	-	-	-	374,748
Noncurrent assets						
Capital assets:						
Capital assets, net of depreciation	4,710,380	63,637	944,725	-	3,321,980	9,040,722
Total noncurrent assets	4,710,380	63,637	944,725	-	3,321,980	9,040,722
TOTAL ASSETS	6,567,426	111,237	966,045	12,902	3,358,180	11,015,790
DEFERRED OUTLOWS OF RESOURCES -						
 related to pension liability	107,623	-	-	-	-	107,623
LIABILITIES						
Current liabilities:						
Accounts payable	110,781	1,354	818	639	1,994	115,586
Accrued expenses and other liabilities	45,807	348	1,756	355	740	49,006
Compensated absences	43,214	-	-	-	-	43,214
Customer deposits	167,506	-	-	-	-	167,506
Due to other funds	149,112	6,073	155,158	1,843	19,049	331,235
Bonds payable	91,409	-	9,932	-	3,591	104,932
Notes payable	18,933	-	-	-	-	18,933
Total current liabilities	626,762	7,775	167,664	2,837	25,374	830,412
DEFERRED INFLOWS OF RESOURCES -						
 related to pension liability	21,919	-	-	-	-	21,919
Long-term liabilities:						
Compensated absences	4,369	-	-	-	-	4,369
Net post-employment benefit obligation	11,263	-	-	-	-	11,263
Net pension liability	75,117	-	-	-	-	75,117
Bonds payable	1,819,561	-	572,562	-	238,986	2,631,109
Notes payable	113,593	-	-	-	-	113,593
Total long-term liabilities	2,023,903	-	572,562	-	238,986	2,835,451
TOTAL LIABILITIES	2,650,665	7,775	740,226	2,837	264,360	3,665,863
NET POSITION						
Net investment in capital assets	2,666,884	63,637	362,231	-	3,079,403	6,172,155
Debt service	207,242	-	-	-	-	207,242
Unrestricted (deficit)	1,128,339	39,825	(136,412)	10,065	14,417	1,056,234
TOTAL NET POSITION	\$ 4,002,465	\$ 103,462	\$ 225,819	\$ 10,065	\$ 3,093,820	\$ 7,435,631

The accompanying notes are an integral part of this financial statement.

WEST FELICIANA PARISH GOVERNMENT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
ENTERPRISE FUNDS
YEAR ENDED JUNE 30, 2017

	Waterworks District No. 13	Hardwood Sewer	Solitude Sewer	Turner Sewer	Independence Sewer	Total
OPERATING REVENUES:						
Charges for services	\$ 1,548,002	\$ 28,242	\$ 70,875	\$ 13,848	\$ 56,372	\$ 1,717,339
Connection and other fees	136,262	-	-	-	-	136,262
Total operating revenues	<u>1,684,264</u>	<u>28,242</u>	<u>70,875</u>	<u>13,848</u>	<u>56,372</u>	<u>1,853,601</u>
OPERATING EXPENSES:						
Salaries and employee benefits	795,965	11,271	10,895	5,508	900	824,539
Depreciation	329,571	5,446	44,548	-	91,641	471,206
Repairs and maintenance	187,424	9,766	10,086	3,544	10,951	221,771
Professional services	28,200	-	-	-	-	28,200
Insurance expense	18,992	1,502	1,522	955	8	22,979
Utilities	166,155	1,675	4,435	727	14,100	187,092
Supplies	33,784	-	-	-	-	33,784
Bad debt	3,108	-	-	-	-	3,108
Office supplies	19,028	-	-	-	-	19,028
Rent	7,200	-	-	-	-	7,200
Fuel	9,074	-	-	-	-	9,074
Regulatory fees	7,158	-	-	-	-	7,158
Other operating expenses	16,614	4	-	-	-	16,618
Total operating expenses	<u>1,622,273</u>	<u>29,664</u>	<u>71,486</u>	<u>10,734</u>	<u>117,600</u>	<u>1,851,757</u>
INCOME (LOSS) FROM OPERATIONS	<u>61,991</u>	<u>(1,422)</u>	<u>(611)</u>	<u>3,114</u>	<u>(61,228)</u>	<u>1,844</u>
NON-OPERATING REVENUES (EXPENSES):						
Other revenues	38,917	-	-	-	-	38,917
Interest expense	(131,272)	-	(25,231)	-	(8,038)	(164,541)
Total nonoperating revenues (expenses)	<u>(92,355)</u>	<u>-</u>	<u>(25,231)</u>	<u>-</u>	<u>(8,038)</u>	<u>(125,624)</u>
INCOME (LOSS) BEFORE TRANSFERS	<u>(30,364)</u>	<u>(1,422)</u>	<u>(25,842)</u>	<u>3,114</u>	<u>(69,266)</u>	<u>(123,780)</u>
Transfers out	(40,000)	-	-	-	-	(40,000)
CHANGE IN NET POSITION	<u>(70,364)</u>	<u>(1,422)</u>	<u>(25,842)</u>	<u>3,114</u>	<u>(69,266)</u>	<u>(163,780)</u>
NET POSITION						
Balance, beginning of year	4,072,829	104,884	251,661	6,951	3,163,086	7,599,411
Balance, end of year	<u>\$ 4,002,465</u>	<u>\$ 103,462</u>	<u>\$ 225,819</u>	<u>\$ 10,065</u>	<u>\$ 3,093,820</u>	<u>\$ 7,435,631</u>

The accompanying notes are an integral part of this financial statement.

WEST FELICIANA PARISH GOVERNMENT
STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
YEAR ENDED JUNE 30, 2017

	Waterworks District No. 13	Hardwood Sewer	Solitude Sewer	Turner Sewer	Independence Sewer	Total
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>						
Receipts from customers and others	\$ 1,739,409	\$ 26,498	\$ 65,260	\$ 12,692	\$ 55,233	\$ 1,899,092
Payments to suppliers for goods and services	(375,631)	(11,635)	(15,717)	(4,348)	(28,021)	(435,352)
Payments to employees for services and benefits	(783,281)	(11,271)	(10,895)	(5,508)	(900)	(811,855)
Net cash provided by operating activities	580,497	3,592	38,648	2,836	26,312	651,885
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</u>						
Grants and other contributions	38,917	-	-	-	-	38,917
Transfers out to other funds	(40,000)	-	-	-	-	(40,000)
Change in due (from) to other funds	40,194	-	1,401	-	-	41,595
Net cash provided by noncapital financing activities	39,111	-	1,401	-	-	40,512
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</u>						
Acquisition of capital assets	(227,167)	-	(10,535)	-	-	(237,702)
Principal payments on debt	(106,216)	-	(9,930)	-	(3,796)	(119,942)
Interest paid on debt	(131,272)	-	(25,231)	-	(8,038)	(164,541)
Net cash used in capital and related financing activities	(464,655)	-	(45,696)	-	(11,834)	(522,185)
<u>CASH FLOW FROM INVESTING ACTIVITIES:</u>						
Proceeds (purchases) of investments	(76,801)	-	-	-	-	(76,801)
Net cash provided by (used in) investing activities	(76,801)	-	-	-	-	(76,801)
Net increase (decrease) in cash and cash equivalents	78,152	3,592	(5,647)	2,836	14,478	93,411
Cash and cash equivalents, beginning of the year	264,801	38,973	15,096	7,195	16,063	342,128
Cash and cash equivalents, end of the year	\$ 342,953	\$ 42,565	\$ 9,449	\$ 10,031	\$ 30,541	\$ 435,539
Reconciliation of operating income to net cash provided by (used in) operating activities:						
Operating income (loss)	\$ 61,991	\$ (1,422)	\$ (611)	\$ 3,114	\$ (61,228)	\$ 1,844
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation	329,571	5,446	44,548	-	91,641	471,206
Bad debts	3,108	-	-	-	-	3,108
(Increase) decrease in accounts receivable	7,307	(1,744)	(5,615)	(1,156)	(1,139)	(2,347)
(Increase) decrease in prepaid items	(1,428)	(38)	(131)	47	(5)	(1,555)
(Increase) decrease in deferred outflows related to net pension liability	37,503	-	-	-	-	37,503
Increase (decrease) in accounts payable	95,250	1,002	273	583	(3,005)	94,103
Increase (decrease) in accrued expenses and other liabilities	24,176	348	184	248	48	25,004
Increase (decrease) in customer deposits	47,838	-	-	-	-	47,838
Increase (decrease) in compensated absences	(5,110)	-	-	-	-	(5,110)
Increase (decrease) in net post-employment benefit obligation	2,493	-	-	-	-	2,493
(Increase) decrease in net pension liability	(24,426)	-	-	-	-	(24,426)
(Increase) decrease in deferred inflows related to net pension liability	2,224	-	-	-	-	2,224
Total adjustments	518,506	5,014	39,259	(278)	87,540	650,041
Net cash provided by operating activities	\$ 580,497	\$ 3,592	\$ 38,648	\$ 2,836	\$ 26,312	\$ 651,885

The accompanying notes are an integral part of this financial statement.

WEST FELICIANA PARISH GOVERNMENT
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2017

	Hospital Maintenance	Sales Tax	Total
<u>ASSETS</u>			
Cash and cash equivalents	\$ 23,709	\$ 218,250	\$ 241,959
Taxes receivable	224,547	-	224,547
TOTAL ASSETS	<u>248,256</u>	<u>218,250</u>	<u>466,506</u>
<u>LIABILITIES</u>			
Due to other governmental agencies	248,256	218,250	466,506
TOTAL LIABILITIES	<u>\$ 248,256</u>	<u>\$ 218,250</u>	<u>\$ 466,506</u>

The accompanying notes are an integral part of this financial statement.

NOTES TO THE FINANCIAL STATEMENTS

WEST FELICIANA PARISH GOVERNMENT
ST. FRANCISVILLE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS

INTRODUCTION

The West Feliciana Parish Government (hereafter referred to as the Government) is the governing authority for West Feliciana Parish and is a political subdivision of the State of Louisiana.

Louisiana Revised Statute 33:1236 gives the Government various powers in regulating and directing the affairs of the Parish and its inhabitants. The more notable of these are the power to make regulations for its own governments; 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.

The West Feliciana Parish Government was originally governed by the provisions of the Lawarson Act, La. Revised Statute 33:321-481. The electorate adopted a Home Rule Charter (the Charter) on November 26, 2012, that became effective on January 1, 2014. The Charter provided for a mayor-council form of government. The Council is elected to member districts. There are currently seven council members serving four year terms and they are compensated for their services. The Charter also required a change in accounting period end from December 31st to June 30th.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the West Feliciana Parish Government have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. Private Sector Standards of Accounting issued on or prior to November 30, 1989 generally are followed in both the government wide financial statements and the proprietary fund type financial statements as made applicable through GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*

A. Financial Reporting Entity

The financial reporting entity consists of the primary government and organizations for which the primary government is financially accountable and a financial benefit/burden relationship exists.

Governmental accounting standards establishes the criteria for determining which component units should be considered part of the consolidated government for financial reporting purposes. The basic criteria are as follows:

1. Legal status of the potential component unit
2. Financial accountability
 - a. The primary government appoints a voting majority of the potential component units governing body and the primary government is able to impose its will on the potential component unit or
 - b. When a potential component unit is fiscally dependent on the primary government regardless of whether the organization has separately elected officials or boards.

WEST FELICIANA PARISH GOVERNMENT
ST. FRANCISVILLE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS

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

A. **Financial Reporting Entity** (continued)

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

Based on the previous criteria, the Government has included the following component units in the financial reporting entity:

Blended Component Units – Governmental Activities

The West Feliciana Library – The West Feliciana Parish Library (the Library) provides resources and services to individuals for informational needs for day-to-day living and pleasure, and for cultural, educational, and leisurely pursuits. The Library was established by the West Feliciana Parish Government, under the provisions of Louisiana Revised Statute 25:211. The Library does not possess all the corporate powers necessary to make it a legally separate entity from the West Feliciana Parish Government. The Library's financial statements for the year ended June 30, 2017 are presented in this report.

20th Judicial District Criminal Court Fund – 20th Judicial District Criminal Court Fund (Criminal Court Fund) was established for the purpose of payment of expenses the Court deemed necessary by the Judges for efficient operations of the Court. Although the district court judges are independently elected officials, the Criminal Court Fund is fiscally dependent on the Government and exclusion would create misleading or incomplete financial statements of the Government.

Blended Component Unit – Business Type Activities

Waterworks District No. 13 – The Waterworks District No. 13 (the District) was created by the Government as allowed under Louisiana Revised Statute Section 33:7702. The District accounts for the operations and provisions of water services to the residents and boundaries of the District as described in Louisiana Revised Statute Section 33:3381. The councilmen of the Government act as the governing body of the District. The District's financial statements for the year ended June 30, 2017 are presented in this report. Separately issued financial statements for the Waterworks District No. 13 can be obtained at Waterworks District No. 13; Sherrel Johnson, Finance Director; P.O. Box 1921; St. Francisville, Louisiana 70775 or (225) 635-3864.

WEST FELICIANA PARISH GOVERNMENT
ST. FRANCISVILLE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A. Financial Reporting Entity (continued)

Related Organizations

Related organizations of the Government which do not meet the definition of component units and issue their own financial statements separately from the Government include (1) Gas Utility District No.1; (2) West Feliciana Parish 911 Communications District; (3) West Feliciana Parish Clerk of Court; (4) West Feliciana Parish Sheriff; (5) the West Feliciana Parish Assessor; (6) West Feliciana Parish Tourist Commission; and (7) West Feliciana Parish District Attorney.

B. Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the non-fiduciary activities of the primary government. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

WEST FELICIANA PARISH GOVERNMENT
ST. FRANCISVILLE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS

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

C. **Fund Financial Statements**

Emphasis of fund financial reporting is on the major fund level in either the governmental or business-type categories. Major funds are presented alone in a separate column, while non-major funds are summarized into a single column in the basic financial statements.

The daily accounts and operations of the Government are organized on the basis of individual funds, each of which is considered a separate accounting entity. The operations of each fund, both major and non-major, are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The various funds of the primary government are grouped into generic fund types and broad fund categories as presented below, along with identification of major funds.

Governmental activities presented as governmental funds in the fund financial statements are as follows:

General Fund – The General Fund is the general operating fund of the Government. The General Fund accounts for all financial resources except those required to be accounted for in other funds. The General Fund is always a major fund.

Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted or committed to expenditures for specified purposes. Special Revenue funds that are considered to be major funds are the Solid Waste Fund, Recreation Fund, Road Improvement Fund, the Buildings and Grounds Fund and the Economic Development Fund.

Debt Service Funds – Debt Service Funds are used to account for the accumulation of resources for and the payment of general long-term debt principal, interest and related costs.

Capital Project Funds – Capital Project Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

Enterprise funds are used to account for operations (1) that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs and expenses, including depreciation, of providing goods or services to the public on a continuing basis be financed or recovered primarily through user charges; or (2) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. Enterprise funds are presented in the business-type activities column in the government wide financial statements. The enterprise funds reported as major funds include Waterworks District No. 13, Hardwood Sewer, Solitude Sewer, Turner Sewer, and Independence Sewer.

WEST FELICIANA PARISH GOVERNMENT
ST. FRANCISVILLE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS

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

C. **Fund Financial Statements** (continued)

Enterprise funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Fiduciary funds account for resources held in trust for other parties. As such, the Government has no equity in these funds. They utilize the flow of economic resources measurement focus and the accrual basis of accounting. Fiduciary funds of the Government include:

Agency Funds - Agency Funds accounts for assets that do not belong to Government and cannot be used to finance the Government's own operating programs. They include the Hospital Maintenance and Sales Tax Funds.

D. **Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied.

Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

The 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 tax revenues to be available if they are collected within 60 days of the end of the current fiscal period, while intergovernmental (grant) revenues are considered available if received within one year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

E. **Activity Between Funds**

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds".

Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

WEST FELICIANA PARISH GOVERNMENT
ST. FRANCISVILLE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Cash and Investments

The Government's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. State law and the Government's investment policy allow the Government to invest in collateralized certificates of deposits, government backed securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government-backed securities.

G. Ad Valorem Taxes and Sales Tax

Ad valorem taxes are collected by the West Feliciana Parish Tax Collector's Office and remitted to the Government on a monthly basis. Values are established by the West Feliciana Parish Assessor's Office each year.

Ad valorem taxes are assessed and levied on a calendar year basis, based on the assessed value on January 1 of the assessment year. However, before taxes can be levied, the tax rolls must be submitted to the State Tax Commission for approval. Taxes are due and payable by November 15. An enforceable lien attaches on the property as of November 15. As of December 31, taxes become delinquent and interest and penalty accrue. Taxes are generally collected in January, February and March of the fiscal year.

Total assessed value was \$284,362,460 in 2016. Louisiana state law exempts the first \$75,000 of assessed value of a tax payer's primary residence from parish property taxes. This homestead exemption was \$17,658,390 of the assessed value in calendar year 2016.

The following are the Government authorized and levied ad valorem taxes for 2016:

	<u>Expiration Date</u>	<u>Authorized Millage</u>	<u>Levied Millage</u>
General Fund	N/A	3.57	3.46
Social Service	2016	.10	.10
Improvement Funds	2016	8.89	8.89
Health Service	2016	1.50	1.45
Economic Development	2017	1.00	0.97
Hospital	2016	2.00	1.94
Library (Bond)	2031	1.15	1.15
Library	2031	1.50	1.45

The Government is authorized to levy a one percent sales and use tax for all sales within the incorporated area of the Town of St. Francisville. The Government is authorized to levy a two percent sales and use tax for all sales outside the incorporated area of the Town of St. Francisville.

WEST FELICIANA PARISH GOVERNMENT
ST. FRANCISVILLE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

H. Prepaid Expenses

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

I. Restricted Assets

Certain proceeds for customer deposits, capital and merchandise, grants, road improvement, construction projects, and debt service are classified as restricted assets on the statement of net position because their use is limited.

J. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (roads, bridges, sidewalks, sewer infrastructure, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Government maintains a threshold level of \$5,000 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.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings and improvements	10-40 years
Equipment	3-10 years
Furniture and fixtures	7-10 years
Library collection	3-5 years
Vehicles	5 years
Infrastructure	20-40 years
Utility systems	20-40 years

WEST FELICIANA PARISH GOVERNMENT
ST. FRANCISVILLE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS

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

K. Compensated Absences

Regular full-time employees earn a certain amount of sick leave each year, depending upon the length and their employment status. Sick leave can be accumulated without limitation. Upon separation of employment, excluding retirement, no sick leave shall be paid to employees. The balance of the sick leave shall be kept on the schedule for a period of five years and reinstated if the employee is rehired.

Regular full-time employees may also accrue compensatory time in lieu of overtime payment. Compensatory time may be carried over to the next calendar year. There is no limit on the amount of compensatory time an employee may accumulate during the term of his/her employment, but is with an understanding that only a maximum of 40 hours will be paid to employees upon retirement or separation.

In the government-wide financial statements and the propriety fund types fund statements, the total compensated absences liability is recorded as an expense and a long-term obligation and allocated on a functional basis. In accordance with GASB Interpretation No.6 *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*, (issued in March of 2000), no compensated absences liability is recorded at June 30, 2017, in the governmental fund financial statements. The liquidation of the compensated absence liabilities will be paid proportional to funds in which the compensation was paid, primarily the general and proprietary funds.

L. Pension Plans

The West Feliciana Parish Government is a participating employer in three defined benefit pension plans (plans) as described in Note 13. For purposes of measuring the Net Pension Liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of each of the plans, and additions to/deductions from each plans' fiduciary net position have been determined on the same basis as they are reported by each of the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments have been reported at fair value within each plan.

M. Fund Balance

The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable fund balance – amounts that are not in a spendable form (such as inventory or prepaid items) or are required to be maintained intact;
- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantor, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- Committed fund balance – amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority by a vote of the Council; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;

WEST FELICIANA PARISH GOVERNMENT
ST. FRANCISVILLE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

M. Fund Balance (continued)

- Assigned fund balance – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governmental body delegates the authority such as the Government's management;
- Unassigned fund balance – amounts that are available for any purpose.

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

N. Net Position

The Government has implemented GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. This standard provides guidance for reporting the financial statement elements of deferred outflows of resources and deferred inflows of resources. Deferred outflows represent the consumption of the Government's net position that is applicable to a future reporting period. A deferred inflow represents the acquisition of net position that is applicable to a future reporting period.

Because deferred outflows and deferred inflows are, by definition, neither assets nor liabilities, the statement of net assets title is referred to as the statement of net position. The statement of net position reports net position as the difference between all other elements in a statement of net position and should be displayed in three components—net investment in capital assets, restricted net position (distinguishing between major categories of restrictions), and unrestricted net position.

Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of borrowings for capital asset acquisition, construction, or improvement of those assets, increased by deferred outflows of resources attributable to capital asset acquisition, construction or improvement, and deferred inflows of resources attributable to either capital asset acquisition, construction, or improvement or to capital asset related debt. Capital-related debt or deferred inflows equal to unspent capital asset related debt proceeds or deferred inflows of resources is included in calculating either restricted or unrestricted net position, depending upon whether the unspent amounts are restricted.

Restricted net position reflects net position when there are limitations imposed on a net position's use by external parties such as creditors, grantors, laws or regulations of other governments. Restricted net position consists of restricted assets less liabilities related to restricted assets less deferred inflows related to restricted assets. Liabilities and deferred inflows related to restricted assets include liabilities and deferred inflows to be liquidated with restricted assets and arising from the same resource flow that results in restricted assets. When both restricted and unrestricted resources are available for use, it is the Government's policy to use restricted resources first, then unrestricted resources as they are needed.

WEST FELICIANA PARISH GOVERNMENT
ST. FRANCISVILLE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

N. Net Position (continued)

Unrestricted net position is the balance (deficit) of all other elements in a statement of net position remaining after net investment in capital assets and restricted net position.

The Government has implemented GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. This standard provides guidance for reporting the financial statement elements of deferred outflows of resources and deferred inflows of resources, required by GASB Statement No. 63, as applied to the governmental fund statements. In addition to identifying which items should be reported in these new categories in proprietary fund, fiduciary fund, government-wide statements of net position and governmental fund balance sheets, GASB Statement No. 65 also identifies certain items previously reported as assets and liabilities that the GASB determined should be recognized as revenues, expenses, or expenditures when incurred and not reported in statements of net position/balance sheets.

O. Estimates

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

P. Future Accounting Changes

The Governmental Accounting Standards Board recently issued GASB Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, which supersedes accounting standards that currently exist regarding retiree benefits. Under the new standard, governments recognize a liability for the full amount of actuarially determined accrued benefits less amounts funded into a trust rather than recognizing a liability based upon the difference between funding recommendations and actual contributions, as is currently required. Additionally, the liability will be measured according to more prescriptive requirements. The standard is effective for annual reporting periods beginning after June 15, 2017. The Government expects that the new standard will have a material negative effect on its net position for the year ended June 30, 2018. However, the amount of the effect is unknown at this time.

WEST FELICIANA PARISH GOVERNMENT
ST. FRANCISVILLE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS

2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

The Government follows these procedures in establishing the budgetary data reflected in these financial statements:

- a. A letter of request is sent on or about April 1 to each department head requesting submission of operating budget along with the capital outlay budget request. Each department head is encouraged to seek help from the finance department and have their final budget requests in the main office by May 1.
- b. The Parish President submits to the Council a proposed operating budget at least forty-five days prior to the beginning of each fiscal year. The operating budget includes proposed expenditures and total anticipated revenues.
- c. At the meeting of the Council at which the operating budget is submitted, the Council orders a public hearing on it. At least ten days prior to the date of such hearing, the council publishes in the official journal a general summary of the proposed budget.
- d. At least ten days prior to the date of such hearing, the Government publishes in the official journal a general summary of the proposed budget.
- e. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is legally enacted through passage of an ordinance, no later than the fifteenth day of the last month of the fiscal year.
- f. Budgetary amendments involving the transfer of funds from one department, office, or agency to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the adoption of an ordinance by the Council.
- g. Every appropriation, except an appropriation for a capital expenditure, lapses at the close of the fiscal year to the extent that it has not been expended.
- h. Budgets for the General and Special Revenue Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as amended from time to time by the Council.

3. DEPOSITS, CASH EQUIVALENTS, AND INVESTMENTS

At June 30, 2017, the Government had cash and cash equivalents (book balances) totaling \$507,163 consisting of deposits with financial institutions. These deposits were stated at cost, which approximates market. Deposits in financial institutions can be exposed to custodial credit risk. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent.

Governmental Accounting Standards Board (GASB) Statement No. 40, "*Deposit and Investment Risk Disclosures*" requires disclosure of custodial credit risk for bank deposits. Custodial risk is the risk that in the event of bank failure, the government's deposits may not be returned. Under the state law, all deposits are required to be secured by federal depository insurance or the pledge of securities held by the pledging banks agent in the Government's name. At June 30, 2017, the primary government's bank balances amounted to \$760,927. Of the bank balances, \$250,000 was covered by federal depository insurance and the remaining balance are required to be protected against custodial credit risk by collateral held by the pledging banks' trust department or agent in the Government's name.

WEST FELICIANA PARISH GOVERNMENT
ST. FRANCISVILLE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS

3. DEPOSITS, CASH EQUIVALENTS, AND INVESTMENTS (continued)

Investments:

As of June 30, 2017, the primary government had the following investments and maturities:

INVESTMENT MATURITIES (IN YEARS)

<u>Investment Type</u>	<u>Net Assets</u>	<u>Less Than 1</u>	<u>1-5</u>	<u>6-10</u>
LAMP	<u>\$ 11,339,482</u>	<u>\$ 11,339,482</u>	<u>\$ -</u>	<u>\$ -</u>

The \$11,339,482 invested in LAMP are investment in money market instruments. LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LSA-R.S. 33:2955.

Credit Risk- Under Louisiana R.S. 33:2955, as amended, the Government may invest in obligation of the U.S. Treasury, U.S. Agencies and instrumentalities, repurchase agreements, certificates of deposits, Louisiana Asset Management Pool (LAMP), and other investments as provided in the statute. The Government's policy does not further limit its investment choices. As of June 30, 2017, the Government's investment in LAMP was rated AAAM by Standard & Poor's.

Concentration of Credit Risk- The Government does not have a limit on the amount the primary government may invest in one issuer. One hundred percent of the primary government's investments are in LAMP funds.

The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and board of directors. LAMP is not registered with the SEC as an investment company.

An annual audit of LAMP is conducted by an independent certified public accountant. The Legislative Auditor of the State of Louisiana has full access to the records of LAMP.

LAMP issues financial reports which can be obtained by writing: LAMP, Inc., 228 St. Charles Avenue, Suite 1123, New Orleans, LA 70130.

WEST FELICIANA PARISH GOVERNMENT
ST. FRANCISVILLE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS

4. ACCOUNTS RECEIVABLE AND DUE FROM OTHER GOVERNMENTS

Accounts receivable and due from other governments consists of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts are based upon historical trends, period aging and prior write-offs of similar accounts receivable, receivables balances, ad valorem, sales, and franchise tax collections. Accounts receivable and due from other governments for the primary government at June 30, 2017 were as follows:

Governmental Activities:

	<u>Various Taxes</u>	<u>Sales Taxes</u>	<u>Service Fees and Other</u>	<u>Total</u>
General	\$ 57,179	\$ 13,916	\$ 41,221	\$ 112,316
Solid Waste	-	131,206	-	131,206
Recreation	442	78,857	125	79,424
Road Improvement	1,301	-	49,764	51,065
Economic Development	284	-	-	284
Building and Grounds	858	-	-	858
Non-Major Governmental Funds	<u>911</u>	<u>-</u>	<u>13,974</u>	<u>14,885</u>
Total	<u>\$ 60,975</u>	<u>\$ 223,979</u>	<u>\$ 105,084</u>	<u>\$ 390,038</u>

Business-type Activities:

	<u>Waterworks District No. 13</u>	<u>Combined Sewer Funds</u>	<u>Total</u>
Operating fund	\$ 105,047	\$ 23,851	\$ 128,898
Allowance for uncollectible accounts	(1,500)	-	(1,500)
Total	<u>\$ 103,547</u>	<u>\$ 23,851</u>	<u>\$ 127,398</u>

WEST FELICIANA PARISH GOVERNMENT
ST. FRANCISVILLE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS

5. CAPITAL ASSETS

A. Governmental Activities

The following is a summary of the changes in capital assets for the primary government for the year ended June 30, 2017:

<u>Cost</u>	Balance 06/30/2016	Additions	Deletions	Transfers	Balance 06/30/2017
Land	\$ 2,575,267	\$ -	\$ -	\$ 12,500	\$ 2,587,767
Construction in progress	685,885	736,534	-	(12,500)	1,409,919
	<u>3,261,152</u>	<u>736,534</u>	<u>-</u>	<u>-</u>	<u>3,997,686</u>
<u>Depreciated</u>					
Buildings	17,252,771	574,936	-	-	17,827,707
Equipment	3,030,777	243,169	-	-	3,273,946
Furniture and fixtures	89,364	-	-	-	89,364
Library collection	214,899	-	-	-	214,899
Infrastructure	5,565,259	19,658	-	-	5,584,917
Building improvements	108,088	-	-	-	108,088
Vehicles	647,050	55,482	-	-	702,532
	<u>26,908,208</u>	<u>893,245</u>	<u>-</u>	<u>-</u>	<u>27,801,453</u>
<u>Less: accumulated depreciation</u>					
Buildings	(3,396,565)	(474,357)	-	-	(3,870,922)
Equipment	(1,979,675)	(306,241)	-	-	(2,285,916)
Furniture and fixtures	(77,390)	(2,742)	-	-	(80,132)
Library collection	(143,919)	(28,470)	-	-	(172,389)
Infrastructure	(2,496,296)	(172,418)	-	-	(2,668,714)
Building improvements	(20,348)	(17,403)	-	-	(37,751)
Vehicles	(562,323)	(30,874)	-	-	(593,197)
	<u>(8,676,516)</u>	<u>(1,032,505)</u>	<u>-</u>	<u>-</u>	<u>(9,709,021)</u>
Net capital assets being depreciated	<u>18,231,692</u>	<u>(139,260)</u>	<u>-</u>	<u>-</u>	<u>18,092,432</u>
Total capital assets, net	<u>\$21,492,844</u>	<u>\$597,274</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$22,090,118</u>

WEST FELICIANA PARISH GOVERNMENT
ST. FRANCISVILLE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS

5. **CAPITAL ASSETS** (continued)

A. **Governmental Activities** (continued)

Depreciation expense totaling \$1,032,505 for the year ended June 30, 2017 was charged to the following government functions:

General government	\$	268,539
Culture and recreation		210,282
Economic development		29,785
Health and welfare		61,346
Public safety		28,689
Public works		<u>433,864</u>
Total	\$	<u>1,032,505</u>

B. **Business-type Activities**

The following is a summary of the changes in capital assets for the primary government for the year ended June 30, 2017:

<u>Cost</u>	Balance				
	06/30/2016	Additions	Deletions	Transfers	6/30/2017
Utility Systems	\$ 15,702,767	\$ 136,370	\$ -	\$ -	\$ 15,839,137
Equipment	336,436	33,028	-	-	369,464
Vehicles	139,800	68,304	-	-	208,104
	<u>16,179,003</u>	<u>237,702</u>	<u>-</u>	<u>-</u>	<u>16,416,705</u>
<u>Less: accumulated depreciation</u>					
Utility Systems	(6,620,692)	(398,800)	-	-	(7,019,492)
Equipment	(182,580)	(53,500)	-	-	(236,080)
Vehicles	(101,627)	(18,784)	-	-	(120,411)
	<u>(6,904,899)</u>	<u>(471,084)</u>	<u>-</u>	<u>-</u>	<u>(7,375,983)</u>
Net capital assets being depreciated	<u>9,274,104</u>	<u>(233,382)</u>	<u>-</u>	<u>-</u>	<u>9,040,722</u>
Total capital assets, net	<u>\$ 9,274,104</u>	<u>\$ (233,382)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,040,722</u>

WEST FELICIANA PARISH GOVERNMENT
ST. FRANCISVILLE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS

6. DEDICATED REVENUE

Sales and Use Tax

The Government has a one per cent sales and use tax approved for an indefinite term by the voters on October 9, 1984. The tax, after all necessary costs for collection and administration, is to be used for purposes in the percentages assigned as follows.

- Dedicated for maintaining, operating, acquiring and/or improving solid waste collection and disposal facilities in and for the parish
- Dedicated for maintaining, operating and/or improving the West Feliciana Parish Hospital
- Dedicated for maintain and improving roads in the Parish

An additional ½ of one percent sales and use tax was approved by voters on November 6, 2012 for 7 years for the purpose of acquiring, constructing, maintaining, operating and/or improving buildings, facilities and equipment for the West Feliciana Parish Hospital.

7. TAX REVENUES ABATED

The Louisiana Industrial Ad Valorem Tax Exemption program (Louisiana Administrative Code, Title 13, Chapter 5) is a state incentive program which abates, up to ten years, local ad valorem taxes on a manufacturer's new investment and annual capitalized additions related to the manufacturing site. Applications to exempt qualified property for five years are approved by the Board of Commerce and Industry. The exemption may be renewed for an additional five years. For the fiscal year ending June 30, 2017, \$755,212 in West Feliciana Parish Government ad valorem tax revenues were abated by the state of Louisiana through the Louisiana Industrial Ad Valorem Tax Exemption program.

WEST FELICIANA PARISH GOVERNMENT
ST. FRANCISVILLE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS

8. INTERFUND BALANCES

From time to time, cash may be borrowed between funds or costs may be fronted by one fund for another fund resulting in interfund balances. The amounts are not expected to be repaid within one year as they depend on the timing of receipts in other funds. The following inter-fund balances existed at June 30, 2017.

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
Governmental Activities:		
General	\$ 2,381,678	\$ 447,038
Solid Waste	196,929	20,500
Recreation	-	474,657
Road Improvement	45,094	1,222,129
Economic Development	-	506,436
Buildings and Grounds	33,000	11,351
Non-Major Governmental Funds	<u>333,624</u>	<u>399,074</u>
	<u>2,990,325</u>	<u>3,081,185</u>
Business-Type Activities:		
Waterworks District No. 13	422,095	149,112
Hardwood Sewer	-	6,073
Solitude Sewer	-	155,158
Turner Sewer	-	1,843
Independence Sewer	<u>-</u>	<u>19,049</u>
	<u>422,095</u>	<u>331,235</u>
Total	<u>\$ 3,412,420</u>	<u>\$ 3,412,420</u>

9. INTERFUND TRANSFERS

Transfers between funds occur to provide reimbursement of certain operating costs and are not expected to be repaid. Transfers between funds during the year ended June 30, 2017 occurred as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental Activities:		
General	\$ 147,000	\$ 59,378
Solid Waste	-	10,000
Recreation	-	30,000
Road Improvement	-	50,000
Economic Development	-	4,000
Buildings and Grounds	-	10,000
Non-Major Governmental Funds	<u>59,378</u>	<u>3,000</u>
	<u>206,378</u>	<u>166,378</u>
Business-Type Activities:		
Waterworks District No. 13	-	40,000
Non-Major Governmental Funds	<u>-</u>	<u>-</u>
	<u>-</u>	<u>40,000</u>
Total	<u>\$ 206,378</u>	<u>\$ 206,378</u>

WEST FELICIANA PARISH GOVERNMENT
ST. FRANCISVILLE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS

10. DISAGGREGATION OF ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Governmental activities accounts, salaries and other payables as of June 30, 2017, were as follows:

Vendors	\$	582,267
Salaries and benefits payable		<u>229,803</u>
Total governmental fund encumbrances	\$	<u><u>812,070</u></u>

Business-type accounts, salaries and other payables as of June 30, 2017, were as follows:

Vendors	\$	115,586
Salaries and benefits payable		44,151
Interest payable		<u>4,855</u>
Total governmental fund encumbrances	\$	<u><u>164,592</u></u>

11. GOVERNMENTAL ACTIVITIES LONG-TERM OBLIGATIONS

A. Activities

Long-term liability activity of governmental activities for the year ended June 30, 2017 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due within One Year
Bonds Payable	\$ 3,135,000	\$ -	\$ (177,000)	\$ 2,958,000	\$183,000
Net Post-Employment Benefits	12,939	1,587	-	14,526	-
Net Pension Liability	461,904	-	(170,778)	291,126	-
Compensated Absences	173,641	99,909	(99,258)	174,292	79,430
Claims and Judgments	300,000	-	(300,000)	-	-
	<u>\$ 4,083,484</u>	<u>\$101,496</u>	<u>\$ (747,036)</u>	<u>\$ 3,437,944</u>	<u>\$262,430</u>

B. Bonds Payable

For the purpose of acquiring property to be used for public purposes, the Government issued \$340,000 in general obligation bonds during the year ended December 31, 2008.

For the purpose of constructing a public library building, acquiring furniture and fixtures, and acquiring equipment, the Government issued \$3,500,000 in general obligation bonds during the year ended December 31, 2012.

WEST FELICIANA PARISH GOVERNMENT
ST. FRANCISVILLE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS

11. GOVERNMENTAL ACTIVITIES LONG-TERM OBLIGATIONS (continued)

B. Bonds Payable (continued)

Bonds outstanding were as follows at June 30, 2017:

	<u>Date of Issue</u>	<u>Original/Notional Balance</u>	<u>Ending Balance</u>
General Obligation Bonds, Series 2008, 3.69%	11/13/2008	\$ 340,000	\$ 78,000
General Obligation Bonds, Series 2012, 2.0% to 3.25%	8/01/2012	3,500,000	2,880,000
		<u>\$ 3,840,000</u>	<u>\$ 2,958,000</u>

Principal and interest payments are due as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 183,000	\$ 76,527	\$ 259,527
2019	190,000	72,188	262,188
2020	160,000	68,425	228,425
2021	165,000	65,199	230,199
2022	170,000	61,689	231,689
2023- 2027	955,000	246,269	1,201,269
2028-2032	1,135,000	110,934	1,245,934
	<u>\$ 2,958,000</u>	<u>\$ 701,231</u>	<u>\$ 3,659,231</u>

C. Legal Debt Margin

Computation of legal debt margin for general obligation bonds is as follows:

Ad valorem tax – Assessed valuation, 2016 tax rolls	\$ 284,362,460
Debt limit: 10% of assessed valuation (for any purpose)	\$ 28,436,246
Debt limit: 15% of assessed valuation (for sewerage purposes)	\$ 42,654,369
Debt limit: 35% of assessed valuation (aggregate, all purposes)	\$ 99,526,861

WEST FELICIANA PARISH GOVERNMENT
ST. FRANCISVILLE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS

12. BUSINESS-TYPE ACTIVITIES LONG-TERM OBLIGATIONS

A. Activities

Long-term debt activity of business-type activities for the year ended June 30, 2017 was as follows:

	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending</u> <u>Balance</u>	<u>Amounts</u> <u>Due within</u> <u>One Year</u>
Bonds Payable	\$ 2,836,845	\$ -	\$(100,804)	\$ 2,736,041	\$ 104,932
Notes Payable	151,459	-	(18,933)	132,526	18,933
Compensated Absences	52,898	17,834	(23,149)	47,583	43,214
Net Pension Liability	99,543	-	(24,426)	75,117	-
Net Post-Employment Benefits	8,770	2,493	-	11,263	-
	<u>\$ 3,149,515</u>	<u>\$ 20,327</u>	<u>\$(168,312)</u>	<u>\$ 3,002,530</u>	<u>\$ 167,079</u>

B. Bonds and Notes Payable

For the purpose of paying a portion of the costs of constructing and acquiring improvements and renovations to the Solitude sewer system, the Government issued \$429,000 in sewer revenue bonds during the year ended December 31, 2006. The bonds were borrowed on the credit of the income and revenues derived or to be derived from the operation of the Solitude sewer system. The bonds' collateral is a pledge of the Solitude sewer system's revenue.

For the purpose of paying a portion of the costs of constructing and acquiring improvements and renovations to the Solitude sewer system, the Government issued \$236,000 in sewer revenue bonds during the year ended December 31, 2006. The bonds were borrowed on the credit of the income and revenues derived or to be derived from the operation of the Solitude sewer system. The bonds' collateral is a pledge of the Solitude sewer system's revenue.

For the purpose of paying a portion of the costs of constructing and acquiring improvements and renovations to the Independence sewer system, the Government issued \$253,000 in sewer revenue bonds during the year ended December 31, 2012. The bonds were borrowed on the credit of the income and revenues derived or to be derived from the operation of the Independence sewer system. The bonds' collateral is a pledge of the Independence sewer system's revenue.

For the purpose of improving and extending the waterworks system, the Consolidated Waterworks District No.13 of West Feliciana Parish issued \$2,600,000 in water revenue bonds during the year ended December 31, 1997. The bonds were borrowed on the credit of the income and revenues derived or to be derived from the operation of the waterworks system. The bonds' collateral is a pledge of the water system's revenue.

For the purpose of continuing relocation construction costs related to the waterworks system, the Consolidated Waterworks District No.13 of West Feliciana Parish issued \$268,000 in water revenue bonds during the year ended December 31, 2007. The bonds were borrowed on the credit of the income and revenues derived or to be derived from the operation of the waterworks system. The bonds' collateral is a pledge of the waterworks system's revenue.

WEST FELICIANA PARISH GOVERNMENT
ST. FRANCISVILLE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS

12. BUSINESS-TYPE ACTIVITIES LONG-TERM OBLIGATIONS (continued)

B. Bonds and Notes Payable (continued)

Based on an agreement with the Louisiana Department of Transportation and Development executed on March 9, 1999, and pursuant to the provisions of La RS 48:381 (C), the District owed \$98,097 for its share of line relocation costs on the Bains Project. The total project costs \$356,456 which was paid by the La DOTD, but the District was responsible for 27.52% of it. An agreement was made with the La DOTD to repay 10% per year beginning with the fiscal year ending June 30, 2015. With installments of \$9,810 paid annually, this loan will be fully paid during the fiscal year ending June 30, 2024. The balance at June 30, 2017, was \$68,667.

Based on an agreement with the Louisiana Department of Transportation and Development executed on March 19, 2007, and pursuant to the provisions of La RS 48:381 (C), the District owed \$91,228 for its share of line relocation costs on the Thompson Creek Project. The total project costs \$656,786 which was paid by the La DOTD, but the District was responsible for 13.89% of it. An agreement was made with the La DOTD to repay 10% per year beginning with the fiscal year ending June 30, 2015. With installments of \$9,123 paid annually, this loan will be fully paid during the fiscal year ending June 30, 2024. The balance at June 30, 2017, was \$63,859.

Bonds and Notes outstanding were as follows at June 30, 2017:

	<u>Date of Issue</u>	<u>Original/Notional Balance</u>	<u>Ending Balance</u>
Sewer Revenue Bonds, Series 2006, 4.25%	6/15/2006	\$ 429,000	\$ 375,349
Sewer Revenue Bonds, Series 2006, 4.75%	6/15/2006	236,000	207,145
Sewer Revenue Bonds, Series 2012, 2.0% to 3.25%	6/01/2012	253,000	242,577
Water Revenue Bonds, Series 1997, 5.0%	3/20/1997	2,600,000	1,877,970
Water Revenue Bonds, Series 2007, 5.0%	10/04/2007	268,000	33,000
Utility Relation Agreement, No. 09069	3/9/1999	98,097	68,667
Utility Relation Agreement, No. 08947	3/19/2007	91,228	63,859
		<u>\$ 3,975,325</u>	<u>\$ 2,868,567</u>

WEST FELICIANA PARISH GOVERNMENT
ST. FRANCISVILLE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS

12. BUSINESS-TYPE ACTIVITIES LONG-TERM OBLIGATIONS (continued)

B. Bonds and Notes Payable (continued)

Principal and interest payments are due as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 124,424	\$ 125,966	\$ 250,390
2019	94,993	121,659	216,652
2020	98,740	117,912	216,652
2021	102,673	113,979	216,652
2022	106,801	109,851	216,652
2023 – 2027	546,666	479,790	1,026,456
2028 – 2032	647,521	341,073	988,594
2033 – 2037	746,558	166,334	912,892
2038 – 2042	172,378	62,737	235,115
2043 – 2047	174,170	24,452	198,622
2048 – 2052	53,643	4,552	58,195
	<u>\$ 2,868,567</u>	<u>\$ 1,668,305</u>	<u>\$ 4,536,872</u>

13. PENSION PLANS

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

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

<p>PERS: 7905 Wrenwood Blvd. Baton Rouge, Louisiana 70809 (225) 928-1361 www.persla.org</p>	<p>DARS: 1645 Nicholson Drive. Baton Rouge, LA 70802- 8143 (225) 267-4824 www.ladars.org</p>	<p>ROVERS: PO Box 57. Jennings, LA 70546 (800) 510-8515 www.larovers.com</p>
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WEST FELICIANA PARISH GOVERNMENT
ST. FRANCISVILLE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS

13. PENSION PLANS (continued)

The Government implemented Government Accounting Standards Board (GASB) Statement 68 on Accounting and Financial Reporting for Pensions and Statement 71 on Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB 68. These standards require the Government to record its proportional share of each of the pension plans Net Pension Liability and report the following disclosures:

Plan Descriptions:

Parochial Employees' Retirement System of Louisiana (PERS)

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

Eligibility Requirements:

All permanent parish government employees (except those employed by Orleans, Lafourche and East Baton Rouge Parishes) who work at least 28 hours a week shall become members on the date of employment. New employees meeting the age and Social Security criteria have up to 90 days from the date of hire to elect to participate.

As of January 1997, elected officials, except coroners, justices of the peace, and parish presidents may no longer join the System.

Retirement Benefits:

Any member of Plan B can retire providing he/she meets one of the following criteria:

For employees hired prior to January 1, 2007:

1. Age 55 with thirty (30) years of creditable service.
2. Age 60 with a minimum of ten (10) years of creditable service.
3. Age 65 with a minimum of seven (7) years of creditable service.

For employees hired after January 1, 2007:

1. Age 55 with 30 years of service.
2. Age 62 with 10 years of service.
3. Age 67 with 7 years of service.

Generally, the monthly amount of the retirement allowance for any member of Plan B shall consist of an amount equal to two percent of the members' final average compensation multiplied by his years of creditable service. However, under certain conditions, as outlined in the statutes, the benefits are limited to specified amounts.

WEST FELICIANA PARISH GOVERNMENT
ST. FRANCISVILLE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS

13. PENSION PLANS (continued)

Survivor Benefits:

Plan B members need ten (10) years of service credit to be eligible for survivor benefits. Upon the death of any member of Plan B with twenty (20) or more years of creditable service who is not eligible for normal retirement, the plan provides for an automatic Option 2 benefit for the surviving spouse when he/she reaches age 50 and until remarriage, if the remarriage occurs before age 55.

A surviving spouse who is not eligible for Social Security survivorship or retirement benefits, and married not less than twelve (12) months immediately preceding death of the member, shall be paid an Option 2 benefit beginning at age 50.

Deferred Retirement Option Plan:

Act 338 of 1990 established the Deferred Retirement Option Plan (DROP) for the Retirement System. DROP is an option for that member who is eligible for normal retirement.

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

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

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

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

WEST FELICIANA PARISH GOVERNMENT
ST. FRANCISVILLE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS

13. PENSION PLANS (continued)

Disability Benefits:

For Plan B, a member shall be eligible to retire and receive a disability benefit if he/she was hired prior to January 1, 2007, and has at least five years of creditable service or if hired after January 1, 2007, has seven years of creditable service, and is not eligible for normal retirement, and has been officially certified as disabled by the State Medical Disability Board. Upon retirement caused by disability, a member of Plan B shall be paid a disability benefit equal to the lesser of an amount equal to two percent of the member's final average compensation multiplied by his years of service, not to be less than fifteen, or an amount equal to what the member's normal benefit would be based on the member's current final compensation but assuming the member remained in continuous service until his earliest normal retirement age.

District Attorneys' Retirement System (DARS)

The District Attorneys' Retirement System, State of Louisiana is the administrator of a cost sharing multiple employer defined benefit pension plan. The System was established on the first day of August, 1956 and was placed under the management of the board of trustees for the purpose of providing retirement allowances and other benefits as stated under the provisions of R.S. 11, Chapter 3 for district attorneys and their assistants in each parish.

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

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

Members who joined the System before July 1, 1990, and who have elected not to be covered by the new provisions, are eligible to receive a normal retirement benefit if they have 10 or more years of creditable service and are at least age 62, or if they have 18 or more years of service and are at least age 60, or if they have 23 or more years of service and are at least age 55, or if they have 30 years of service regardless of age. The normal retirement benefit is equal to 3% of the member's average final compensation for each year of creditable service. Members are eligible for early retirement at age 60 if they have at least 10 years of creditable service or at age 55 with at least 18 years of creditable service. Members who retire prior to age 60 with, less than 23 years of service credit, receive a retirement benefit reduced 3% for each year of age below 60. Members who retire prior to age 62 who have less than 18 years of service receive a retirement benefit reduced 3% for each year of age below 62. Retirement benefits may not exceed 100% of final average compensation.

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NOTES TO THE FINANCIAL STATEMENTS

13. PENSION PLANS (continued)

Members who joined the System after July 1, 1990 who elected to be covered by the new provisions are eligible to receive normal retirement benefits if they are age 60 and have 10 years of service credit, are age 55 and have 24 years of service credit, or have 30 years of service credit regardless of age. The normal retirement benefit is equal to 3.5% of the member's final average compensation multiplied by years of membership service. A member is eligible for early retirement benefit if he is age 55 and has 18 years of service credit. The early retirement benefit is equal to the normal retirement benefit reduced 3% for each year the member retires in advance of normal retirement age. Benefits may not exceed 100% of average final compensation.

Disability benefits are awarded to active contributing members with at least 10 years of service who are found to be totally disabled as a result of injuries incurred while in active service. The member receives a benefit equal to three percent (three and one-half percent for members covered under the new retirement benefit provisions) of his average final compensation multiplied by the lesser of his actual service (not to be less than fifteen years) or projected continued service to age sixty.

Upon the death of a member with less than 5 years of creditable service; his accumulated contributions and interest thereon are paid to his surviving spouse, if he is married, or to his designated beneficiary, if he is not married. Upon the death of any active, contributing member with 5 or more years of service or any member with 23 years of service who has not retired, automatic option 2 benefits are payable to the surviving spouse. These benefits are based on the retirement benefits accrued at the member's date of death with the option factors used as if the member had continued in service to earliest normal retirement age. If a member has no surviving spouse, the surviving minor children under 18 or disabled children are paid 80% of the member's accrued retirement benefit divided into equal shares. If a member has no surviving spouse or children, his accumulated contributions and interest are paid to his designated beneficiary. In lieu of periodic payments, the surviving spouse or children may receive a refund of the member's accumulated contributions with interest.

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

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

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

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NOTES TO THE FINANCIAL STATEMENTS

13. PENSION PLANS (continued)

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

Prior to January 1, 2009, eligible members could elect to participate in the Deferred Retirement Option Program (DROP) for up to three years in lieu of terminating employment and accepting a service benefit. During participation in the DROP, employer contributions were payable and employee contributions were reduced to ½ of one percent. The monthly retirement benefits that would have been payable to the member were paid into a DROP account, which did not earn interest while the member was participating in the DROP. Upon termination of participation, the participant in the plan received, at his option, a lump sum from the account equal to the payments into the account or systematic disbursements from his account in any manner approved by the board of trustees. The monthly benefits that were being paid into the DROP would then be paid to the retiree. All amounts which remain credited to the individual's sub-account after termination of participation in the plan were invested in liquid money market funds. Interest was credited thereon as actually earned.

Registrar of Voters Employees' Retirement System (ROVERS)

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

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

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

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ST. FRANCISVILLE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS

13. PENSION PLANS (continued)

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

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

Disability benefits are provided to active contributing members with at least 10 years of service established in the System and who have been officially certified as disabled by the State Medical Disability Board. The disabled member who has attained the age of sixty years shall be entitled to a regular retirement allowance. The disabled member who has not yet attained age sixty shall be entitled to a disability benefit equal to the lesser of three percent of his average final compensation multiplied by the number of creditable years of service (not to be less than fifteen years) or three and one third percent of average final compensation multiplied by the years of service assuming continued service to age sixty. Disability benefits may not exceed two-thirds of earnable compensation.

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

In lieu of terminating employment and accepting a service retirement allowance, any member with ten or more years of service at age sixty, twenty or more years of service at age fifty-five, or thirty or more years of service at any age may elect to participate in the Deferred Retirement Option Plan (DROP) for up to three years and defer the receipt of benefits. Upon commencement of participation in the plan, membership in the System terminates. During participation in the plan, employer contributions are payable but employee contributions cease. The monthly retirement benefits that would have been payable, had the person elected to cease employment and receive a service retirement allowance, are paid into the DROP fund. This fund does not earn interest. In addition, no cost of living increases are payable to participants until employment which made them eligible to become members of the System has been terminated for at least one full year.

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ST. FRANCISVILLE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS

13. PENSION PLANS (continued)

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

Cost of living provisions for the System allows the board of trustees to provide an annual cost of living increase of 2.5% of the eligible retiree's original benefit if certain funding criteria are met. Members are eligible to receive a cost of living adjustment once they have reached the age of sixty and have been retired at least one year. Funding criteria for granting cost of living adjustments is dependent on the funded ratio.

Funding Policy

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

Contributions to the plans are required and determined by State statute (which may be amended) and are expressed as a percentage of covered payroll. The contribution rates in effect for the year ended June 30, 2017, for the Government and covered employees were as follows:

	<u>Government</u>	<u>Employees</u>
Parochial Employees' Retirement System of Louisiana: Plan B	8.00%	3.00%
District Attorneys' Retirement System	0.00%	8.00%
Registrar of Voters Employees' Retirement System	20.00%	7.00%

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NOTES TO THE FINANCIAL STATEMENTS

13. PENSION PLANS (continued)

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

	June 30,		
	2017	2016	2015
Parochial Employees' Retirement System of Louisiana:			
Plan B	\$ 185,643	\$ 200,826	\$ 198,470
District Attorneys' Retirement System	-	367	1,425
Registrar of Voters Employees' Retirement System	5,777	3,250	6,122

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

The following schedule lists the Government's proportionate share of the Net Pension Liability allocated by each of the pension plans for based on the December 31, 2016 (PERS) and June 30, 2016 (DARS and ROVERS) measurement date. The Government uses this measurement to record its Net Pension Liability and associated amounts as of June 30, 2017 in accordance with GASB Statement 68. The schedule also includes the proportionate share allocation rate used at 2016 along with the change compared to the 2015 rate. The Government's proportion of the Net Pension Liability was based on a projection of the Agency's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

WEST FELICIANA PARISH GOVERNMENT
ST. FRANCISVILLE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS

13. **PENSION PLANS** (continued)

	<u>Net Pension Liability at 2016 Valuation Date</u>	<u>Rate at 2016 Valuation Date</u>	<u>Increase (Decrease) to 2015 Rate</u>
Governmental Activities:			
Parochial Employees' Retirement System of Louisiana:			
Plan B	\$ 225,350	2.312935%	-0.015095%
District Attorneys' Retirement System	6,110	0.031917%	-0.002090%
Registrar of Voters Employees' Retirement System	59,666	0.210300%	-0.02400%
	<u>\$ 291,126</u>		
Business-type Activities:			
Parochial Employees' Retirement System of Louisiana:			
Plan B	\$ 75,117	2.312935%	-0.015095%

The following schedule list each pension plan's recognized pension expense:

Governmental Activities:

Parochial Employees' Retirement System of Louisiana:	
Plan B	\$ 210,264
District Attorneys' Retirement System	2,325
Registrar of Voters Employees' Retirement System	14,403
	<u>\$ 226,992</u>

Business Type Activities:

Parochial Employees' Retirement System of Louisiana:	
Plan B	\$ 70,089
	<u>\$ 70,089</u>

WEST FELICIANA PARISH GOVERNMENT
ST. FRANCISVILLE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS

13. **PENSION PLANS** (continued)

At June 30, 2017, the Government 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	\$ -	\$ (94,238)
Changes of assumptions	38,998	(3,593)
Contributions in excess (deficiency) of required amount	-	-
Net difference between projected and actual earnings on pension plan investments	321,068	-
Changes in proportion and differences between Employer contributions and proportionate share of contributions	7,559	(8,753)
Employer contributions subsequent to the measurement date	97,810	-
Total	\$ 465,435	\$ (106,584)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Parochial Employees' Retirement System of Louisiana:		
Plan B	\$ 430,492	\$ (87,675)
District Attorneys' Retirement System	5,996	(6,644)
Registrar of Voters Employees' Retirement System	28,947	(12,265)
	\$ 465,435	\$ (106,584)

The Government reported a total of \$97,810 as deferred outflow of resources related to pension contributions made subsequent to the measurement which will be recognized as a reduction in Net Pension Liability in the year ended June 30, 2018. The following schedule list the pension contributions made subsequent to the measurement period for each pension plan:

	Subsequent Contributions
Parochial Employees' Retirement System of Louisiana:	
Plan B	\$ 92,033
District Attorneys' Retirement System	-
Registrar of Voters Employees' Retirement System	5,777
	\$ 97,810

WEST FELICIANA PARISH GOVERNMENT
ST. FRANCISVILLE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS

13. PENSION PLANS (continued)

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

Year	PERS B	DARS	ROVERS	Total
2018	\$ 82,648	\$ (678)	\$ 1,626	\$ 83,596
2019	104,487	(679)	2,352	106,160
2020	72,108	1,021	4,010	77,139
2021	(8,459)	57	2,917	(5,485)
2022	-	(184)	-	(184)
2023	-	(185)	-	(185)
	<u>\$ 250,784</u>	<u>\$ (648)</u>	<u>\$ 10,905</u>	<u>\$ 261,041</u>

Actuarial Assumptions

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

	PERS (Plan B)	DARS	ROVERS
Valuation Date	December 31, 2016	June 30, 2016	June 30, 2016
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Actuarial Assumptions:			
Expected Remaining			
Service Lives	4 years	7 years	5 years
Investment Rate of Return	7.00% net of investment expenses	7.00% net of investment expenses	7.00% net of investment expenses
Inflation Rate	2.50% per annum	2.50%	2.50%
Mortality	RP-2000 Healthy Annuitant Sex Distinct Tables projected to 2031 using Scale AA were selected for annuitant and beneficiary mortality. For employees, the RP-2000 Employees Sex Distinct Tables set back 4 years for males and 3 years for females was selected. The RP-2000 Disabled Lives Mortality Table set back 5 years for males and set back 3 years for females was selected for disabled annuitants.	RP 2000 Combined Healthy Table set back 3 years for males and 1 year for females. The RP-2000 Disabled Lives Mortality Table was selected for disabled annuitants.	RP-2000 Combined Healthy Mortality Table for active members, healthy annuitants and beneficiaries RP-2000 Disabled Lives Mortality Table for disabled annuitants
Salary Increases	5.25%	5.50%	6.00%
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.	Only those previously granted.	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.

WEST FELICIANA PARISH GOVERNMENT
ST. FRANCISVILLE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS

13. PENSION PLANS (continued)

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

<u>PERS</u>	<u>DARS</u>	<u>ROVERS</u>
The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the CAPM pricing model (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward looking basis in equilibrium, in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.00 and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.66 % and 7.55% for the year ended December 31, 2016 and 2015, respectively.	The estimated long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The long term geometric expected rate of return was 9.04% for year ended June 30, 2016 and 7.5% as of June 30, 2015 and 2014.	The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The resulting long-term rate of return is 8.37% for the year ended June 30, 2016 and 7.0% for the year ended June 30, 2015 and 2014.

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

<u>Asset Class</u>	<u>Target Allocation</u>			<u>Long-Term Expected Real Rate of Return</u>		
	<u>PERS</u>	<u>DARS</u>	<u>ROVERS</u>	<u>PERS</u>	<u>DARS</u>	<u>ROVERS</u>
Equities	52.0%	57.7%	55.0%	3.63%	3.56%	4.28%
Fixed income	35.0%	33.3%	30.0%	1.24%	2.26%	0.85%
Alternatives	11.0%	4.8%	5.0%	0.67%	0.50%	0.29%
Real assets	2.0%	4.5%	10.0%	0.12%	0.02%	0.45%
Total	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	5.66%	6.34%	5.87%
Inflation				2.00%	2.70%	2.50%
Expected Arithmetic Nominal Return				<u>7.66%</u>	<u>9.04%</u>	<u>8.37%</u>

WEST FELICIANA PARISH GOVERNMENT
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NOTES TO THE FINANCIAL STATEMENTS

13. PENSION PLANS (continued)

Discount Rate

The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, each of the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate used to measure the total pension liability for PERS, DARS and ROVERS was 7.00%, 7.00% and 7.00%, respectively for the year ended June 30, 2017.

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

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

	<u>1.0% Decrease</u>	<u>Current Discount Rate</u>	<u>1.0% Increase</u>
PERS Plan B			
Rates	6.00%	7.00%	8.00%
Government's Share of NPL	\$ 856,724	\$ 225,350	\$ (307,586)
DARS			
Rates	6.00%	7.00%	8.00%
Government's Share of NPL	\$ 23,053	\$ 6,110	\$ (4,120)
ROVERS			
Rates	6.00%	7.00%	8.00%
Government's Share of NPL	\$ 82,954	\$ 59,666	\$ 39,605

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ST. FRANCISVILLE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS

13. PENSION PLANS (continued)

Payables to the Pension Plan

The Government recorded accrued liabilities to each of the Retirement Systems for the year ended June 30, 2017 mainly due to the accrual for payroll at the end of each of the fiscal years. The amounts due are included in liabilities under the amounts reported as accounts, salaries and other payables. The balance due to each for the retirement systems at June 30 is as follows:

	2017
Governmental Activities:	
Parochial Employees' Retirement System of Louisiana:	
Plan B	\$ 31,293
District Attorneys' Retirement System	-
Registrar of Voters Employees' Retirement System	481
	\$ 31,774
Business-type Activities:	
Parochial Employees' Retirement System of Louisiana:	
Plan B	\$ 10,566

14. RISK MANAGEMENT

Litigation and General Liability

The Government is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Government has purchased various insurance policies to cover such risks.

The Government is a defendant in various lawsuits. Management and legal counsel for the Government believe that potential claims against the Government not covered by insurance would not materially affect the Government's financial position.

WEST FELICIANA PARISH GOVERNMENT
ST. FRANCISVILLE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS

15. COMPENSATION PAID TO GOVERNING MEMBERS

<u>Name</u>	<u>Title</u>	<u>Amount</u>
Melville Percy	District C	\$ 9,600
Melvin Young	District A	9,600
Sydney P. Walker	At Large	9,600
John C. Thompson	District B	9,600
William H. May	District D	9,600
		<u>\$ 48,000</u>

16. OTHER POST EMPLOYMENT BENEFITS

Plan Description – The Government’s medical benefits are provided through a comprehensive medical plan and are made available to employees upon actual retirement.

Most employees are covered by the Parochial Employees' Retirement System of Louisiana, whose retirement eligibility (D.R.O.P. entry) provisions are as follows: 30 years of service at any age; age 55 and 25 years of service; age 60 and 10 years of service; or, age 65 and 7 years of service. For employees hired on and after January 1, 2008, retirement eligibility (D.R.O.P. entry) provisions are as follows: age 55 and 30 years of service; age 62 and 10 years of service; or, age 67 and 7 years of service.

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

Fund Policy – Until 2013, the Government recognized the cost of providing post-employment medical benefits (the Government’s portion of the retiree medical benefit premiums) as an expense when the benefit premiums were due and thus financed the cost of the post-employment benefits on a pay-as-you-go basis. In 2017 and 2016, the Government’s portion of health care funding cost for retired employees totaled \$4,172 and \$3,863, respectively.

Effective January 1, 2013, the Government implemented Government Accounting Standards Board Statement Number 45, *Accounting and Financial Reporting by Employers for Post employment Benefits Other than Pensions* (GASB 45). This amount was applied toward the Net OPEB Benefit Obligation as shown in the following table.

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16. OTHER POST EMPLOYMENT BENEFITS (continued)

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

	2017	2016
Normal cost	\$ 4,222	\$ 4,060
30-year UAL amortization amount	4,417	4,247
Annual required contribution (ARC)	\$ 8,639	\$ 8,307

Net Post-employment Benefit Obligation (Asset) – The table below shows the Government’s Net Other Post-employment Benefit (OPEB) Obligation for the year ended June 30:

	2017	2016
Beginning Net OPEB Obligation	\$ 21,709	\$ 17,578
Annual required contribution	8,639	8,307
Interest on Net OPEB Obligation	868	703
ARC Adjustment	(1,255)	(1,016)
OPEB Cost	8,252	7,994
Contribution	-	-
Current year retiree premium	(4,172)	(3,863)
Change in Net OPEB Obligation	4,080	4,131
Ending Net OPEB Obligation	\$ 25,789	\$ 21,709

The following table shows the Government’s annual OPEB cost, percentage of the cost contributed, and the net OPEB liability (asset) for the current and each of the preceding two years:

Year Ended	Annual OPEB Cost	Percentage of Annual Cost Contributed	Net OPEB Liability (Asset)
June 30, 2017	\$ 8,252	50.56%	\$ 25,789
June 30, 2016	7,994	48.32%	21,709
June 30, 2015	6,860	24.33%	17,578

WEST FELICIANA PARISH GOVERNMENT
ST. FRANCISVILLE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS

16. OTHER POST EMPLOYMENT BENEFITS (continued)

Funded Status and Funding Progress – The Government has made no contributions to its post-employment benefits plan. The plan is not funded, has no assets, and hence has a funded ratio of zero. Based on the July 1, 2015 actuarial valuation, the most recent valuation, the Actuarial Accrued Liability (AAL) at the end of the year June 30, 2017 was \$79,450 which is defined as that portion, as determined by a particular actuarial cost method (West Feliciana Parish uses the Projected Unit Credit Cost Method), of the actuarial present value of post employment plan benefits and expenses which is not provided by normal cost.

	<u>2017</u>	<u>2016</u>
Actuarial Accrued Liability (AAL)	\$ 79,450	\$ 76,394
Actuarial Value of Plan Assets (AVP)	-	-
Unfunded Act. Accrued Liability (UAAL)	<u>\$ 79,450</u>	<u>\$ 76,394</u>
Funded Ratio (AVP/AAL)	0.00%	0.00%
Covered Payroll (active plan members)	\$ 2,168,900	\$ 2,206,977
UAAL as a percentage of covered payroll	3.66%	3.46%

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

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

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

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

WEST FELICIANA PARISH GOVERNMENT
ST. FRANCISVILLE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS

16. OTHER POST EMPLOYMENT BENEFITS (continued)

Turnover Rate – An age-related turnover scale based on actual experience has been used. The rates, when applied to the active employee census, produce a composite average annual turnover of approximately 10% (5% for employees of West Feliciana Library).

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

Investment Return Assumption (Discount Rate) – GASB Statement 45 states that the investment return assumption should be the estimated long-term investment yield on the investments that are expected to be used to finance the payment of benefits (that is, for a plan which is funded). Based on the assumption that the ARC will not be funded, a 4% annual investment return has been used in this valuation.

Health Care Cost Trend Rate – The expected rate of increase in medical cost is based on a graded schedule beginning with 8% annually, down to an ultimate annual rate of 5.0% for ten years out and later.

Mortality Rate - The 1994 Group Annuity Reserving (94GAR) table, projected to 2002, based on a fixed blend of 50% of the unloaded male mortality rates and 50% of the unloaded female mortality rates, is used. This is a recently published mortality table which has been used in determining the value of accrued benefits in defined benefit pension plans. Projected future mortality improvement has not been used since it is our opinion that this table contains sufficiently conservative margin for the population involved in this valuation.

Method of Determining Value of Benefits – Retiree medical coverage is available, paid for by the retiree, for the retiree and dependents until the retiree is eligible for Medicare Part B coverage at age 65. The "value of benefits" is normally assumed to be the portion of the premium after retirement date expected to be paid by the employer for each retiree. In this case, the retiree pays the entire "cost" of the retiree medical premium but it is based on the blended rate and there is thus an implied subsidy which has been used as the basis for calculating the actuarial present value of OPEB benefits in this valuation. It has been assumed that the unblended retiree rate before Medicare eligibility is 30% higher than the total blended rate for this purpose. Also, based on historical experience, we have assumed that retirees do not elect dependent coverage after retirement and that coverage after Medicare eligibility is not elected as well.

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

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

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

WEST FELICIANA PARISH GOVERNMENT
ST. FRANCISVILLE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS

17. CHANGES IN FIDUCIARY FUNDS

A summary of the changes in fiduciary funds (amounts due to other governmental agencies) as follows:

	<u>Hospital Maintenance</u>	<u>Sales Tax</u>	<u>Total</u>
Balance at June 30, 2016	\$ 295,474	\$ 178,455	\$ 473,929
Additions	508,495	3,954,698	4,463,193
Reductions	<u>(555,713)</u>	<u>(3,914,903)</u>	<u>(4,470,616)</u>
Balance at June 30, 2017	<u>\$ 248,256</u>	<u>\$ 218,250</u>	<u>\$ 466,506</u>

18. SALES TAX REMITTED TO OTHER TAXING AUTHORITIES

Act 711 of the 2010 Louisiana Legislative Session amended LRS 24:513 B to provide required footnote disclosure in the financial statements of local governments that collect tax for other taxing jurisdictions. For the year ended June 30, 2017, the Government collected \$1,977,350 for the West Feliciana Parish Hospital Service District No.1. of this amount, the Government withheld \$65,742 for the taxing authority's share of audit, legal, and administrative fees. This resulted in a distribution of \$1,911,608 of sales tax collections to the West Feliciana Parish Hospital during the year ended June 30, 2017.

19. LEASES

Waterworks District No. 13 paid \$7,200 during the year ended June 30, 2017 to the Government for office space during the period on a month-to-month basis at a rate of \$600 per month.

20. COMMITMENTS AND CONTINGENCIES

The Government participates in a number of federally assisted grant programs. These programs are subject to state and federal monitoring examinations which could result in disallowed costs having to be returned to the granting agency. Management believes that further examinations would not result in material disallowed costs.

At June 30, 2017, the Government had incurred construction contract commitments of approximately \$56,000.

21. DEFICIT FUND BALANCES

A deficit fund balance of \$49,937 (Recreation Fund) was incurred as of June 30, 2017. If additional revenues are not obtained from other external sources, the General Fund will ultimately absorb this deficit.

WEST FELICIANA PARISH GOVERNMENT
ST. FRANCISVILLE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS

22. DETAILED RESTRICTED NET POSITION AND FUND BALANCES

a. Details of restricted Net Position as reported in the entity-wide Statement of Net Position are as follows:

	<u>Governmental Activities</u>	<u>Business Type Activities</u>	<u>Total</u>
Net Position Restricted For:			
Capital improvements:			
Bond funds and dedicated property tax for Library construction	\$ 8,578	\$ -	\$ 8,578
Dedicated property taxes authorized by the electorate for specific revenue funds	<u>1,470,155</u>	<u>-</u>	<u>1,470,155</u>
Total Net Position restricted for capital projects	<u>1,478,733</u>	<u>-</u>	<u>1,478,733</u>
Debt service:			
Waterworks District No. 13 debt service	-	207,242	207,242
Debt service for obligation bonds	<u>661,261</u>	<u>-</u>	<u>661,261</u>
Total Net Position restricted for debt service	<u>661,261</u>	<u>207,242</u>	<u>868,503</u>
External legal constraints:			
Dedicated property taxes authorized by the electorate to specific special revenue funds	1,026,682	-	1,026,682
Dedicated sales taxes authorized by the electorate for specific revenue funds	999,990	-	999,990
Court fees for juror compensation and judicial expenses	<u>149,300</u>	<u>-</u>	<u>149,390</u>
Total Net Position restricted for external legal constraints	<u>2,176,062</u>	<u>-</u>	<u>2,176,062</u>
Total Restricted Net Position	<u>\$ 4,316,056</u>	<u>\$ 207,242</u>	<u>\$ 4,523,298</u>

WEST FELICIANA PARISH GOVERNMENT
ST. FRANCISVILLE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS

22. DETAILED RESTRICTED NET POSITION AND FUND BALANCES (continued)

b. Details of nonspendable, restricted, committed, and unassigned fund balances at year-end are as follows:

	<u>General</u>	<u>Solid Waste</u>	<u>Recreation</u>	<u>Road Improvement</u>	<u>Economic Development</u>	<u>Building and Grounds</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
Fund balances:								
Nonspendable:								
Prepaid assets	\$ 49,221	\$ -	\$ 45,399	\$ 66,743	\$ 329	\$ 25,607	\$ 15,336	\$ 202,635
Restricted for:								
Dedicated property taxes:								
Library service and construction	-	-	-	-	-	-	750,562	750,562
Road and building improvements	-	-	-	324,322	-	1,145,127	-	1,469,449
Debt service	-	-	-	-	-	-	661,261	661,261
Health services	-	-	-	-	-	-	284,698	284,698
Disaster Recovery	-	-	-	-	-	-	706	706
Dedicated sales taxes:								
Solid waste maintenance and improvement	-	812,032	-	-	-	-	-	812,032
Economic development and other services	-	-	-	-	187,958	-	-	187,958
Court fees for juror compensation and judicial expenses	-	-	-	-	-	-	149,390	149,390
Total Restricted	-	812,032	-	324,322	187,958	1,145,127	1,846,617	4,316,056
Committed to:								
General capital improvements	2,569,266	-	-	-	-	-	-	2,569,266
Unassigned (deficit)	2,930,433	-	(95,336)	-	-	-	-	2,835,097
Total fund balances	<u>\$ 5,548,920</u>	<u>\$ 812,032</u>	<u>\$ (49,937)</u>	<u>\$ 391,065</u>	<u>\$ 188,287</u>	<u>\$ 1,170,734</u>	<u>\$ 1,861,953</u>	<u>\$ 9,923,054</u>

WEST FELICIANA PARISH GOVERNMENT
ST. FRANCISVILLE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS

23. SUBSEQUENT EVENTS

Management has evaluated events through the date the financial statements were available to be issued, December 29, 2017, and determined that no events occurred that require disclosure. No events occurring after this date have been evaluated for inclusion in these financial statements.

Required Supplemental
Information

WEST FELICIANA PARISH GOVERNMENT
ST. FRANCISVILLE, LOUISIANA
MAJOR FUND DESCRIPTIONS

General Fund:

General Fund - The General Fund accounts for all transactions not required to be accounted for in another fund.

Special Revenue Funds:

Solid Waste Fund - This fund accounts for sales tax collections for the purpose of maintaining, operating, and acquiring and/or improving solid waste collection and disposal facilities in and for the Parish.

Recreation Fund - This fund accounts for designated tax levy and proceeds from sales tax collections for recreational parks around the parish.

Road Improvement Fund - This fund accounts for designated tax levy for the acquiring, constructing, improving, maintaining and operating public roads and bridges and related drainage equipment. This fund also accounts for financing provided the State of Louisiana Parish Road Fund.

Economic Development Fund - This fund accounts for designated tax levy for the purpose of economic development by promoting, encouraging, and assisting in locating, development and expansion of agricultural, industrial, manufacturing, and professional concerns in the Parish.

Buildings and Grounds Fund - This fund accounts for designated tax levy for the on-going maintenance and preservation of Government property.

WEST FELICIANA PARISH GOVERNMENT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2017

	Original Budget	Final Budget	Actual	Variance - Favorable (Unfavorable)
Revenues:				
Intergovernmental	\$ 348,350	\$ 348,350	\$ 343,649	\$ (4,701)
Taxes				
Ad valorem	997,612	997,612	971,935	(25,677)
Beer	3,000	3,000	3,718	718
Sales	85,000	85,000	95,380	10,380
Video poker	120,000	120,000	176,201	56,201
Franchise fees	20,000	20,000	-	(20,000)
Licenses and permits	128,500	128,500	177,606	49,106
Charges for services	231,300	231,300	59,421	(171,879)
Other revenues	11,700	11,700	63,173	51,473
Total revenues	<u>1,945,462</u>	<u>1,945,462</u>	<u>1,891,083</u>	<u>(54,379)</u>
Expenditures:				
General government	1,630,811	1,649,311	1,599,275	50,036
Culture and recreation	-	-	-	-
Economic development	12,500	12,500	22,189	(9,689)
Health and welfare	88,000	88,000	111,522	(23,522)
Public safety	162,700	217,200	199,838	17,362
Capital outlay	70,000	70,000	-	70,000
Total expenditures	<u>1,964,011</u>	<u>2,037,011</u>	<u>1,932,824</u>	<u>104,187</u>
Excess (deficiency) revenues over expenditures	<u>(18,549)</u>	<u>(91,549)</u>	<u>(41,741)</u>	<u>49,808</u>
Other financing sources (uses):				
Transfers to other funds	(43,000)	(43,000)	(59,378)	(16,378)
Transfers from other funds	-	-	147,000	147,000
	<u>(43,000)</u>	<u>(43,000)</u>	<u>87,622</u>	<u>130,622</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)	<u>(61,549)</u>	<u>(134,549)</u>	<u>45,881</u>	<u>180,430</u>
Fund balance, beginning	<u>6,853,188</u>	<u>6,853,188</u>	<u>5,503,039</u>	<u>(1,350,149)</u>
Fund balance, ending	<u>\$ 6,791,639</u>	<u>\$ 6,718,639</u>	<u>\$ 5,548,920</u>	<u>\$ (1,169,719)</u>

See accompanying independent auditors' report.

WEST FELICIANA PARISH GOVERNMENT
BUDGETARY COMPARISON SCHEDULE
SOLID WASTE FUND
YEAR ENDED JUNE 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
Revenues:				
Intergovernmental	\$ -	\$ -	\$ 32,557	\$ 32,557
Taxes:				
Sales	980,000	1,200,000	1,205,158	5,158
Other	12,120	12,120	12,673	(553)
Total revenues	<u>992,120</u>	<u>1,212,120</u>	<u>1,250,388</u>	<u>37,162</u>
Expenditures:				
Public works	920,000	920,000	914,610	5,390
Total expenditures	<u>920,000</u>	<u>920,000</u>	<u>914,610</u>	<u>5,390</u>
Excess (deficiency) of revenues over expenditures	72,120	292,120	335,778	43,658
Other financing sources (uses):				
Transfers to other funds	-	-	(10,000)	(10,000)
	<u>-</u>	<u>-</u>	<u>(10,000)</u>	<u>(10,000)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)	72,120	292,120	325,778	33,658
Fund balance, beginning	<u>301,198</u>	<u>301,198</u>	<u>486,254</u>	<u>185,056</u>
Fund balance, ending	<u>\$ 373,318</u>	<u>\$ 593,318</u>	<u>\$ 812,032</u>	<u>\$ 218,714</u>

See accompanying independent auditors' report.

WEST FELICIANA PARISH GOVERNMENT
BUDGETARY COMPARISON SCHEDULE
RECREATION FUND
YEAR ENDED JUNE 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
Revenues:				
Intergovernmental	\$ 300	\$ 300	\$ 23,684	\$ 23,384
Local sources:				
Ad valorem	400,000	400,000	412,609	12,609
Sales	615,600	615,600	681,152	65,552
Charges for services	289,600	289,600	248,933	(40,667)
Other	300	300	18,512	18,212
Total revenues	<u>1,305,800</u>	<u>1,305,800</u>	<u>1,384,890</u>	<u>79,090</u>
Expenditures:				
General government	-	-	8,000	(8,000)
Capital outlay	90,000	90,000	100,266	(10,266)
Culture and recreation	1,142,137	1,142,137	1,090,490	51,647
Total expenditures	<u>1,232,137</u>	<u>1,232,137</u>	<u>1,198,756</u>	<u>33,381</u>
Excess (deficiency) of revenues over expenditures	73,663	73,663	186,134	112,471
Other financing sources (uses):				
Transfers to other funds	-	-	(30,000)	(30,000)
Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)	73,663	73,663	156,134	82,471
Fund balance, beginning	<u>358,769</u>	<u>358,769</u>	<u>(206,071)</u>	<u>(564,840)</u>
Fund balance, ending	<u>\$ 432,432</u>	<u>\$ 432,432</u>	<u>\$ (49,937)</u>	<u>\$ (482,369)</u>

See accompanying independent auditors' report.

WEST FELICIANA PARISH GOVERNMENT
BUDGETARY COMPARISON SCHEDULE
ROAD IMPROVEMENT FUND
YEAR ENDED JUNE 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
Revenues:				
Intergovernmental	\$ 230,200	\$ 230,200	\$ 335,838	\$ 105,638
Taxes:				
Ad valorem	1,200,000	1,200,000	1,213,555	13,555
Other	3,600	414,300	228,930	(185,370)
Total revenues	<u>1,433,800</u>	<u>1,844,500</u>	<u>1,778,323</u>	<u>(66,177)</u>
Expenditures:				
General government	101,900	101,900	51,027	50,873
Capital outlay	704,575	828,420	771,633	56,787
Public works	1,292,810	1,292,810	1,311,947	(19,137)
Total expenditures	<u>2,099,285</u>	<u>2,223,130</u>	<u>2,134,607</u>	<u>88,523</u>
Excess (deficiency) of revenues over expenditures	(665,485)	(378,630)	(356,284)	22,346
Other financing sources (uses):				
Transfers to other funds	-	-	(50,000)	(50,000)
Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)	<u>(665,485)</u>	<u>(378,630)</u>	<u>(406,284)</u>	<u>(27,654)</u>
Fund balance, beginning	<u>1,538,596</u>	<u>1,538,596</u>	<u>797,349</u>	<u>(741,247)</u>
Fund balance, ending	<u>\$ 873,111</u>	<u>\$ 1,159,966</u>	<u>\$ 391,065</u>	<u>\$ (768,901)</u>

See accompanying independent auditors' report.

WEST FELICIANA PARISH GOVERNMENT
BUDGETARY COMPARISON SCHEDULE
ECONOMIC DEVELOPMENT FUND
YEAR ENDED JUNE 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
Revenues:				
Taxes:				
Ad valorem	\$ 280,000	\$ 270,000	\$ 264,831	\$ (5,169)
Other revenues	600	600	8,108	7,508
Total revenues	<u>280,600</u>	<u>270,600</u>	<u>272,939</u>	<u>2,339</u>
Expenditures:				
Economic development	276,810	202,080	185,285	16,795
Capital outlay	-	-	-	-
Total expenditures	<u>276,810</u>	<u>202,080</u>	<u>185,285</u>	<u>16,795</u>
Excess (deficiency) of revenues over expenditures	3,790	68,520	87,654	19,134
Other financing sources (uses):				
Transfers to other funds	-	-	(4,000)	(4,000)
Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)	3,790	68,520	83,654	15,134
Fund balance, beginning	<u>86,599</u>	<u>86,599</u>	<u>104,633</u>	<u>18,034</u>
Fund balance, ending	<u>\$ 90,389</u>	<u>\$ 155,119</u>	<u>\$ 188,287</u>	<u>\$ 33,168</u>

See accompanying independent auditors' report.

WEST FELICIANA PARISH GOVERNMENT
BUDGETARY COMPARISON SCHEDULE
BUILDING AND GROUNDS FUND
YEAR ENDED JUNE 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
Revenues:				
Ad valorem taxes	\$ 805,000	\$ 805,000	\$ 800,946	\$ (4,054)
Other	1,176	1,176	9,462	8,286
Total revenues	<u>806,176</u>	<u>806,176</u>	<u>810,408</u>	<u>4,232</u>
Expenditures:				
Public works	676,750	726,750	795,580	(68,830)
Capital outlay	70,000	108,000	48,905	59,095
Total expenditures	<u>746,750</u>	<u>834,750</u>	<u>844,485</u>	<u>(9,735)</u>
Excess (deficiency) of revenues over expenditures	59,426	(28,574)	(34,077)	(5,503)
Other financing sources:				
Transfers to other funds	-	-	(10,000)	(10,000)
Excess (deficiency) of revenues and other financing sources over expenditures	59,426	(28,574)	(44,077)	(15,503)
Fund balance, beginning	<u>1,187,410</u>	<u>1,187,410</u>	<u>1,214,811</u>	<u>27,401</u>
Fund balance, ending	<u>\$ 1,246,836</u>	<u>\$ 1,158,836</u>	<u>\$ 1,170,734</u>	<u>\$ 11,898</u>

See accompanying independent auditors' report.

WEST FELICIANA PARISH GOVERNMENT
OTHER POST EMPLOYMENT BENEFITS PLAN
RETIREE HEALTH AND LIFE INSURANCE PROGRAMS
YEAR ENDED JUNE 30, 2017

SCHEDULE OF FUNDING PROGRESS

Fiscal Year Ending	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
06/30/17	07/01/15	\$ -	\$ 79,450	\$ 79,450	0.00%	\$ 2,168,900	3.66%
06/30/16	07/01/15	-	76,394	76,394	0.00%	2,206,977	3.46%
06/30/15	01/01/13	-	66,603	66,603	0.00%	2,203,562	3.02%
06/30/14	01/01/13	-	64,042	64,042	0.00%	1,264,074	5.07%
12/31/13	01/01/13	-	61,454	61,454	0.00%	2,120,780	2.90%

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Fiscal Year Ending	Annual OPEB Cost	Amount Contributed	Percentage of Annual OPEB Costs Contributed	Increase (Decrease) to Net OPEB Obligation	Net OPEB Obligation
06/30/17	\$ 8,252	\$ 4,172	50.56%	\$ 4,080	\$ 25,789
06/30/16	7,994	3,863	48.32%	4,131	21,709
06/30/15	6,860	1,669	24.33%	5,191	17,578
06/30/14	6,750	772	11.44%	5,978	12,387
12/31/13	6,674	265	3.97%	6,409	6,409

**Schedule of West Feliciana Parish Government's
Schedule of the Proportionate Share of the Net Pension Liability
Cost Sharing Plans Only
For the Year Ended June 30, 2017 (*)**

<u>Pension Plan</u>	<u>Year</u>	<u>Employer's Proportion of the Net Pension Liability (Asset)</u>	<u>Employer's Proportionate Share of the Net Pension Liability (Asset)</u>	<u>Employer's Covered-Employee Payroll</u>	<u>Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
Parochial Employees' Retirement System of Louisiana Plan B						
	2017	2.3129%	300,467	2,304,117	13.0404%	95.50%
	2016	2.3280%	414,494	2,231,399	18.5755%	93.48%
	2015	2.3467%	6,514	2,046,033	0.3184%	99.89%
District Attorneys' Retirement System						
	2017	0.0319%	6,110	10,475	58.3295%	95.09%
	2016	0.0340%	1,832	20,350	9.0025%	98.56%
	2015	4.6400%	925	22,150	4.1761%	99.45%
Registrar of Voters Employees' Retirement System of Louisiana						
	2017	0.2103%	59,666	14,443	413.1136%	73.98%
	2016	0.1861%	45,578	25,245	180.5427%	76.86%
	2015	0.1861%	44,863	25,245	177.7104%	77.68%

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

(*) The amounts presented have a measurement date as of the previous measurement date.

**West Feliciana Parish Government's
Schedule of Contributions to Each Retirement System
Cost Sharing Plans Only
For the Year Ended June 30, 2016**

<u>Pension Plan:</u>	<u>Year</u>	<u>Contractually Required Contribution¹</u>	<u>Contributions in Relation to Contractually Required Contribution²</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Employee Payroll³</u>	<u>Contributions as a % of Covered Employee Payroll</u>
Parochial Employees' Retirement System of Louisiana Plan B						
	2017	\$ 185,642	\$ 185,642	\$ -	\$ 2,320,522	8.00%
	2016	191,839	191,839	-	2,257,545	8.50%
	2015	198,470	198,470	-	2,175,527	9.12%
District Attorneys' Retirement System						
	2017	-	-	-	23,950	0.00%
	2016	367	367	-	10,475	3.50%
	2015	1,425	1,425	-	20,350	7.00%
Registrar of Voters Employees' Retirement System of Louisiana						
	2017	5,777	5,777	-	28,885	20.00%
	2016	3,250	3,250	-	14,442	22.50%
	2015	6,122	6,122	-	25,245	24.25%

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

For reference only:

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

² Actual employer contributions remitted to Retirement Systems

³ Employer's covered employee payroll amount for each of the fiscal year ended June 30

WEST FELICIANA PARISH GOVERNMENT
ST. FRANCISVILLE, LOUISIANA

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2017

Changes of Benefit Terms include:

Parochial Employees' Retirement System of Louisiana Plan B

- No changes noted

District Attorneys' Retirement System

- No changes noted

Registrar of Voters Employees' Retirement System of Louisiana

- No changes noted

Changes of Assumptions

Parochial Employees' Retirement System of Louisiana Plan B

- No changes noted

District Attorneys' Retirement System

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

Registrar of Voters Employees' Retirement System of Louisiana

- No changes noted

Other Supplemental
Information

WEST FELICIANA PARISH GOVERNMENT
ST. FRANCISVILLE, LOUISIANA
NON-MAJOR FUND DESCRIPTIONS

Special Revenue Funds:

Health Unit Fund - This fund accounts for designated tax levy for the purpose of acquiring maintaining, and operating public health facilities and other social services.

West Feliciana Library Fund - This fund accounts for designated tax levy for the purpose of providing resources and services to fulfill individual information needs for day-to-day living and pleasure, and for cultural, educational and leisurely pursuits.

Criminal Court Fund - This fund accounts for the receipts of court fees and fines and the disbursements of court costs of the 18th Judicial District.

Fund Sports Tax Fund - This fund accounts for recreational ad valorem taxes that were designated by the Government for sporting activities.

Disaster Recovery Fund - This fund accounts for a federal grant, the goal of which is to assist communities in their recovery from natural disasters.

Buildings and Grounds Fund - This fund accounts for designated tax levy for the on-going maintenance and preservation of the Government's property.

Capital Projects Fund:

Library Construction Fund – This fund accounts for funds obtained by the Government for the construction of a new parish library building.

Debt Service Fund:

Debt Service Fund – Accumulates funds for the payment of obligation bonds obtained by the Government.

WEST FELICIANA PARISH GOVERNMENT
COMBINING BALANCE SHEET
OTHER NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2017

	<u>Health Unit</u>	<u>West Feliciana Library</u>	<u>Criminal Court</u>	<u>Disaster Recovery</u>	<u>Library Construction</u>	<u>Debt Service</u>	<u>Total</u>
ASSETS							
Cash and cash equivalents	\$ -	\$ -	\$ 25,647	\$ 706	\$ -	\$ 25,381	\$ 51,734
Investments	699,077	977,601	-	-	-	-	1,676,678
Prepaid expenses	-	15,272	64	-	-	-	15,336
Receivables:							
Accounts	3,527	424	10,023	-	-	-	13,974
Taxes	574	-	-	-	-	337	911
Due from other funds	-	-	117,689	-	-	215,935	333,624
Restricted assets:							
Cash and cash equivalents	-	-	-	-	39,996	-	39,996
Investments	-	-	-	-	182,425	422,006	604,431
TOTAL ASSETS	<u>703,178</u>	<u>993,297</u>	<u>153,423</u>	<u>706</u>	<u>222,421</u>	<u>663,659</u>	<u>2,736,684</u>
LIABILITIES							
Cash in excess of bank balance	259,112	139,694	-	-	-	-	398,806
Accounts payable	50,681	7,773	3,544	-	-	-	61,998
Accrued expenses and liabilities	-	13,880	14	-	-	959	14,853
Due to other funds	108,687	74,694	411	-	213,843	1,439	399,074
TOTAL LIABILITIES	<u>418,480</u>	<u>236,041</u>	<u>3,969</u>	<u>-</u>	<u>213,843</u>	<u>2,398</u>	<u>874,731</u>
FUND BALANCES							
Nonspendable	-	15,272	64	-	-	-	15,336
Restricted	284,698	741,984	149,390	706	8,578	661,261	1,846,617
TOTAL FUND BALANCES	<u>284,698</u>	<u>757,256</u>	<u>149,454</u>	<u>706</u>	<u>8,578</u>	<u>661,261</u>	<u>1,861,953</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 703,178</u>	<u>\$ 993,297</u>	<u>\$ 153,423</u>	<u>\$ 706</u>	<u>\$ 222,421</u>	<u>\$ 663,659</u>	<u>\$ 2,736,684</u>

See accompanying independent auditors' report.

WEST FELICIANA PARISH GOVERNMENT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2017

	Health Unit	West Feliciana Library	Criminal Court	Disaster Recovery	Library Construction	Debt Service	Total
Revenues:							
Intergovernmental	\$ 39,402	\$ 13,134	\$ -	\$ 186,640	\$ -	\$ -	\$ 239,176
Taxes							
Ad valorem	395,885	395,885	-	-	-	313,981	1,105,751
Charges for services	-	12,881	113,463	-	-	-	126,344
Other revenues	4,608	36,123	-	-	2	3,851	44,584
Total revenues	<u>439,895</u>	<u>458,023</u>	<u>113,463</u>	<u>186,640</u>	<u>2</u>	<u>317,832</u>	<u>1,515,855</u>
Expenditures:							
General government	43,000	72,936	95,175	-	-	1,132	212,243
Culture and recreation	-	374,261	-	-	-	-	374,261
Health and welfare	315,791	-	-	-	-	-	315,791
Capital outlay	472,499	-	-	185,934	10,865	-	669,298
Debt service:							
Principal	-	-	-	-	-	177,000	177,000
Interest	-	-	-	-	-	80,300	80,300
Total expenditures	<u>831,290</u>	<u>447,197</u>	<u>95,175</u>	<u>185,934</u>	<u>10,865</u>	<u>258,432</u>	<u>1,828,893</u>
Excess of revenues over (under) expenditures	(391,395)	10,826	18,288	706	(10,863)	59,400	(313,038)
Other financing sources (uses):							
Transfers to other funds	-	(3,000)	-	-	-	-	(3,000)
Transfers from other funds	-	-	-	-	-	59,378	59,378
	<u>-</u>	<u>(3,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>59,378</u>	<u>56,378</u>
Excess of revenues and other sources over (under) expenditures and other uses	(391,395)	7,826	18,288	706	(10,863)	118,778	(256,660)
Fund balance, beginning	<u>676,093</u>	<u>749,430</u>	<u>131,166</u>	<u>-</u>	<u>19,441</u>	<u>542,483</u>	<u>2,118,613</u>
Fund balance, ending	<u>\$ 284,698</u>	<u>\$ 757,256</u>	<u>\$ 149,454</u>	<u>\$ 706</u>	<u>\$ 8,578</u>	<u>\$ 661,261</u>	<u>\$ 1,861,953</u>

See accompanying independent auditors' report.

WEST FELICIANA PARISH GOVERNMENT
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS
TO THE PARISH PRESIDENT
YEAR ENDED JUNE 30, 2017

Parish President's Name: Kevin Couhig

Salary	\$ 80,000
Benefits - insurance	<u>5,409</u>
	<u>\$ 85,409</u>

WEST FELICIANA PARISH GOVERNMENT
SCHEDULE OF WEST FELICIANA PARISH GOVERNMENT COUNCIL MEMBERS
YEAR ENDED JUNE 30, 2017

The District is operated under the authority of the West Feliciana Parish Government. The council members are not compensated for their services to the District.

Below is a listing of the West Feliciana Parish Council Members.

Beginning January 1, 2016

Sydney Picou Walker P.O. Box 516 St. Francisville, LA 70775	At Large
---	----------

Melvin Young 6900 Greenwood Road St. Francisville, LA 70775	District A
---	------------

John Thompson 11126 Wakefield Drive North St. Francisville, LA 70775	District B
--	------------

Melville Percy 4888 Audubon Lane St. Francisville, LA 70775	District C
---	------------

William "Bill" May III 10695 Firetower Road St. Francisville, LA 70775	District D
--	------------

WEST FELICIANA PARISH GOVERNMENT

SCHEDULE OF INSURANCE IN FORCE

JUNE 30, 2017

(UNAUDITED)

<u>Coverage</u>	<u>Insurance Company</u>	<u>Expiration</u>	<u>Liability Limits</u>
General Liability	Atlantic Speciality Insurance Co.	4/25/2018	\$2,000,000 General Aggregate \$2,000,000 Products/completed Operation Aggregate \$1,000,000 Each Occurrence \$1,000,000 Personal and Advertising \$3,000,000 Damage to Premises Rented to you Failure to Supply - \$300,000 Each Occurrence Sexual Abuse - \$1,000,000 Each Occurrence
Auto Liability	Atlantic Speciality Insurance Co.	4/25/2018	\$1,000,000 each accident - Liability
Excess Liability	Atlantic Specialty Insurance Co.	4/25/2018	\$2,000,000 Aggregate Limit \$1,000,000 Each Claim Limit
Professional Liability	Atlantic Specialty Insurance Co.	4/25/2018	Public Officials Errors & Omissions \$1,000,000 Each Wrongful Act \$2,000,000 Aggregate - Claims Made Public Officials Employment Practices \$1,000,000 Each Offense \$2,000,000 Aggregate - Claims Made Public Officials Employee Benefits Administration \$1,000,000 Each Offense \$3,000,000 Aggregate - Claims Made
Crime	Travelers Casualty and Surety Co	4/25/2019	\$500,000 Employee Theft \$100,000 Forgery or Alteration \$100,000 on premises \$100,000 in Transit \$100,000 Computer Fraud \$1,000,000 Funds Transfer Fraud
Property	EMC Insurance Companies	4/25/2018	\$17,530,420 Building \$2,539,402 person property \$1,817,073 contents
Inland Marine	EMC Insurance Companies	4/25/2018	\$1,535,659 Equipment \$217,892 electronic data \$400,000 Equipment leased
Boiler and Machinery	Hartford Steam Boiler Inspection & Insurance Company	4/25/2018	\$50,000,000 Equipment Breakdown Limit
Workers Compensation	LUBA Casualty Insurance Co	1/1/2018	\$1,000,000 Each Accident \$1,000,000 Policy Limit \$1,000,000 Each Employee

WEST FELCIANA PARISH GOVERNMENT

SCHEDULE OF INFORMATION REQUIRED BY RURAL DEVELOPMENT
YEAR ENDED JUNE 30, 2017
(UNAUDITED)

Item No. 1

The District's customers' accounts receivable at June 30, 2017, is comprised of the following:

	<u>0-30 days</u>	<u>31+ days</u>	<u>Total</u>
No.	Unknown		
Amount	\$105,047	\$ -	\$105,047

Item No. 2

The District's water rates at June 30, 2017, were as follows:

<u>Residential</u>		
≤ 2,000 gallons		\$16.50 minimum
> 2,000 gallons		\$3.50 per thousand gallons
<u>Commercial</u>		
≤ 10,000 gallons		\$56.00 minimum
> 10,000 gallons		\$3.50 per thousand gallons
<u>School</u>		
≤ 25,000 gallons		\$56.25 minimum
> 25,000 gallons		\$3.50 per thousand gallons

Item No. 3

The number of active residential and non-residential users at June 30, 2017, is unknown.

WEST FELICIANA PARISH GOVERNMENT

SCHEDULE OF INFORMATION REQUIRED BY RURAL DEVELOPMENT
YEAR ENDED JUNE 30, 2017
(UNAUDITED)

Item No. 1

The Government's customers' accounts receivable at June 30, 2017, is comprised of the following:

Solitude	<u>0-30 days</u>	<u>31+ days</u>	<u>Total</u>
No.	Unknown		
Amount	\$11,355	\$ -	\$11,355
Turner	<u>0-30 days</u>	<u>31+ days</u>	<u>Total</u>
No.	Unknown		
Amount	\$2,380	\$ -	\$2,380
Hardwood	<u>0-30 days</u>	<u>31+ days</u>	<u>Total</u>
No.	Unknown		
Amount	\$4,462	\$ -	\$4,462
Independence	<u>0-30 days</u>	<u>31+ days</u>	<u>Total</u>
No.	Unknown		
Amount	\$5,654	\$ -	\$5,654

Item No. 2

The Government sewer rates at June 30, 2017, were as follows:

<u>Solitude Sewer</u>	
Fixed	\$35.00
<u>Turner Sewer</u>	
Fixed	\$24.00
<u>Hardwood Sewer</u>	
Fixed	\$18.00
<u>Independence Sewer</u>	
Fixed	\$35.00

Item No. 3

The number of active residential and non-residential users at June 30, 2017, is unknown.



Postlethwaite & Netterville

8550 United Plaza Blvd., Ste. 1001 - Baton Rouge, LA 70809
225-922-4600 Phone - 225-922-4611 Fax - pncpa.com

A Professional Accounting Corporation

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

The Honorable President and Council Members
of the West Feliciana Parish Government
St. Francisville, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the West Feliciana Parish Government (the Government), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Government's basic financial statements and have issued our report thereon dated December 29, 2017.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Government'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 Government's internal control. Accordingly, we do not express an opinion on the effectiveness of the Government'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 preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did identify any deficiencies internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiency, noted as item 2017-001.



Postlethwaite & Netterville
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Government's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants 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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and recommendations, noted as item 2017-001.

The Government's Response to Findings

The Government's response to the findings identified in our audit is described in the accompanying schedule of findings and recommendations. The Government'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 Government's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Postlethwaite & Netterville

Baton Rouge, Louisiana
December 29, 2017

WEST FELICIANA PARISH GOVERNMENT
ST. FRANCISVILLE, LOUISIANA
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
YEAR ENDED JUNE 30, 2017

B. Findings – Financial Statement Audit

2017-001 **Noncompliance with Bond Covenants**

Criteria: The Consolidated Waterworks District No. 13 of West Feliciana Parish ordinances authorizing the issuance of the \$2,600,000 1997 USDA Water Revenue Bond, and Series 2007 Certificate of Indebtedness for \$268,000 bonds require that certain debt covenants be followed. The Parish Government ordinances authorizing the issuance of \$340,000 Certificates of Indebtedness, Series 2008, Series 2012, \$665,000 Solitude Sewer Revenue Bonds, Series 2006 and \$253,000 of Sewer Revenue Bonds, Series 2012 require that certain debt covenants be followed.

Condition: The Waterworks District and Parish Government are not in full compliance with its bond resolution requiring the establishment and funding of certain accounts for the 1997 USDA Water Revenue Bond to set a specific fiscal agent bank of the Issuer to have a separate account for the bond to cover principal and/or interest. The Waterworks District is not in full compliance with the bond resolution for the 2007 Certificate of Indebtedness regarding a regularly designated fiscal agent bank sinking fund specifically for the bond to cover the cost of required monthly payments. The \$268,000 Certificate of Indebtedness requires a separate bank account for the bond at the fiscal agent however there is no separate account therefore not in full compliance. The \$665,000 Sewer Revenue Bonds requires a separate bank account for the bond at the fiscal agent however there is no separate account therefore not in full compliance. The \$253,000 Sewer Revenue Bonds requires a separate bank account to cover 50% of the operations and maintenance however the required amount is not deposited in the bank account therefore not in compliance. Along with the required deposits there is not enough depreciation reserve as required for the short-lived assets of the Independence Sewer.

Cause: The Parish Government may not be fully aware of the requirements of the ordinances.

Effect: The Parish Government is not in compliance with its bonds covenants as specified in the bond ordinances.

Recommendation: We recommend that the Parish Government fully comply with all of the bond covenants set forth in the bond ordinances by establishing all restricted accounts and monitoring their balances to ensure compliance with the bond resolution.

View of Responsible Official:
The Parish Government plans to address noncompliance with bond ordinances immediately.

WEST FELICIANA PARISH GOVERNMENT
ST. FRANCISVILLE, LOUISIANA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

C. Findings and Questioned Costs – Major Federal Award Programs

2016-002

Disaster Grants- Public Assistance CFDA #97.036

Matching

Criteria:

The Government is required to pay a 5% match for debris removal for Hurricane Gustav expenditures related to the federal program

Condition:

The Government received a payment of \$651,149 from the federal program for contract expenditures for debris removal assistance that were incurred in 2008. The Government did not pay its required match for the related expenditures.

Cause:

The Government and the referenced contractor underwent a litigation dispute for the services provided by the contractor for Hurricane Gustave expenditures. The legal dispute was ongoing for several years. There was a settlement that the contractor waived any claim for the 5% responsibility for the Government for the project billings. The Government did not reduce the approved project worksheet for this settlement.

Effect:

The Government may have received an overpayment from the federal program for the reimbursed expenditures related to the services provided for this project worksheet.

Questioned Costs:

\$32,557

**Universe/Population
Size**

The Government had four transactions related to the identified federal program

Sample Size:

There was a sample size of two. The sample size accounted for approximately 96% of total program costs.

Recommendation:

We recommend that the Government consult with its legal counsel and obtain guidance in an effort to resolve the identified questioned costs.

View of Responsible Official and Planned Corrective Action: & Corrective Action:

The Gustav Hurricane expenditures occurred predominantly in the years of 2008 and 2009 and occurred under a prior administration. The government has reserved in its LAMP account (Gustav Escrow) sufficient funds to cover any subsequent federal audit contingency noted herein.

Current status:

The above corrective action plan has been implemented as described above. Thus, the finding is considered resolved.

West Feliciana Parish

5934 Commerce St. • P.O. Box 1921 • St. Francisville, Louisiana 70775
(225) 635-3864 • Fax: (225) 635-3705

CORRECTIVE ACTION PLAN

December 29, 2017

West Feliciana Parish Government respectfully submits the following corrective action plan for the year ended June 30, 2017.

Name and address of independent public accounting firm:

Postlethwaite & Netterville, APAC
8550 United Plaza Blvd.
Suite 1001
Baton Rouge, LA 70809

Audit Period: July 1, 2016 to June 30, 2017

The findings from the schedule of findings and recommendations are discussed below. The findings are numbered consistently with the numbers assigned in the schedule of findings and recommendations.

FINDINGS – SCHEDULE OF FINDINGS AND RECOMMENDATIONS

2017-001

Noncompliance with Bond Covenants

Condition:

The Waterworks District and Parish Government are not in full compliance with its bond resolution requiring the establishment and funding of certain accounts for the 1997 USDA Water Revenue Bond to set a specific fiscal agent bank of the Issuer to have a separate account for the bond to cover principal and/or interest. The Waterworks District is not in full compliance with the bond resolution for the 2007 Certificate of Indebtedness regarding a regularly designated fiscal agent bank sinking fund specifically for the bond to cover the cost of required monthly payments. The \$268,000 Certificate of Indebtedness requires a separate bank account for the bond at the fiscal agent however there is no separate account therefore not in full compliance. The \$665,000 Sewer Revenue Bonds requires a separate bank account for the bond at the fiscal agent however there is no separate account therefore not in full compliance. The \$253,000 Sewer Revenue Bonds requires a separate bank account to cover 50% of the operations and maintenance however the required amount is not deposited in the bank account therefore not in compliance. Along with the required deposits there is not enough depreciation reserve as required for the short-lived assets of the Independence Sewer.

Recommendation: We recommend that the Parish Government fully comply with all of the bond covenants set forth in the bond ordinances by establishing all restricted accounts and monitoring their balances to ensure compliance with the bond resolution.

Planned Corrective Action:

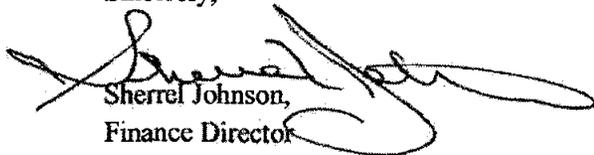
The Parish Government plans to address noncompliance with bond ordinances immediately.

Anticipated Completion Date: June 30, 2018

Responsible Contact Person: Sherrel Johnson, Finance Director

If there are questions regarding this plan, please call Sherrel Johnson at (225) 635-3864.

Sincerely,


Sherrel Johnson,
Finance Director

WEST FELICIANA PARISH GOVERNMENT

REPORT ON STATEWIDE
AGREED-UPON PROCEDURES on COMPLIANCE and CONTROL
AREAS

FOR THE YEAR ENDED JUNE 30, 2017



Postlethwaite & Netterville

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Independent Accountant's Report
On Applying Agreed-Upon Procedures

To the Honorable President and Council of the
West Feliciana Parish Government and the
Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by the West Feliciana Parish Government (the Entity) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2016 through June 30, 2017. The Entity's management is responsible for those C/C areas identified in the SAUPs.

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

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

Written Policies and Procedures

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

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

No written policies noted for budgeting.

- b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list. (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law or state purchasing rules and regulations; and (5) documentation required to be maintained for all bids and price quotes.

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted

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

No exceptions noted

- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review (4) approval process, and (5) monitoring process

The policy lacks requirements for criteria (1) types of services requiring written contracts, criteria (2) standard terms and conditions, criteria (3) legal review, criteria (4) approval process, and (criteria 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

No exception noted.

- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers

There was no written policy related to travel and expense reimbursements.

- 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.

There was no policy related to ethics.

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

There was no policy related to debt service.

Board (or Finance Committee, if applicable)

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

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

No exceptions noted.

- b) Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and other major funds. If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.

The minutes do not show budget to actual comparisons for the General Fund and other major funds in the board minutes occurred during the year. There is no formal written plan in the board minutes related to eliminating fund deficits.

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

No exceptions noted.

Bank Reconciliations

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

No exceptions noted.

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

- a) Bank reconciliations have been prepared;

4 of the 60 bank reconciliations selected were not 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;

There was no evidence of review by a member of management for 12 of 60 bank reconciliations selected.

- 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.

14 of 60 bank reconciliations had outstanding items greater than 6 month and contained no evidence of management's research.

Collections

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

No exceptions noted.

6. Using the listing provided by management, select all of the Entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three year rotating basis (if more than 5 locations). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity funds may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* **For each cash collection location selected:**

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

For the five locations tested the employees collecting cash at various locations are not bonded. The employees at one location is collecting the cash and also depositing the funds into the financial institution. For the five locations subjected to the procedures, there are cash registers/drawers procedures that are in place but don't specify if they are shared drawers the procedures.

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

No exceptions noted.

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

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

No exception noted

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

No exception noted.

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

No exceptions noted.

Disbursements – Other General

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

No exception noted.

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

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

Of the 25 disbursements, there were seven that did not have purchase requisitions or purchase orders.



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

No exceptions noted.

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

No exceptions noted.

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

Each of the four individuals who process payments has access to add vendors to the disbursement system.

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

Each of the two individuals who make final authorization for disbursements also has authority to initiate or record a purchase.

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

No exceptions noted.

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

Authorized signatures for checks are applied by the accounts payable system upon printing of checks. The authorized signer is provided the printed checks and a listing thereof for review. However, the checks are not maintained and controlled by the authorized signer until mailed.

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

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

No exceptions noted.

15. Using the listing prepared by management, randomly select ten cards (or at least one-third if the Entity has less than ten cards that were used during the fiscal period. Obtain the monthly statements, or combined statements with the largest dollar activity for each card (for a debit card, select the monthly bank statement with the largest dollar amount of debit card purchases) and:

- a) Report whether there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder.

No exceptions noted.

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

No exceptions noted.

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

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

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

No exceptions noted.

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

3 of the 10 transactions selected did not have documentation of business purpose of the transaction.

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

No exceptions noted.

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

No exceptions noted.

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

3 of the 10 transactions did not have documentation of business purpose of the transaction.

Travel and Expense Reimbursement

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

No exceptions noted.

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

No written travel and expense reimbursement policy.

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

- a) Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the Entity does not have written policies, compare to the PPM 49 rates (#18 above) and report each reimbursement that exceeded those rates.

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

Contracts

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

No exceptions noted.

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

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

No exceptions noted.

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

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

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted

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

No exceptions noted

- e) Obtain/review contract documentation and board minutes and report whether there is documentation of board approval, if required by policy or law.

No exceptions noted

Payroll and Personnel

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

a) Review compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.

No exceptions noted.

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

No exceptions noted.

23. Obtain attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period, select 25 employees and:

- a) Report whether all selected employees documented their daily attendance and leave (e.g., vacation, sick, compensatory).

4 of 25 employees did not have a leave/attendance record.

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

4 of 25 employees did not have a review of supervisor approving attendance/leave record due to no timesheet.

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

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

Ethics

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

No exceptions noted.



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

No exceptions noted.

Debt Service

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

No new debt issued during fiscal year 2017

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

The entity did not maintain adequate debt reserves for 8 debt covenant requirements.

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

The Library Construction bond tax revenue exceeded 10% of debt payments during fiscal year 2017.

Other

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

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

Corrective Action

34. Obtain management's response and corrective action plan for any exceptions noted in the above agreed-upon procedures.

See attached Corrective Action Plan.

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

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

Sincerely,

Postlethwaite & Netterville

December 29, 2017

West Feliciana Parish

5934 Commerce St. • P.O. Box 1921 • St. Francisville, Louisiana 70775
(225) 635-3864 • Fax: (225) 635-3705

CORRECTIVE ACTION PLAN

STATE LEGISLATIVE AUDITOR AGREED UPON PROCEDURES

December 29, 2017

West Feliciana Parish Government respectfully submits the following corrective action plan for the year ended June 30, 2017 correct actions implemented.

Postlethwaite & Netterville, APAC
8550 United Plaza Blvd.
Suite 1001
Baton Rouge, LA 70809

Period: July 1, 2016 to June 30, 2017

Written Policies and Procedures

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

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

No written policies noted for budgeting.

Planned Corrective Action: The Parish Government will develop written policies for its budgeting process.

- 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 or state purchasing rules and regulations; and (5) documentation required to be maintained for all bids and price quotes.

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted

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

No exceptions noted

- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review (4) approval process, and (5) monitoring process

The policy lacks requirements for criteria (1) types of services requiring written contracts, criteria (2) standard terms and conditions, criteria (3) legal review, criteria (4) approval process, and (criteria 5) monitoring process.

Planned Corrective Action: The Parish Government will develop written policies for its contracting 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

No exception noted.

- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers

There was no written policy related to travel and expense reimbursements.

Planned Corrective Action: The Parish Government will develop written policies for its travel and expense reimbursement process.

- 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.

There was no policy related to ethics.

Planned Corrective Action: The Parish Government will develop written policies for its ethics process.

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

There was no policy related to debt service.

Planned Corrective Action: The Parish Government will develop written policies for its debt service process.

Board (or Finance Committee, if applicable)

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

No exceptions noted.

- b) Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and other major funds. If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.

The minutes do not show budget to actual comparisons for the General Fund and other major funds in the board minutes occurred during the year. There is no formal written plan in the board minutes related to eliminating fund deficits.

Planned Corrective Action: The Parish Government's policies will be modified to include a monthly budget to actual report to be included in each Council Member's packet.

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

No exceptions noted.

Bank Reconciliations

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

No exceptions noted.

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

- a) Bank reconciliations have been prepared;

4 of the 60 bank reconciliations selected were not prepared.

Planned Corrective Action: The Parish Government's policies will be updated to ensure that bank reconciliations are timely prepared for all bank accounts.

- 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;

There was no evidence of review by a member of management for 12 of 60 bank reconciliations selected.

Planned Corrective Action: The Parish Government's policies will be updated to ensure that bank reconciliations are evidenced as reviewed by signature and date.

- 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.

14 of 60 bank reconciliations had outstanding items greater than 6 month and contained no evidence of management's research.

Planned Corrective Action: The Parish Government will review with all applicable employees the need to research and document such research for any outstanding items more than 6 months old.

Collections

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

No exceptions noted.

6. Using the listing provided by management, select all of the Entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three year rotating basis (if more than 5 locations). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity funds may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* **For each cash collection location selected:**

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

For the five locations tested the employees collecting cash at various locations are not bonded. The employees at one location is collecting the cash and also depositing the funds into the financial institution. For the five locations subjected to the procedures, there are cash registers/drawers procedures that are in place but don't specify if they are shared drawers the procedures.

Planned Corrective Action: The Parish Government will reiterate to employees that cash should not be collected by the same person who is responsible for recording the transaction, depositing the cash and reconciling the account.

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

No exceptions noted.

- c. Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:
 - Using Entity collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day.

No exception noted

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

No exception noted.

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

No exceptions noted.

Disbursements – Other General

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

No exceptions noted.

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

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

Of the 25 disbursements, there were seven that did not have purchase requisitions or purchase orders.

Planned Corrective Action: The Parish Government will implement policies so that purchases for non-reoccurring transactions will require a purchase requisition or purchase order.

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

No exceptions noted.

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

No exceptions noted.

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

Each of the four individuals who process payments has access to add vendors to the disbursement system.

Planned Corrective Action: The Parish Government has users who are responsible for printing checks that also has authority for initiating and recording purchases in case of emergencies or absence of Accounts Payable personnel. This will remain in place and only used in rare cases.

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

Each of the two individuals who make final authorization for disbursements also has authority to initiate or record a purchase.

Planned Corrective Action: The Parish Government has users who are responsible for printing checks that also has authority for initiating and recording purchases in case of emergencies or absence of Accounts Payable personnel. This will remain in place and only used in rare cases.

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

No exceptions noted.

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

Authorized signatures for checks are applied by the accounts payable system upon printing of checks. The authorized signer is provided the printed checks and a listing thereof for review. However, the checks are not maintained and controlled by the authorized signer until mailed.

Planned Corrective Action: The Parish Government will maintain the same process regarding the signature stamp or signature machine. The review of the printed checks by the signer before mailing is considered sufficient.

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

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

No exceptions noted.

15. Using the listing prepared by management, randomly select ten cards (or at least one-third if the Entity has less than ten cards that were used during the fiscal period. Obtain the monthly statements, or combined statements with the largest dollar activity for each card (for a debit card, select the monthly bank statement with the largest dollar amount of debit card purchases) and:

- a) Report whether there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder.

No exceptions noted.

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

No exceptions noted.

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

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

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

No exceptions noted.

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

3 of the 10 transactions selected did not have documentation of business purpose of the transaction.

Planned Corrective Action: The Parish Government will communicate the requirement of documentation of business/public purpose on all transactions.

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

No exceptions noted.

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

No exceptions noted.

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

3 of the 10 transactions did not have documentation of business purpose of the transaction.

Planned Corrective Action: The Parish Government will communicate the requirement of documentation of business/public purpose on all transactions.

Travel and Expense Reimbursement

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

No exceptions noted.

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

No written travel and expense reimbursement policy.

Planned Corrective Action: The Parish Government will develop written policies for its travel and expense reimbursement process.

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

- a) Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the Entity does not have written policies, compare to the PPM 49 rates (#18 above) and report each reimbursement that exceeded those rates.

No exceptions noted.

- b) Report whether each expense is supported by:

- An original itemized receipt that identifies precisely what was purchased.
- 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).

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

Contracts

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

No exceptions noted.

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

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

No exceptions noted.

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

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

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted

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

No exceptions noted

- e) Obtain/review contract documentation and board minutes and report whether there is documentation of board approval, if required by policy or law.

No exceptions noted

Payroll and Personnel

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

- a) Review compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.

No exceptions noted.

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

No exceptions noted.

- 23. Obtain attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period, select 25 employees and:

- a) Report whether all selected employees documented their daily attendance and leave (e.g., vacation, sick, compensatory).

4 of 25 employees did not have a leave/attendance record.

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

4 of 25 employees did not have a review of supervisor approving attendance/leave record due to no timesheet.

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

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

Ethics

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

No exceptions noted.

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

No exceptions noted.

Debt Service

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

No new debt issued during fiscal year 2017

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

The entity did not maintain adequate debt reserves for 8 debt covenant requirements.

Planned Corrective Action: *The Parish Government will put in measures to ensure adequate debt reserves to be in compliance with debt covenants.*

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

The Library Construction bond tax revenue exceeded 10% of debt payments during fiscal year 2017.

Planned Corrective Action: *The Parish Government will investigate this matter and levy and collect on taxable property sufficient to pay principal and interest and redemption premiums, on such bonds as they mature.*

Other

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

No exceptions noted.

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

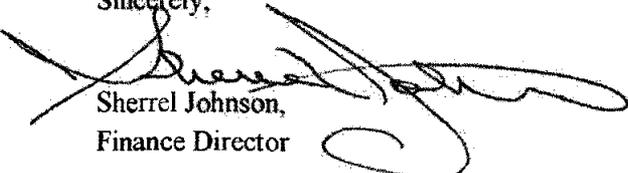
No exceptions noted.

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

No exceptions noted.

If there are questions regarding this plan, please call Sherrel Johnson at (225) 635-3864.

Sincerely,


Sherrel Johnson,
Finance Director

WEST FELICIANA PARISH GOVERNMENT

REPORT TO MANAGEMENT

JUNE 30, 2017



Postlethwaite & Netterville

A Professional Accounting Corporation

www.pncpa.com

WEST FELICIANA PARISH GOVERNMENT

REPORT TO MANAGEMENT

JUNE 30, 2017



Postlethwaite & Netterville

8550 United Plaza Blvd., Ste. 1001 - Baton Rouge, LA 70809
225-922-4600 Phone - 225-922-4611 Fax - pncpa.com

A Professional Accounting Corporation

December 29, 2017

Honorable President and Council Members
of West Feliciana Parish Government
St. Francisville, Louisiana

In planning and performing our audit of the financial statements of the West Feliciana Parish Government (Government) as of and for the year ended June 30, 2017, we considered the Government's internal controls to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control structure.

However, during our audit, we became aware of matters that are opportunities for improving financial reporting and refining policies and procedures. The following paragraphs summarize our comments and suggestions regarding those matters. This letter does not affect our report dated December 29, 2017 on the financial statements of the Government.

2017-1 **Enhancement of Policies and Procedures**

Condition: During the performance of our statewide agreed-upon procedures engagement, we reviewed several control and compliance areas including those pertaining to maintenance of written policies and procedures. Certain of these areas were identified as having opportunities for improvement.

Recommendation: While the Government maintains written policies and procedures over most transactions and significant areas, it was noted that these written policies and procedures could be strengthened to reflect certain best practices as recommended by the legislative auditor, particularly those regarding budgeting, contracting, travel expenses, and debt service.

Management's Response: *The Government's policies will be modified to address the recommendation above.*

2017-2 **Documentation of Process Reviews**

Condition: Government Management has communicated to us that there are controls in place for the review of cash and investment reconciliations journal entries. We corroborated that the controls were in place during our audit procedures. However, we noted that these reviews are not evidenced by the signing or initialing the documents or utilizing any form of documentation of review.

Recommendation: We recommend that the review of cash and investment reconciliations and journal entries be evidenced on the documents themselves or the use of an end of month/quarter checklist indicating the date of the review and the person that performed the review.

Management's Response: *We concur with the recommendation above.*



Postlethwaite & Netterville

We have already discussed many of these comments and suggestions with management, and we will be pleased to discuss them in further detail at your convenience. We would also welcome any opportunity to perform any additional study of these matters or to assist you in implementing the recommendations. We would also like to thank the Government's staff for their patience and cooperation with us during the performance of the audit.

Postlethwaite & Netterville

STATUS OF PRIOR YEAR REPORT TO MANAGEMENT

A. Accounts Payable

Condition:

During our audit procedures, we noted several debit balances in accounts payable related primarily to the miscoding of dates. The amounts were deemed immaterial to the financial statements.

Recommendation:

We suggest that management implement additional procedures to ensure that the accounts payable are complete and accurately recorded.

Management's Response:

Management will implement the recommendation as indicated above.

Current status:

This was not identified during the current year audit. Thus this matter is considered resolved.

B. Amended Budget

Condition:

During our audit procedures, we noted that the budget was amended properly as required by state law; however, the adjustments were not included in the numbers reported in the adopted 2016-2017 budget.

Recommendation:

We recommend that management include all amendments made to the budget in the updated budget to ensure the comparability of the numbers.

Management's Response:

Management will implement the recommendation as indicated above.

Current Status:

Management implemented the recommendation. Thus, the matter is considered resolved.

C. General Fund Committed Balance

Condition:

The General Fund has a committed fund balance classification totaling \$2,569,266. These commitments occurred prior to our retention as the Government's auditors and its adoption of the Home Rule Charter Form of Government. The Government has provided copies of Parish Council resolutions totaling \$1,700,305. Management has not been able to locate a copy of the ordinance and/or resolutions passed by the members of the Policy Jury in support of the remaining \$868,961 of committed amounts. However, the Parish Council has approved the fund level financial statements which have continued to include the \$2,569,266 commitment.

Recommendation:

We recommend that the Parish Council formally approves the committed balance of \$2,569,266 so that this is documented in the Government's records.

Management's Response:

Management agrees with the recommendation and will implement measures to ensure that the committed General Fund balance of \$2,569,266 is formally approved by the Parish Council and documented.

Management's Response:

Management has implemented the recommendation. Thus the matter is considered resolved.

D. Contingent Liability

Condition:

During our confirmation with the Government's legal counsel, it was communicated that the Government is at risk for potential exposure of approximately \$230,000 related to reimbursement by the Federal Government for Hurricane Gustav FEMA projects. Subsequently, the Government settled legal disputes with contractors associated with the Gustav FEMA projects resulting in the Government not having to pay approximately \$230,000 of contractor costs previously reimbursed by FEMA. Without authorization from FEMA to retain the funds, the Government is typically required to repay the Federal government the funds not disbursed.

Recommendation:

We recommend that the Government consults with its legal counsel and obtain guidance in an effort to resolve the risk of potential contingent liability.

Management's Response:

Management will consult with legal counsel in an effort to resolve any potential contingent liability related to the Hurricane Gustav FEMA projects.

Current Status:

Management has reserved in its LAMP account (Gustav Escrow) to cover for any subsequent audit or contingency. Thus, the matter is considered resolved.

E. Inventory

Condition:

The Government maintains a limited supply of spare equipment for replacement and sewer and water materials. These items are expensed at the time of purchase. The Parish Government considers these items to be immaterial and does not perform a year-end inventory count.

Recommendation:

We recommend that the Government performs a year-end inventory count to document the inventory balance is not significant in support of its current policy.

Management's Response:

The Government will implement the above recommendation by performing a year-end inventory count of sewer and water materials for the June 30, 2017 fiscal period.

Current status:

The Government performed a year-end inventory count for the 2007 fiscal period. Thus, the matter is considered resolved.

F. Parks and Receptions Process Reviews

Condition:

It was noted during our audit procedures that the documentation for the performance of cash counts for concession sales can be improved.

Recommendation:

We recommend that the controls being performed be documented by individuals who perform the cash counts.

Management's Response:

The Government will review the documentation currently maintained and improve based on the recommendation above.

Current status:

The Government has implemented its response. Thus, the matter is considered resolved.