

**Webster Parish Police Jury
Mindon, Louisiana**

**Annual Financial Report
As of and for the Year Ended December 31, 2017**

Webster Parish Police Jury

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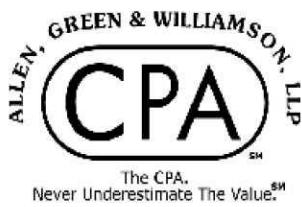
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Webster Parish Police Jury

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Independent Auditor's Report

Police Jurors
Webster Parish Police Jury
Mindens, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Webster Parish Police Jury, Minden, Louisiana, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the basic financial statements of the Police Jury's primary government as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Basis for Adverse Opinion on the Aggregate Discretely Presented Component Units

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

Adverse Opinion

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

Unmodified Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of Funding Progress for Other Post Employment Benefits, Schedule of Employer's Proportionate Share of the Net Pension Liability, Schedule of Employer Contributions to Pension Plans, Budgetary Comparison Schedules, and notes to required supplementary information, as listed in the table of contents, 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.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of the Police Jury's primary government. The accompanying supplementary information, as listed in the table of contents, and the other information, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

The accompanying other information, as listed in the table of contents, has not been subjected to the auditing procedures applied in the audit of the primary government's basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2018 on our consideration of the Police Jury's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Police Jury's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Police Jury's internal control over financial reporting and compliance.

A handwritten signature in blue ink that reads "Allen, Green & Williamson, LLP".

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
June 28, 2018

**Webster Parish Police Jury
Minden, Louisiana**

REQUIRED SUPPLEMENTARY INFORMATION

Management's Discussion And Analysis (MD&A)

Webster Parish Police Jury
Management's Discussion and Analysis (MD&A)
December 31, 2017

Our discussion and analysis of Webster Parish Police Jury's financial performance provides an overview of the Police Jury's financial activities for the year ended December 31, 2017.

FINANCIAL HIGHLIGHTS Our financial statements provide these insights into the results of this year's operations:

- The assets and deferred outflows of resources of the Police Jury exceeded its liabilities and deferred inflows of resources at the close of 2017 by \$25,863,733. Of this amount, \$2,833,148 (unrestricted net position) may be used to meet the ongoing obligations to citizens and creditors in accordance with the Police Jury's fund designation and fiscal policies.
- The Police Jury's net position decreased by \$300,180, or 1.1% compared to 2016.
- The Police Jury's total general and program revenues were \$13,440,097 in 2017 which is a decrease of \$731,005 over 2016. Capital Outlay funds received in 2016 were over \$600,000 increase over 2017 and W.F. grant funding for Port O'Bistineau project was over \$100,000 more than 2017. These were special revenue grants and funding not normally received by the parish, a one-time funding source.
- During the year ended December 31, 2017, the Police Jury had total expenses of \$13,740,277, which includes depreciation expense. Expenses for 2016 totaled \$13,853,807. Expenses decreased in 2017 by \$113,530 due to the expenses paid out for the Port O'Bistineau project, and the HVAC project in 2016 exceeded those paid in 2017. Also, more road maintenance due to the 2016 flood was done instead of the normal priority road projects (road construction).

NEW GASB STANDARDS In fiscal year 2017, the Police Jury adopted the following statement of financial accounting standards issued by the Governmental Accounting Standards Board:

- *Statement No. 82 – Pension Issues:* This Statement establishes standards to improve consistency in the application of pension accounting and financial reporting requirements by addressing certain issues that have been raised with respect to statements No. 67, No. 68, and No. 73. This Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements.

The adoption of this standard had no impact on the government-wide or the governmental fund financial statements.

USING THIS ANNUAL REPORT The Police Jury's annual report consist of a series of financial statements that show information for the Police Jury as a whole, and its funds. The Statement of Net Position and the Statement of Activities provide information about the activities of the Police Jury as a whole and present a longer-term view of the Police Jury's finances. Our fund financial statements are included later in this report. For our governmental activities, these statements tell how we financed our services in the short-term as well as what remains for future spending. Fund statements also may give you some insights into the Police Jury's overall financial health. Fund financial statements also report the Police Jury's operations in more detail than the government-wide financial statements by providing information about the Police Jury's most significant funds - General Fund, Sales Tax Fund, Library Fund, Special 2.5 Mill Tax Fund, and Solid Waste Fund.

Webster Parish Police Jury
Management's Discussion and Analysis (MD&A)
December 31, 2017

Required Supplementary Information

Management's Discussion & Analysis (MD&A)

Basic Financial Statements

**Government-wide
Financial Statements**



**Fund
Financial Statements**

Notes to the Financial Statements

Required Supplementary Information

Schedule of Funding Progress for OPEB

Schedule of Employer's Proportionate Share of the Net Position Liability

Schedule of Employer Contributions to Pension Plans

Budgetary Information for Major Funds

Supplementary Information

Nonmajor Funds Combining Statements

Schedule of Compensation Paid Police Jurors

Schedule of Compensation, Benefits and Other Payments to Agency Head

Other Reports Required By Government Auditing Standards

Other Information

Our auditor has provided assurance in his independent auditor's report, located immediately preceding this Management's Discussion and Analysis, that the Basic Financial Statements, after considering the fact that certain component units are not included, are fairly stated. Varying degrees of assurance is being provided by the auditor regarding the Required Supplementary Information (RSI) and the Supplementary Information. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each part of this report. Separate financial statements may be obtained from the component units.

Webster Parish Police Jury
Management's Discussion and Analysis (MD&A)
December 31, 2017

Reporting the Police Jury as a Whole

The Statement of Net Position and the Statement of Activities Our analysis of the Police Jury as a whole begins on page 9. One of the most important questions asked about the Police Jury is, "Is the Police Jury as a whole better off or worse off financially as a result of the year's activities?" The Statement of Net Position and the Statement of Activities, which appear first in the Police Jury's financial statements, report information on the Police Jury as a whole and its activities in a way that helps you answer this question. We prepare these statements to include all assets, liabilities, and deferred inflows/outflows of resources, using the accrual basis of accounting, which is similar to the accounting 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.

These two statements report the Police Jury's net position - the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources, as reported in the Statement of Net Position as one way to measure the Police Jury's financial health, or financial position. Over time, increases or decreases in the Police Jury's net position - as reported in the Statement of Activities - are one indicator of whether its financial health is improving or deteriorating. The relationship between revenues and expenses is the Police Jury's operating results. However, the Police Jury's goal is to provide services to our citizens, not to generate profits as commercial entities do. One must consider many other nonfinancial factors, such as the quality of health and welfare services provided to parish citizens and the condition of roads, bridges, and drainage systems to assess the overall health of the Police Jury.

The Statement of Net Position and Statement of Activities report the following activity for the Police Jury:

Governmental activities - All of the Police Jury's services are reported here, including public works and health and welfare services. Property taxes, sales taxes, and state and federal grants finance most of these activities.

Reporting the Police Jury's Most Significant Funds

Fund Financial Statements The Police Jury's fund financial statements provide detailed information about the most significant funds - not the Police Jury as a whole. Some funds are required to be established by State law and by bond covenants. However, the Police Jury establishes many other funds to help it control and manage money for particular purposes (like the Criminal Court fund) or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money. The Police Jury's governmental funds use the following accounting approach:

Governmental funds - All of the Police Jury's services are reported in governmental funds. Governmental fund reporting focuses on showing how money flows into and out of funds and the balances left at year-end that are available for spending. They are reported using an accounting method called modified accrual 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 Police Jury's operations and the 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 Police Jury'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 reconciliations on Statements D and F.

Webster Parish Police Jury
Management's Discussion and Analysis (MD&A)
December 31, 2017

THE POLICE JURY AS A WHOLE The Police Jury's net position was \$25,863,733 at December 31, 2017. Of this amount, \$2,833,148 was unrestricted. Restricted net position is reported separately to show legal constraints from debt covenants and enabling legislation that limit the Police Jury's ability to use that net position for day-to-day operations. Our analysis below of the primary government focuses on the net position (Table 1) and change in net position (Table 2) of the Police Jury's governmental activities.

Table 1
Net Position
December 31,

	Governmental Activities	
	2017	2016
Other assets	\$ 14,780,775	\$ 16,566,625
Capital assets	15,701,339	14,517,220
Total assets	<u>30,482,114</u>	<u>31,083,845</u>
Deferred outflows of resources	1,456,276	2,008,590
Other liabilities	366,763	1,183,071
Long-term liabilities	5,509,716	5,513,200
Total liabilities	<u>5,876,479</u>	<u>6,696,271</u>
Deferred inflows of resources	198,178	232,251
Net position		
Net investment in capital assets	14,306,611	13,810,259
Restricted	8,723,974	8,870,178
Unrestricted	<u>2,833,148</u>	<u>3,483,476</u>
Total net position	<u><u>\$ 25,863,733</u></u>	<u><u>\$ 26,163,913</u></u>

The \$2,833,148 in unrestricted net position of governmental activities represents the accumulated results of all past years' operations. It means that, if we had to pay off all of our bills today including all of our noncapital liabilities (compensated absences for example), we would have \$2,833,148 left.

Webster Parish Police Jury
Management's Discussion and Analysis (MD&A)
December 31, 2017

The results of this year's operations for the primary government as a whole are reported in the Statement of Activities. Table 2 takes the information from that Statement and rearranges them slightly so you can see our total revenues for the year.

Table 2
Changes in Net Position
For the Years Ended December 31,

Revenues:	2017	2016	Increase (Decrease)
Program revenues:			
Charges for services	\$ 355,159	\$ 382,842	\$ (27,683)
Operating grants & contributions	871,860	1,026,441	(154,581)
Capital grants & contributions	245,582	862,601	(617,019)
General Revenues:			
Ad valorem taxes	5,611,923	5,819,334	(207,411)
Sales taxes	3,088,953	2,752,218	336,735
Severance tax	1,177,335	1,068,271	109,064
Other revenues	2,089,285	2,259,395	(170,110)
Total revenues	<u>13,440,097</u>	<u>14,171,102</u>	<u>(731,005)</u>
Functions/Program Expenses:			
General government	3,947,866	3,855,574	92,292
Public safety	2,421,689	2,339,161	82,528
Public works	3,026,714	3,095,076	(68,362)
Health & welfare	1,145,174	1,193,939	(48,765)
Culture & recreation	3,129,061	3,289,861	(160,800)
Economic development	28,263	29,801	(1,538)
Interest on long-term debt	41,510	50,395	(8,885)
Total expenses	<u>13,740,277</u>	<u>13,853,807</u>	<u>(113,530)</u>
Increase (decrease) in net position	<u><u>\$ (300,180)</u></u>	<u><u>\$ 317,295</u></u>	<u><u>\$ (617,475)</u></u>

Governmental Activities As reported in the Statement of Activities, the cost of all of our governmental activities this year was \$13,740,277. However, the amount that our taxpayers ultimately financed for these activities through Police Jury taxes was only \$12,267,676 because some of the cost was paid by those who benefited from the programs \$355,159 or by other governments and organizations who subsidized certain programs with grants and contributions \$1,117,442.

Webster Parish Police Jury
Management's Discussion and Analysis (MD&A)
December 31, 2017

In the table below, we have presented the cost of each of the Police Jury's six largest functions - Judicial, Finance and administrative, Public safety, Public works, Health and welfare and Culture and recreation, as well as each program's *net* cost (total cost less revenues generated by the activities). As discussed above, net cost shows the financial burden that was placed on the Police Jury's taxpayers by each of these functions. Providing this information allows our citizens to consider the cost of each function in comparison to the benefits they believe are provided by that function.

**Years Ended December 31,
 Governmental Activities**

	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
	2017	2017	2016	2016
Judicial	\$ 1,824,208	\$ 1,501,801	\$ 1,814,955	\$ 1,465,794
Finance & administrative	1,395,514	1,208,858	1,276,808	527,299
Public safety	2,421,689	2,362,419	2,339,161	2,271,616
Public works	3,026,714	2,476,723	3,095,076	2,548,489
Health & welfare	1,145,174	893,092	1,193,939	803,674
Culture & recreation	3,129,061	3,075,470	3,289,861	3,143,088
All others	797,917	749,313	844,007	821,963
Totals	<u>\$13,740,277</u>	<u>\$12,267,676</u>	<u>\$13,853,807</u>	<u>\$11,581,923</u>

THE POLICE JURY'S FUNDS As we noted earlier, the Police Jury uses funds to help it control and manage money for particular purposes. Looking at funds helps you consider whether the Police Jury is being accountable for the resources taxpayers and others provide to it but may also give you more insight into the Police Jury's overall financial health.

As the Police Jury completed this year, our governmental funds reported a combined fund balance of \$14,071,578 which is a decrease of \$1,046,788 from last year. The primary reasons for this difference is as follows:

Our General fund is our principal operating fund. The fund balance in the general fund increased \$181,484 to \$3,633,159. This increase is due mainly to increased General Severance Tax in 2017.

The Sales Tax fund accounts for funds used for the purpose of blacktopping and sealing parish roads. This fund showed an increase of \$483,547 to \$752,397. The increase is due mainly to increase in sales tax revenue as well as not as many road projects completed, emphasis was on road maintenance after the 2016 flood.

The Library fund accounts for funds used for maintenance and operation of the parish library. This fund showed an increase of \$119,666 to \$4,554,650. The increase is due mainly to maintenance building project extended into 2018 because of weather and holidays.

The Special 2.5 Mill Tax fund accounts for the operation and maintenance of the parish courthouse and health unit financed by a special annual property tax levy. This fund showed a decrease of \$649,653 to \$667,448. The decrease is due mainly to the renovation of the Webster Parish Courthouse Annex was funded in part from reserve funds within the Special 2.5 Mill Tax fund.

Webster Parish Police Jury
Management's Discussion and Analysis (MD&A)
December 31, 2017

The Solid Waste fund accounts for the receipt of tipping fees for use of the landfill and the operation of the solid waste landfill. This fund showed a decrease of \$216,321 to \$1,470,768. The decrease is due mainly to increased Permit fees for 2017 and a transfer into the General fund from the Solid Waste fund.

The Nonmajor Governmental funds are comprised of the capital project fund, debt service fund and special revenue funds (Parish Road, Road District A, Road District B, Special Library, DA Asset Forfeiture, Criminal Court, and Court Reporter). The combined funds showed a decrease of \$965,511 to \$2,993,156. The decrease was mainly due to renovation of the new Mack Memorial Library building and regularly scheduled debt service.

FUND BUDGETARY HIGHLIGHTS Over the course of the year, the Police Jury revises its budget as it attempts to deal with unexpected changes in revenues and expenditures. (A schedule showing the Police Jury's original and final budget amounts compared with amounts actually paid and received is provided later in this report).

General Fund There were quarterly revisions made to the 2017 General Fund original budget. The final budgeted amounts available for appropriations were increased from the original budgeted amount by \$285,354 mainly due to increases in General Severance Tax.

The actual amounts available for appropriations were more than the final budget by \$638,830. This was due to actual beginning fund balance, underfunded Criminal Court Cost, the cost of operation of the 26th JDC District Attorney as well as the Court System that resulted in transfer of funds to cover these costs, and construction cost in 2017. The final budgeted charges to appropriations exceeded actual by \$2,991,643, because possible landfill costs of \$2,000,000 and \$300,000 budgeted for contingencies. The Police Jury budgets each year to cover potential landfill costs. In addition, transfers were more than actual transfers to other funds by \$120,000.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets At December 31, 2017, the Police Jury had \$15,701,339 invested in a broad range of capital assets, including land, construction in progress, buildings, furniture and equipment and infrastructure assets such as roads and bridges. This amount represents a net increase (including additions, deductions, and depreciation) of \$1,184,119, or 8.16% from last year. The major additions for 2017 were Port O'Bistineau boat ramp and courthouse HVAC improvements.

Capital Assets at Year-end

	Governmental Activities	
	2017	2016
Land	\$ 1,365,640	\$ 1,365,640
Construction in progress	1,648,830	1,881,656
Buildings and improvements	15,772,099	13,678,392
Infrastructure	2,715,830	2,715,830
Furniture, equipment & vehicles	6,269,141	6,214,635
Library books and information materials	1,535,908	1,459,895
Total cost of capital assets	<u>29,307,448</u>	<u>27,316,048</u>
Less: accumulated depreciation	<u>(13,606,109)</u>	<u>(12,798,828)</u>
Total Net capital assets	<u><u>\$ 15,701,339</u></u>	<u><u>\$ 14,517,220</u></u>

For further information on capital assets, see Note 6 of the Notes to the Financial Statements.

Webster Parish Police Jury
Management's Discussion and Analysis (MD&A)
December 31, 2017

Outstanding Debt, at Year-end

	Governmental Activities	
	2017	2016
Limited tax certificate of indebtedness (backed by the Police Jury)	\$ 1,805,000	\$ 2,005,000
Total debt	<u>\$ 1,805,000</u>	<u>\$ 2,005,000</u>

Other obligations include accrued vacation pay, other post-employment benefits and the net pension liability. We present more detailed information about our long-term liabilities in Note 10 of Notes to the Financial Statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES Our elected and appointed officials and citizens consider many factors when setting the Police Jury's 2018 year budget and tax rates. One of the most important factors affecting the budget is our ad valorem and sales tax collections. We have budgeted no change in ad valorem and sales tax collections from 2017 to 2018. Approximately 26% of total budgeted revenue is from ad valorem and sales taxes for the fiscal year 2018.

CONTACTING THE POLICE JURY'S FINANCIAL MANAGEMENT Our financial report is designed to provide our citizens, taxpayers, parents, students, and investors and creditors with a general overview of the Police Jury's finances and to show the Police Jury's accountability for the money it receives. If you have questions about this report or wish to request additional financial information, contact Ronda Carnahan, Secretary-Treasurer, at the Webster Parish Police Jury, P. O. Box 389, Minden, Louisiana, 71058-0389, telephone number 318-377-7564.

BASIC FINANCIAL STATEMENTS

Government-wide Financial Statements (GWFS)

WEBSTER PARISH POLICE JURY

STATEMENT OF NET POSITION

December 31, 2017

Statement A

**PRIMARY
GOVERNMENT
GOVERNMENTAL
ACTIVITIES**

ASSETS	
Cash and cash equivalents	\$ 4,856,088
Investments	4,440,013
Receivables	5,042,974
Prepaid items	441,700
Capital assets not being depreciated	3,014,470
Capital assets, net of accumulated depreciation	12,686,869
TOTAL ASSETS	30,482,114
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	1,456,276
TOTAL DEFERRED OUTFLOWS OF RESOURCES	1,456,276
LIABILITIES	
Accounts payable vendors	194,123
Interest payable	13,598
Due to other governments	159,042
Long-term liabilities	
Due within one year	346,785
Due in more than one year	5,162,931
TOTAL LIABILITIES	5,876,479
DEFERRED INFLOWS OF RESOURCES	
Deferred Inflows related to pensions	198,178
TOTAL DEFERRED INFLOWS OF RESOURCES	198,178
NET POSITION	
Net investment in capital assets	14,306,611
Restricted for:	
Solid waste collection, road and jail	729,180
Library	5,085,059
Road	2,163,948
Courthouse and health unit	708,562
DA salaries and benefits	2,152
Criminal court	23,674
Court reporter	11,399
Unrestricted	2,833,148
TOTAL NET POSITION	\$ 25,863,733

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

WEBSTER PARISH POLICE JURY

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2017

Statement B

FUNCTIONS/PROGRAMS	PROGRAM REVENUES				PRIMARY <u>GOVERNMENT</u> GOVERNMENTAL ACTIVITIES	
	EXPENSES	OPERATING		CAPITAL GRANTS AND CONTRIBUTIONS	NET (EXPENSE)	
		CHARGES FOR SERVICES	GRANTS AND CONTRIBUTIONS		REVENUE AND CHANGES IN NET POSITION	
General government:						
Legislative	\$ 269,025	\$ -	\$ -	\$ -	\$ (269,025)	
Judicial	1,824,208	322,407	-	-	-	(1,501,801)
Elections	58,434	-	-	-	-	(58,434)
Finance and administrative	1,395,514	-	-	186,656	(1,208,858)	
Other general government	400,685	-	48,604	-	-	(352,081)
Public safety	2,421,689	-	59,270	-	-	(2,362,419)
Public works	3,026,714	-	511,904	38,087	(2,476,723)	
Health and welfare	1,145,174	-	252,082	-	-	(893,092)
Culture and recreation	3,129,061	32,752	-	20,839	(3,075,470)	
Economic development and assistance	28,263	-	-	-	-	(28,263)
Interest on long-term debt	41,510	-	-	-	-	(41,510)
Total Governmental Activities	\$ 13,740,277	\$ 355,159	\$ 871,860	\$ 245,582	(12,267,676)	
General revenues:						
Taxes:						
Property taxes, levied for general purposes					5,611,923	
Sales taxes, levied for general purposes					3,088,953	
State revenue sharing					246,156	
Severance tax					1,177,335	
Grants and contributions not restricted for a specific purpose					363,400	
Fees, charges and commissions					169,502	
Licenses and permits					415,784	
Interest and investment earnings					282,178	
Miscellaneous					612,265	
Total general revenues					<u>11,967,496</u>	
Changes in net position					(300,180)	
Net position - beginning					<u>26,163,913</u>	
Net position - ending					<u>\$ 25,863,733</u>	

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

Webster Parish Police Jury

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BASIC FINANCIAL STATEMENTS

Fund Financial Statements (FFS)

WEBSTER PARISH POLICE JURY

GOVERNMENTAL FUNDS
Balance Sheet
December 31, 2017

	GENERAL	SALES TAX	LIBRARY	SPECIAL 2.5 MILL TAX
ASSETS				
Cash and cash equivalents	\$ 276,258	\$ 424,952	\$ 1,309,973	\$ 202,891
Investments	2,233,992	-	1,000,000	-
Receivables	1,082,164	314,660	2,413,687	539,865
Prepaid items	312,527	23,217	81,347	4,478
TOTAL ASSETS	3,904,941	762,829	4,805,007	747,234
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable vendors	52,609	10,432	46,506	34,194
Due to other governments	159,042	-	-	-
Total Liabilities	211,651	10,432	46,506	34,194
Deferred Inflows of Resources:				
Unavailable revenue-property taxes	60,131	-	203,851	45,592
Total Deferred Inflow of Resources	60,131	-	203,851	45,592
Fund Balances:				
Nonspendable - prepaid items	312,527	23,217	81,347	4,478
Restricted	-	729,180	4,473,303	662,970
Committed	2,000,000	-	-	-
Unassigned	1,320,632	-	-	-
Total Fund Balances	3,633,159	752,397	4,554,650	667,448
TOTAL LIABILITIES, DEFERRED INFLOWS RESOURCES, AND FUND BALANCES				
	\$ 3,904,941	\$ 762,829	\$ 4,805,007	\$ 747,234

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

Statement C

SOLID WASTE	NONMAJOR GOVERNMENTAL	TOTAL
\$ 454,011	\$ 2,188,003	\$ 4,856,088
1,006,021	200,000	4,440,013
10,736	681,862	5,042,974
-	20,131	441,700
<u>1,470,768</u>	<u>3,089,996</u>	<u>14,780,775</u>
-	50,382	194,123
-	-	159,042
-	<u>50,382</u>	<u>353,165</u>
-	46,458	356,032
-	<u>46,458</u>	<u>356,032</u>
-	20,131	441,700
-	2,973,025	8,838,478
1,470,768	-	3,470,768
-	-	1,320,632
<u>1,470,768</u>	<u>2,993,156</u>	<u>14,071,578</u>
<u>\$ 1,470,768</u>	<u>\$ 3,089,996</u>	<u>\$ 14,780,775</u>

Webster Parish Police Jury

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WEBSTER PARISH POLICE JURY

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

Statement D

Total fund balances - governmental funds	\$ 14,071,578
--	---------------

The cost of capital assets (land, buildings, furniture and equipment and infrastructure) purchased or constructed is reported as an expenditure in governmental funds. The Statement of Net Position includes those capital assets among the assets of the Police Jury as a whole. The cost of those capital assets is allocated over their estimated useful lives (as depreciation expense) to the various programs reported as governmental activities in the Statement of Activities. Because depreciation expense does not affect financial resources, it is not reported in governmental funds.

Costs of capital assets	\$ 29,307,448
Accumulated depreciation	<u>(13,606,109)</u>
	15,701,339

Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as deferred inflows of resources - unavailable revenue in the governmental funds.	356,032
--	---------

Deferred outflows of resources are not available to pay current period expenditures and, therefore, are not reported in the governmental funds.	1,456,276
---	-----------

Deferred inflows of resources are not due and payable in the current period and accordingly are not reported in the governmental funds.	(198,178)
---	-----------

Long-term liabilities applicable to the Police Jury's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities - both current and long term - are reported in the Statement of Net Position.

Balances at December 31, 2017 are:

Long-term liabilities and related items	
Accrued interest payable	(13,598)
Limited tax debt payable	(1,805,000)
Compensated absences payable	(302,687)
Net pension liability	(1,093,342)
OPEB liability	<u>(2,308,687)</u>
	<u>(5,523,314)</u>

Net position of governmental activities	<u>\$ 25,863,733</u>
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THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

WEBSTER PARISH POLICE JURY

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

	GENERAL	SALES TAX	LIBRARY	SPECIAL 2.5 MILL TAX
REVENUES				
Local sources:				
Taxes:				
Ad valorem	\$ 911,811	\$ -	\$ 3,161,785	\$ 708,215
Sales and use	-	3,088,953	-	-
Licenses and permits	415,784	-	-	-
Intergovernmental revenues:				
Federal grants	368,096	-	-	-
State funds:				
Parish transportation funds	-	-	-	-
State revenue sharing	66,846	-	67,978	54,296
Severance taxes	1,177,335	-	-	-
Other	412,684	-	-	186,656
Fees, charges, and commissions for services	30,000	-	-	3,439
Fines and forfeitures	544	-	32,752	-
Use of money and property	41,113	731	5,901	1,600
Other revenues	263,915	47,994	13,131	-
Total Revenues	3,688,128	3,137,678	3,281,547	954,206
EXPENDITURES				
Current:				
General government:				
Legislative	229,968	-	-	-
Judicial	600,061	-	-	-
Elections	51,889	-	-	-
Finance and administrative	1,054,219	-	-	-
Other general government	348,281	-	-	33,894
Public safety	462,686	1,690,429	-	-
Public works	9,563	963,702	-	-
Health and welfare	395,874	-	-	663,383
Culture and recreation	52,889	-	2,595,091	-
Economic development and assistance	28,263	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and bank charges	-	-	-	-
Capital outlay	5,495	-	323,737	963,195
Total Expenditures	3,239,188	2,654,131	2,918,828	1,660,472
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES				
	\$ 448,940	\$ 483,547	\$ 362,719	\$ (706,266)

Statement E

SOLID WASTE	NONMAJOR GOVERNMENTAL	TOTAL
\$ -	\$ 809,456	\$ 5,591,267
-	-	3,088,953
-	-	415,784
	38,087	406,183
-	475,319	475,319
-	57,036	246,156
-	-	1,177,335
-	-	599,340
-	136,063	169,502
-	321,863	355,159
222,359	10,474	282,178
-	169,701	494,741
<hr/>	<hr/>	<hr/>
222,359	2,017,999	13,301,917
-	-	229,968
-	1,015,102	1,615,163
-	-	51,889
-	-	1,054,219
-	-	382,175
-	-	2,153,115
288,680	1,465,888	2,727,833
-	-	1,059,257
-	23,221	2,671,201
-	-	28,263
-	200,000	200,000
-	43,016	43,016
-	924,336	2,216,763
<hr/>	<hr/>	<hr/>
288,680	3,671,563	14,432,862
<hr/>	<hr/>	<hr/>
\$ (66,321)	\$ (1,653,564)	\$ (1,130,945)

(CONTINUED)

WEBSTER PARISH POLICE JURY

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

	GENERAL	SALES TAX	LIBRARY	SPECIAL 2.5 MILL TAX
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 150,000	\$ -	\$ -	\$ -
Transfers out	(445,000)	-	(243,053)	-
Insurance recoveries	<u>27,544</u>	<u>-</u>	<u>-</u>	<u>56,613</u>
Total Other Financing Sources (Uses)	<u>(267,456)</u>	<u>-</u>	<u>(243,053)</u>	<u>56,613</u>
Net Change in Fund Balances	181,484	483,547	119,666	(649,653)
FUND BALANCES - BEGINNING	<u>3,451,675</u>	<u>268,850</u>	<u>4,434,984</u>	<u>1,317,101</u>
FUND BALANCES - ENDING	<u>\$ 3,633,159</u>	<u>\$ 752,397</u>	<u>\$ 4,554,650</u>	<u>\$ 667,448</u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

Statement E

SOLID WASTE	NONMAJOR GOVERNMENTAL	TOTAL
\$ -	\$ 698,053	\$ 848,053
(150,000)	(10,000)	(848,053)
<hr/>	<hr/>	<hr/>
-	-	84,157
<hr/>	<hr/>	<hr/>
(150,000)	688,053	84,157
<hr/>	<hr/>	<hr/>
(216,321)	(965,511)	(1,046,788)
<hr/>	<hr/>	<hr/>
1,687,089	3,958,667	15,118,366
<hr/>	<hr/>	<hr/>
\$ 1,470,768	\$ 2,993,156	\$ 14,071,578

(CONCLUDED)

WEBSTER PARISH POLICE JURY

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

Statement F

Total net change in fund balances - governmental funds \$ (1,046,788)

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

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeded capital outlays in the period:

Capital outlay	\$ 2,224,198	1,189,967
Depreciation expense	<u>(1,034,231)</u>	

Loss on sale of asset	(5,848)	
-----------------------	---------	--

The recognition of expenditures related to construction in progress paid in the current year in the governmental funds, but were accrued and reported as expenses in prior year Statement of Activities	55,084	
---	--------	--

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	20,656	
--	--------	--

In the Statement of Activities, certain operating expenses-compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This year, vacation earned (\$167,649) exceeded vacation used (\$141,785) by \$25,864	(25,864)	
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The recognition of pension expense in the Statement of Activities is based on projected benefit payments discounted to actuarial present value and attributed to periods of employee service. Pension expenditures in the fund financial statements are the amounts actually paid.	(206,028)	
--	-----------	--

Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.	1,506	
--	-------	--

Repayment of certificate of indebtedness principal and capital lease payments are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. Additionally, the recording of the OPEB liability is an accrued expense for the Statement of Activities, but does not use current financial resources of the governmental funds.	(282,865)	
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Principal payments on certificate of indebtedness	200,000	
OPEB liability	<u>(482,865)</u>	

Change in net position of governmental activities.	\$ (300,180)	
--	--------------	--

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

WEBSTER PARISH POLICE JURY

FIDUCIARY FUND - AGENCY FUNDS
 STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
 December 31, 2017

Statement G

	DRUG SEIZURE AND FORFEITURE	MASTER BANK	TOTAL
ASSETS			
Cash and cash equivalents	\$ 102,285	\$ 183,765	\$ 286,050
Total assets	<u>102,285</u>	<u>183,765</u>	<u>286,050</u>
LIABILITIES			
Payroll withholdings	-	183,765	183,765
Amounts pending per court order	<u>102,285</u>	-	<u>102,285</u>
Total liabilities	<u>\$ 102,285</u>	<u>\$ 183,765</u>	<u>\$ 286,050</u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**Webster Parish Police Jury
Notes to the Financial Statements
December 31, 2017**

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**Webster Parish Police Jury
Notes to the Financial Statements
December 31, 2017**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES The Webster Parish Police Jury (the Police Jury) is the governing authority for Webster Parish and is a political subdivision of the State of Louisiana. The Police Jury is governed by twelve jurors representing the various districts within the parish who are elected to serve four-year terms.

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

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

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

GASB Statements establish criteria for determining the governmental reporting entity and component units that should be considered part of the Webster Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

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

Webster Parish Police Jury
Notes to the Financial Statements
December 31, 2017

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

<u>Component Unit</u>	<u>Method of Inclusion</u>	<u>Fiscal Year End</u>	<u>Criteria Used</u>
Included within the reporting entity:			
Twenty-sixth Judicial District Criminal Court Fund	Blended	December 31	2 and 3
Not included within the reporting entity:			
Webster Parish Office of Community Services (Community Action)		December 31	1 and 3
Webster Parish Communication District (E-911)		December 31	3
Sarepta Waterworks District		December 31	1
Doyline Waterworks District		December 31	1
Springhill Fire Protection District		December 31	1
Evergreen Fire Protection District		December 31	1
Heflin Fire Protection District		December 31	1
Cullen Fire Protection District		December 31	1
Dixie Inn Fire Protection District		June 30	1
Cotton Valley Fire Protection District		December 31	1

The Police Jury has chosen not to include the component units above in its basic financial statements; however, these are necessary in order for the Police Jury to be reporting in conformity with GAAP. Separate financial statements for the component units can be obtained by contacting the component unit. If these component units were included, it would be through discrete presentation.

The Police Jury is also responsible for appointing a majority of the members of the boards of the Doyline Fire Protection District but the Police Jury's accountability for the organization does not extend beyond making appointments.

B. FUNDS The accounts of the Police Jury are organized and operated on the basis of funds. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

The governmental funds are divided into separate "fund types." Governmental funds are used to account for government's general activities, where the focus of attention is on the providing of services to the public as opposed to proprietary funds where the focus of attention is on the recovering the cost of providing services to the public or other agencies through service charges or user fees. The Police Jury's current operations require the use of governmental funds. The fund types used by the Police Jury are described as follows:

Governmental Funds

General fund - is the general operating fund of the Police Jury. It accounts for all activities except those required to be accounted for in other funds.

Sales Tax fund - accounts for proceeds and use of sales taxes.

Library fund - accounts for the activities performed for the public library. The main source of revenue is ad valorem tax restricted for the library.

**Webster Parish Police Jury
Notes to the Financial Statements
December 31, 2017**

Special 2.5 Mill Tax fund - accounts for the operation and maintenance of the parish courthouse and health unit. Financing is provided by a special annual property tax levy, state revenue sharing funds, and interest on time deposits.

Solid Waste fund - accounts for the receipt of tipping fees for use of the landfill and the operation of the solid waste landfill.

Fiduciary Funds

Fiduciary Funds - are used to account for assets held on behalf of the outside parties, including other governments, or on behalf of other funds within the Police Jury.

Agency funds - account for assets that the Police Jury holds on behalf of others as their agent. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurements of results of operations. The agency funds are accounted for using the accrual basis of accounting. The agency funds are as follows:

Drug Seizure and Forfeiture fund - accounts for funds received from assets seized in drug related matters.

Master bank fund - combining fund equity for all other funds of the Police Jury.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Government-Wide Financial Statements (GWFS) The Statement of Net Position and the Statement of Activities displays information about the reporting government as a whole. The Statement of Net Position and the Statement of Activities was prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, liabilities and deferred inflows/outflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, liabilities, and deferred inflow/outflows of resources resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33 "Accounting and Financial Reporting for Nonexchange Transactions." Fiduciary funds are not included in the government-wide financial statements.

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

Allocation of indirect expenses The Police Jury reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Depreciation expense is specifically identified by function and is included in the direct expense of each function. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

Fund Financial Statements (FFS)

Governmental Funds The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting revenues

**Webster Parish Police Jury
Notes to the Financial Statements
December 31, 2017**

are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The government considers all revenues available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for unmatured principal and interest on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

With this measurement focus, only current assets, current liabilities, and current deferred inflows and outflows of resources are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The governmental funds use the following practices in recording revenues and expenditures:

Revenues Ad valorem taxes and the related state revenue sharing are recorded in the year they are assessed. Ad valorem taxes are assessed on a calendar-year basis and become due on November 15 of each year, and become delinquent on December 31. Ad valorem taxes become delinquent if not paid by December 31. The taxes are normally collected in December of the current year and January and February of the ensuing year. The ad valorem tax receivable at December 31, 2017 was \$4,289,630.

Interest income on investments is recorded when earned and the income is available.

Substantially all other revenues are recorded when they become available to the Police Jury.

Based on the above criteria, ad valorem taxes, sales taxes, federal and state grants, and fines, forfeitures, and court costs have been treated as susceptible to accrual.

Expenditures Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except for principal and interest on general long-term obligations, which are recognized when due.

Other Financing Sources (Uses) Sale of fixed assets, increases in capital lease purchases, and transfers between funds that are not expected to be repaid are accounted for as other financing sources (uses) and are recognized when the underlying events occur.

D. ENCUMBRANCES Outstanding encumbrances lapse at year-end. Authorization for the eventual expenditure will be included in the following year's budget appropriations. Encumbrance accounting is not employed in governmental funds.

Encumbrance accounting (e.g., purchase orders, contracts) is not recognized within the accounting records for budgetary control purposes.

E. CASH AND CASH EQUIVALENTS Cash includes amounts petty cash, in demand deposits and interest-bearing demand deposits, and time deposit accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the Police Jury may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts or time deposits with state banks organized under Louisiana law or any other state in the United States or under the laws of United States.

**Webster Parish Police Jury
Notes to the Financial Statements
December 31, 2017**

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

The investments are reflected at fair value except for the following which are required/permitted as per GASB Statement No. 31:

1. Investments in nonparticipating interest-earning contracts, such as nonnegotiable certificates of deposit with redemption terms that do not consider market rates, are reported using a cost-based measure.
2. The Police Jury reported at amortized cost money market investments and participating interest-earning investment contracts that have a remaining maturity at time of purchase of one year or less.

Short term investments are reported at amortized cost which approximates fair value. Long-term investments, those with original maturities greater than one (1) year, are valued at the last reported sales price at current exchange rates.

Definitions:

Interest-earning investment contract include time deposits with financial institutions (such as certificates of deposit), repurchase agreements, and guaranteed investment contracts.

Money market investments are short-term, highly liquid debt instruments that include U. S. Treasury obligations.

The Police Jury participates in the Louisiana Asset Management Pool, Inc., (LAMP) which is an external investment pool that is not SEC-registered. Because the LAMP is an arrangement sponsored by a type of governmental entity, it is exempt by statute from regulation by the SEC. LAMP is a 2a7-like investment pool.

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 LA-R.S. 33.2955.

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 net asset value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the State Treasurer and the 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 the LAMP.

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

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G. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES (FFS) During the course of operations, numerous transactions occur between individual funds for services rendered. These receivables and payables are classified as interfund receivables/payables on the balance sheet. Short-term interfund loans are also classified as interfund receivables/payables. Receivables and payables between the primary government and discretely presented component units are disclosed separately from interfund balances as due to/from component units.

H. ELIMINATION AND RECLASSIFICATIONS In the process of aggregating data for the statement of net position and the statement of activities some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the “grossing up” effect on assets and liabilities within the governmental activities column.

I. INVENTORY AND PREPAID ITEMS Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. All inventory items are valued at cost using first-in, first-out method. Inventory is recorded using the consumption method.

J. CAPITAL ASSETS Capital assets for the Police Jury purchased or acquired with an original cost of \$2,500 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at their estimated fair value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Straight line depreciation is used based on the following estimated useful lives:

Buildings	20-40 years
Infrastructure	40 years
Furniture and equipment	5 - 10 years
Vehicles	5-15 years
Library books and related materials	5 years
Intangibles-software	5 years
Intangibles-other	5 years

GASB No. 34 requires the Police Jury to report and depreciate new infrastructure assets. Infrastructure assets include roads, bridges, traffic signals, etc. These infrastructure assets are likely to be the largest asset class of the Police Jury. The Police Jury does not and is not required to retroactively report infrastructure constructed before January 1, 2004. The Police Jury's policy is to capitalize infrastructure construction or improvements of \$100,000 or more.

K. COMPENSATED ABSENCES All full-time employees of the Police Jury and Criminal Court earn annual leave at rates varying from 10 to 25 days per year, depending on length of service. Employees may accumulate up to a maximum of 90 days of annual leave. Employees hired after January 1, 2006 may carry forward 30 days. No more than 30 days of annual leave will be paid out due to termination, retirement, or death of the employee. All full-time permanent employees earn one sick day per month. Sick leave may be accumulated without limitation. Upon retirement, unused sick leave is used in the retirement benefit computation as earned service. Employees are not compensated for accumulated sick leave upon separation of service.

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Full-time employees of the Webster Parish Library earn from two to five weeks of vacation leave, depending on their job classification. Part-time employees earn vacation leave each year in proportion to the number of hours worked per week on a regular basis. Vacation leave can be accrued up to a maximum of six work weeks. Upon resignation or retirement, employees receive payment for unused vacation leave. Sick leave with pay is allowed for all full-time and part-time employees working on a regular basis in the amount of two work weeks per year. Sick leave can be accumulated up to a maximum of 12 work weeks. Sick leave lapses upon termination of employment.

The cost of leave privileges, computed in accordance with the previous codification, is recognized as current-year expenditure within the various funds when leave is actually taken or when employees are paid for accrued vacation leave upon retirement.

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

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

The employees' right to receive compensation is attributable to services already rendered.

It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

L. LIABILITIES For government-wide reporting, the costs associated with the bonds, except any portion related to prepaid insurance costs, are recognized as an expense in the period incurred as established by GASB No. 65.

For fund financial reporting, bond premiums and discounts, as well as issuance costs are recognized in the period the bonds are issued. Bond proceeds are reported as other financing source net of the applicable premium or discount. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

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

M. RESTRICTED NET POSITION For the government-wide statement of net position, net position is reported as restricted when constraints placed on net position use are either:

- Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments;
- Imposed by law through constitutional provisions or enabling legislation. \$8,278,844 of the Police Jury's net position is restricted by enabling legislation.

It is the Police Jury's policy to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

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N. FUND EQUITY OF FUND FINANCIAL STATEMENTS Fund balances are reported in the following categories:

Non-spendable: Fund balance that is not in spendable form or legally or contractually required to be maintained intact. This category includes items that are not easily converted to cash such as inventories and prepaid items.

Restricted: Fund balance that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

Committed: Fund balance that can only be used for specific purposes determined by the Police Jury's highest level of decision making authority. The Jury is the highest level of decision making authority of the Police Jury that can, by adoption of a resolution prior to fiscal year, commit fund balance. Committed amounts cannot be used for any other purpose unless the Jury removes or changes the specified use by taking the same type of action it employed to previously commit the funds.

Assigned: Fund balance that is constrained by the Police Jury's intent to be used for specific purposes, but are neither restricted nor committed.

Unassigned: Fund balance that is the residual classification for the general fund or a deficit fund balance in other funds.

The Police Jury reduces committed amounts, followed by assigned amounts and then unassigned amounts when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used. The Police Jury considers restricted amounts have been spent when an expenditure has incurred for purpose for which both restricted and unrestricted fund balance is available.

O. INTERFUND TRANSACTIONS Quasi-external transactions are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

P. SALES TAXES The Police Jury has a one half of one percent sales and use tax, which was passed by the voters at a special election on May 5, 1984. The tax went into effect on June 1, 1984 and will remain in effect for an indefinite period. The tax is to be used for solid waste collection and disposal; constructing, maintaining, and improving public roads, streets, highways and bridges; and constructing and renovating jail and penal farm facilities.

Q. UNEARNED REVENUE Unearned revenues arise when assets are recognized before the revenue recognition criteria have been satisfied. On governmental fund financial statements, receivables that were not collected within the available period are recorded as unearned revenue.

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R. USE OF ESTIMATES The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and deferred inflows and outflows of resources and disclosure of contingent assets and liabilities at the date of the financial statement and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

S. LONG-TERM OBLIGATIONS In the government-wide financial statements, long-term debt and other long-term obligations are reported as a liability in the applicable governmental activities in the statement of net position. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance cost, except any portion related to prepaid insurance costs are expensed in the period incurred. In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance cost, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the acute debt proceeds received, are reported as debt service expenditures.

T. RISK MANAGEMENT The Police Jury is exposed to various risks of losses related to torts, theft of, damage to, and destructions of assets; error and omissions; injuries to employees; and natural disasters. The Police Jury maintains insurance to cover such risk. In the past, the insurance has been sufficient to cover any settlements. Settled claims resulting from these risks have not exceeded commercial insurance coverage in the past three fiscal years.

U. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow or resources (expense/expenditure) until then. The Police Jury does have items that qualify as deferred outflows of resources, which are related to pension obligations. See Note 8 for additional information.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenues) until that time. The Police Jury has items that qualify for reporting in this category. One of the items arise under the modified accrual basis of accounting, *unavailable revenue*, which is reported only in the governmental funds balance sheet as unavailable property taxes. These amounts are referred and recognized as an inflow of resources in the period that the amounts become available. The other item that qualifies as deferred inflow of resources relates to the pension obligations. See Note 8 for additional information.

NOTE 2 - LEVIED TAXES The Police Jury levies taxes on real and business personal property located within Webster Parish's boundaries. Property taxes are levied by the Police Jury on property values assessed by the Webster Parish Tax Assessor and approved by the State of Louisiana Tax Commission.

The Webster Parish Sheriff's Office bills and collects property taxes for the Police Jury. Collections are remitted to the Police Jury monthly.

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Property Tax Calendar

Millage rates adopted/levied	September 5, 2017
Tax bills mailed	On or about November 1, 2017
Due date	December 31, 2017
Collection dates	December 31, 2017 through April 2018
Penalty and interest accrues	January 1, 2018
Tax sale – 2017 property	May 16, 2018

Assessed values are established by the Webster Parish Tax Assessor each year on a uniform basis at the following ratios of assessed value to fair market value:

10% land	15% industrial improvements
15% machinery	15% commercial improvements
10% residential improvements	25% public service properties, excluding land

A revaluation of all property is required after 1978 to be completed no less than every four years. The last revaluation was completed for the roll of January 1, 2016. Total assessed value was \$311,472,720 in calendar year 2017. Louisiana state law exempts the first \$75,000 of assessed value of a taxpayer's primary residence from parish property taxes. This homestead exemption was \$54,546,194 of the assessed value in calendar year 2017.

State law requires the sheriff to collect property taxes in the calendar year in which the assessment is made. Property taxes become delinquent January 1 of the following year. If taxes are not paid by the due date, taxes bear interest at the rate of 1.25% per month until the taxes are paid. After notice is given to the delinquent taxpayers, the sheriff is required by the Constitution of the State of Louisiana to sell the least quantity of property necessary to settle the taxes and interest owed.

The calendar year tax roll is prepared by the parish tax assessor in November of each year. The amount of property taxes to be collected occurs in December 2017 and January and February 2018. All property taxes are recorded in the general, special revenue and debt service funds. The Police Jury considers the lien date (January 1, 2018) as the date an enforceable legal claim occurs for 2017 property taxes. Property tax revenue is recognized in the period for which the taxes are levied (budgeted).

Estimated uncollectible taxes are those taxes based on past experience which will not be collected in the subsequent year and are primarily due to subsequent adjustments to the tax roll. Historically, virtually all ad valorem taxes receivable were collected since they are secured by property. Therefore, there is no allowance for uncollectible taxes.

Webster Parish Police Jury
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The following is a summary of authorized and levied (tax rate per \$1,000 assessed value) ad valorem taxes:

Parish-wide taxes:	Maximum Millage Rate	Authorized/Levied Rate
General maintenance	6.39	6.39
Library maintenance and operation	12.43	12.43
Courthouse, health unit, and agricultural extension service maintenance and operation	2.78	2.78
District taxes:		
Road District A construction and maintenance	2.70	2.70
Road District B construction and maintenance	4.18	3.92

The Road District B construction and maintenance tax was renewed in October 2017.

NOTE 3 - DEPOSITS At December 31, 2017, the Police Jury had cash and cash equivalents (book balances) as follows:

Demand deposits (cash and cash equivalents per Statement A)	\$ 4,855,863
Time deposits (reported as investments per Statement A)	4,436,570
Demand deposits (cash and cash equivalents per Statement G – Agency funds)	286,050
Petty cash (cash and cash equivalents per Statement A)	225
Total	\$ 9,578,708

These deposits are stated at cost, which approximates market. Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

Custodial Credit Risk-Deposits: At year-end the bank balance for the Police Jury was \$10,246,776. Of the bank balance, \$2,450,534 was covered by federal depository insurance. The remaining balance, \$7,796,242 was collateralized with securities held by the pledging financial institution's trust department or agent but not in the Police Jury's name.

Even though the pledged securities are considered uncollateralized under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Police Jury that the fiscal agent has failed to pay deposited funds upon demand. The Police Jury's policy does not address custodial credit risk.

Interest Rate Risk-Deposits: The Police Jury's policy does not address interest rate risk.

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NOTE 4 - INVESTMENTS At year end, the Police Jury investment balances were as follows:

Investment	Maturities less than one year	Credit Rating	Fair Value Carrying Amount	% of Investments
External investment pool - LAMP		AAAm	\$ 3,443	100%
Total Investments			<u>\$ 3,443</u>	
Time deposits reported as investments			<u>\$ 4,436,570</u>	
Total investments reported as Statement A			<u>\$ 4,440,013</u>	

Investments held at December 31, 2017 consist of \$3,443 in the Louisiana Asset Management Pool (LAMP), a local government investment pool. LAMP is a 2a7-like investment pool. The following facts are relevant for 2a7-like investment pools:

Credit Risk: LAMP is rated AAAm by Standard and Poor's.

Custodial Credit Risk-Investments: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.

Concentration of Credit Risk: Pooled investments are excluded from the 5 percent disclosure requirement.

Interest Rate Risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest note risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 60 days, and consists of no securities with a maturity in excess of 397 days.

NOTE 5 - RECEIVABLES The following is a summary of receivables at December 31, 2017:

Class of Receivables	General	Sales Tax	Library	Special 2.5 Mill Tax	Solid Waste	Nonmajor Governmental	Total
Ad Valorem taxes	\$ 708,397	\$ -	\$ 2,413,687	\$ 539,827	\$ -	\$ 627,719	\$ 4,289,630
Sales and use taxes	-	314,660	-	-	-	-	314,660
Intergovernmental	362,431	-	-	-	-	39,151	401,582
Fees, charges, and commissions for services	1,944	-	-	-	-	14,678	16,622
Other	9,392	-	-	38	10,736	314	20,480
Total	<u>\$ 1,082,164</u>	<u>\$ 314,660</u>	<u>\$ 2,413,687</u>	<u>\$ 539,865</u>	<u>\$ 10,736</u>	<u>\$ 681,862</u>	<u>\$ 5,042,974</u>

Historically, virtually all ad valorem taxes receivable were collected since they are secured by property; therefore, no allowance for doubtful accounts has been established for ad valorem taxes. The balance of remaining classes of accounts receivable is also expected to be collected in full; therefore, no allowance for doubtful accounts has been established.

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NOTE 6 - CAPITAL ASSETS The following schedule presents changes in capital assets for governmental activities:

	<u>Balance at Beginning</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at Ending</u>
Governmental activities				
Capital assets, not being depreciated				
Land	\$ 1,365,640	\$ -	\$ -	\$ 1,365,640
Construction in progress	1,881,656	1,847,839	2,080,665	1,648,830
Total capital assets, not being depreciated	<u>3,247,296</u>	<u>1,847,839</u>	<u>2,080,665</u>	<u>3,014,470</u>
Capital assets, being depreciated				
Buildings and improvements	13,678,392	2,093,707	-	15,772,099
Infrastructure	2,715,830	-	-	2,715,830
Furniture, equipment & vehicles	6,214,635	54,506	-	6,269,141
Library books and information materials	1,459,895	308,811	232,798	1,535,908
Total capital assets, being depreciated	<u>24,068,752</u>	<u>2,457,024</u>	<u>232,798</u>	<u>26,292,978</u>
Less accumulated depreciation:				
Buildings and improvements	6,926,380	411,452	-	7,337,832
Infrastructure	405,177	67,897	-	473,074
Furniture, equipment & vehicles	4,768,429	256,537	-	5,024,966
Library books and information materials	698,842	298,345	226,950	770,237
Total accumulated depreciation	<u>12,798,828</u>	<u>1,034,231</u>	<u>226,950</u>	<u>13,606,109</u>
Total capital assets, being depreciated, net	<u>11,269,924</u>	<u>1,422,793</u>	<u>5,848</u>	<u>12,686,869</u>
Governmental activities capital assets, net	<u><u>\$ 14,517,220</u></u>	<u><u>\$3,270,632</u></u>	<u><u>\$ 2,086,513</u></u>	<u><u>\$15,701,339</u></u>

Depreciation expense was charged to the governmental activities as follows:

Judicial	\$ 4,019
Finance & administrative	275,505
Other general government	4,620
Public Safety	57,746
Public Works	269,119
Health & Welfare	45,058
Culture & Recreation	378,164
Total	<u>\$1,034,231</u>

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NOTE 7 - ACCOUNTS PAYABLE VENDORS The accounts payable for December 31, 2017 fiscal year end are as follows:

	General Fund	Sales Tax	Library	Special 2.5 Mill Tax	Nonmajor Governmental	Total
Vendors	\$ 52,609	\$ 10,432	\$ 46,506	\$ 34,194	\$ 3,466	\$ 147,207
Retainage	-	-	-	-	46,916	46,916
	\$ 52,609	\$ 10,432	\$ 46,506	\$ 34,194	\$ 50,382	\$ 194,123

NOTE 8 - PENSION PLAN The Police Jury is a participating employer in a statewide, public employee retirement system, the Parochial Employees' Retirement System of Louisiana (System). The System has a separate board of trustees and administers a cost-sharing, multiple-employer defined benefit pension plan. The System is composed of two plans, Plan A and Plan B, with separate asset and benefit provisions. All employees of the Police Jury are members of Plan A. The authority to establish and amend the benefit terms of the System was granted to the Board of Trustees and the Louisiana Legislature by Title 11 of the Louisiana Revised Statutes. The System issues a public report that includes financial statements and required supplementary information. Copies of the report for the System may be obtained at www.persla.org.

General Information about the Pension Plan

Plan Description/Benefits Provided:

The System administers a plan to provide retirement, disability, and survivor's 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 elect to become members of the System. The age and years of creditable service (service) required in order for a member to receive retirement benefits are established by R.S. 11:1901 and vary depending on the member's hire date.

A member who joined the system on or before January 1, 2007 is eligible for normal retirement if the member has at least 30 years of creditable service regardless of age, 25 years of creditable service and is at least age 55, 10 years of creditable service and is at least age 60, or 7 years of creditable service and is at least age 65. A member who joined the system on or after January 1, 2007 is eligible for normal retirement if the member has at least 30 years of creditable service and is at least age 55, 10 years of creditable service and is at least age 62, or 7 years of creditable service and is at least age 67.

The retirement allowance is equal to 3% of the member's final average compensation multiplied by the member's years of creditable service. Final average compensation is defined as the average of the highest consecutive 36 months' salary for members hired prior to January 1, 2007. For members hired January 1, 2007 and later, final average compensation shall be defined as the average of the highest consecutive 60 months' salary.

A member is eligible to retire and receive disability benefits if the member has at least 5 years of creditable service and is not eligible for normal retirement and has become totally and permanently disabled and is certified as disabled by the State Medical Disability Board. A member who joins the system on or after January 1, 2007, must have at least 7 years of service to qualify for disability benefits.

Upon the death of a member with five or more years of creditable service who is not eligible for retirement, the plan provides benefits for surviving spouses and minor children.

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Deferred Retirement Option Plan

In lieu of terminating employment and accepting a service retirement, any member who is eligible to retire may elect to participate in the Deferred Retirement Option Plan (DROP) in which they are enrolled for 3 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 the participant's option, a lump sum from the account equal to the payments into the account, a true annuity based upon the account balance in that fund, or roll over the fund to an individual retirement account.

Cost of Living Adjustments

The Board is authorized to provide a cost of living allowance for those retirees who retired prior to July 1973. The adjustment cannot exceed 2% of the retiree's original benefit for each full calendar year since retirement and may only be granted if sufficient funds are available from investment income in excess of normal requirements. In addition, the Board may provide an additional cost of living increase to all retirees and beneficiaries who are over age 65 equal to 2% of the member's benefit paid on October 1, 1977, (or the member's retirement date, if later). Also the Board may provide a cost of living increase up to 2.5% for retirees 62 and older (RS 11:1937). Lastly, Act 270 of 2009 provided for further reduced actuarial payments to provide an annual 2.5% cost of living adjustment commencing at age 55. These ad hoc COLAs are not considered to be substantively automatic.

Contributions

Contributions for all members are established by statute at 9.5% of compensation and are deducted from the member's salary and remitted by the participating employer. According to state statute, contributions for all employers are actuarially determined each year. For the year ended December 31, 2017, the actuarially determined contribution rate was 10.52%, based on the December 2016 report and the actual contribution rate was 13.00% or \$409,289. For fiscal year ended December 31, 2017, the actual contribution rate was 12.5% or \$400,225. According to state statute, the System also receives ¼ of 1% of ad valorem taxes collected within the respective parishes except for Orleans and East Baton Rouge parishes. The System also receives revenue sharing funds each year as appropriated by the Legislature. Tax monies and revenue sharing monies are apportioned between Plan A and Plan B in proportion to the member's compensation. These additional sources of income are used as additional employer contributions and are considered support from non-contributing entities. The Police Jury's proportionate share of nonemployer contributions was \$39,215 and was recognized as revenue by the Police Jury.

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

At December 31, 2017, the Police Jury reported a liability of \$1,093,342 for its proportionate share of the Net Pension Liability (NPL). The NPL was measured as of December 31, 2016, and the total pension liabilities used to calculate the NPL were determined by actuarial valuations as of that date. The Police Jury's proportions of the NPL were based on projections of the Police Jury's long-term share of contributions to the pension plan relative to the projected contribution of all participating employers, actuarially determined. As of December 31, 2016, the most recent measurement date, the Police Jury's proportions and the changes in proportion from the prior measurement date were .530874%, or a decrease of .003093%.

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For the year ended December 31, 2017, the Police Jury recognized a total pension expense of \$245,243. The Police Jury reported deferred outflows of resources and deferred inflows of resources related to pensions as components of unrestricted net position from the following sources:

	Deferred Outflows	Deferred Inflows
Differences between expected and actual experience	\$ -	\$ 191,325
Change in assumptions	207,577	-
Net difference between projected and actual earnings on pension plan investments	848,474	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	6,853
Employer contributions subsequent to the measurement date	400,225	-
Total	\$ 1,456,276	\$ 198,178

Deferred outflows of resources related to pensions resulting from the Police Jury's contributions subsequent to the measurement date will be recognized as a reduction of the NPL in the year ended December 31, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

2018	\$ 317,393
2019	340,465
2020	222,939
2021	(22,924)

Actuarial Assumptions

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

Valuation Date	December 31, 2016
Actuarial Cost Method	Entry Age Normal Cost
Expected Remaining Service Lives	4 years
Investment Rate of Return	7.00%
Inflation Rate	2.50%
Mortality - Non-disabled	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.
Mortality - Disabled	RP-2000 Disabled Lives Mortality Table set back 5 years for males and set back 3 years for females
Salary Increases	5.25% (2.75% Merit/2.50% Inflation)
Cost of Living Adjustments	Not substantively automatic
Termination, Disability, Retirement	Projected based on a 5 year (January 1, 2010 - December 31, 2014) experience study

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Notes to the Financial Statements
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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% for the year ended December 31, 2016. Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of December 31, 2016 are summarized in the following table:

Asset Class	Target Allocation	LT Expected Real Rate of Return
Fixed income	35.00%	1.24%
Equity	52.00%	3.63%
Alternatives	11.00%	0.67%
Real assets	2.00%	0.12%
Total	100.00%	5.66%
 Inflation		2.00%
 Expected arithmetic nominal return		7.66%

Discount Rate. The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions from participating employers will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive 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.

Webster Parish Police Jury
Notes to the Financial Statements
December 31, 2017

Sensitivity of the proportionate share of the NPL to changes in the discount rate. The following presents the Police Jury's proportionate share of the NPL using the current discount rate as well as what the Police Jury's proportionate share of the NPL would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate:

1.0% Decrease	Current Discount Rate	1.0% Increase
\$ 3,270,625	\$ 1,093,342	\$ (747,617)

Pension plan fiduciary net position Detailed information about fiduciary net position is available in the separately issued financial report referenced above.

Payables to the Pension Plan. At December 31, 2017, the Police Jury had \$160,866 in payables for the December 2017 employee and employer legally required contributions.

NOTE 9 - COMPENSATED ABSENCES At December 31, 2017, employees of the Police Jury, Library, and Criminal Court had accumulated and vested \$302,687 of employee leave benefits. The liability for compensated absences includes salary related benefits.

NOTE 10 - LONG-TERM LIABILITIES The following is a summary of the long-term liabilities transactions and balances for the year ended December 31:

	Beginning Balance	Additions	Deletions	Ending Balance	Amounts Due Within One year
Governmental Activities					
Limited tax certificate of indebtedness	\$ 2,005,000	\$ -	\$ 200,000	\$ 1,805,000	\$ 205,000
Compensated absences	276,823	167,649	141,785	302,687	141,785
Net pension liability	1,405,555	97,076	409,289	1,093,342	-
OPEB Liability	1,825,822	631,036	148,171	2,308,687	-
Total	<u>\$ 5,513,200</u>	<u>\$ 895,761</u>	<u>\$ 899,245</u>	<u>\$ 5,509,716</u>	<u>\$ 346,785</u>

The compensated absence liability will be liquidated by General Fund 18%, Special Revenue Fund 40%, and Library Fund 32% with the remaining 10% being liquidated by various other funds. The OPEB liability will be funded by the Police Jury's General Fund. The net pension liability will be liquidated through contributions to the pension plan from the governmental fund in which the related salary is paid.

Limited tax debt at December 31 is as follows:

	Amount
2014 Limited Tax Certificates of Indebtedness:	
\$2,200,000 Certificate of Indebtedness, dated 10/15/2014; due in annual principal installments of \$195,000 - \$250,000 through March 1, 2025; interest at 2.260%; secured by levy and collection of ad valorem taxes	\$ 1,805,000

Webster Parish Police Jury
Notes to the Financial Statements
December 31, 2017

The annual requirement to amortize long-term debt outstanding as of December 31, 2017, including interest payments are as follows:

	Principal Payments	Interest Payments	Total
2018	\$ 205,000	\$ 38,477	\$ 243,477
2019	210,000	33,787	243,787
2020	215,000	28,985	243,985
2021	220,000	24,069	244,069
2022	230,000	18,984	248,984
2023-2025	725,000	24,916	749,916
	<u><u>\$ 1,805,000</u></u>	<u><u>\$ 169,218</u></u>	<u><u>\$ 1,974,218</u></u>

At December 31, 2017, \$133 was available in Debt Service Fund to service the limited tax certificate of indebtedness.

In accordance with Louisiana Revised Statute 39:562, the Police Jury and its component units are legally restricted from incurring long-term bonded general obligation debt in excess of ten percent of the assessed value of taxable property in the parish or district. At December 31, the statutory limit is \$31,147,272 and net outstanding bonded general obligation debt totaled \$0. The Police Jury is within limits required by statute.

In accordance with Louisiana Revised Statute 39:742.2, the principal and interest due on limited tax certificates of indebtedness in any year on the amount so borrowed for and on behalf of any political subdivision in anticipation of the revenues to be received from a special ad valorem tax shall not exceed seventy-five percent of the revenues estimated to be realized from the levy of such special tax in the year in which such bonds are issued.

Pledged Revenue: In October 2014, the Police Jury issued \$2,200,000 in limited tax certificates of indebtedness to finance the acquiring, constructing, improving, furnishing and equipping public libraries in Webster Parish. The Police Jury has pledged, as security, a portion of the 12.43 mills Library ad valorem tax. The certificates are payable solely from the library ad valorem tax collected and are payable through fiscal year end 2025. The principal and interest payments are estimated to be 7.8 % over the next 8 years. The total principal and interest remaining to be paid is \$1,805,000 and \$169,218, respectively. For fiscal year ended December 31, 2017, the Police Jury received \$3,161,785 from the collection of the 12.43 mills and paid \$200,000 in principal and \$43,016 in interest obligations for the 2014 certificates of indebtedness.

NOTE 11 - CRIMINAL COURT FUND Louisiana Revised Statute 15:571.11 requires that one-half of any balance remaining in the criminal court fund at year end be transferred to the parish general fund. Criminal Court had a fund balance at the end of the year of \$43,805. Due to the General Fund transferring \$445,000 during the fiscal year to the criminal court fund and \$10,000 from the court reporter fund to cover excess expenses, the General Fund chose not to transfer one-half of the remaining fund balance from the criminal court fund and decided to leave the fund balance in tact to assist in a reduction of future transfers from the general fund to the criminal court for excess expenses.

**Webster Parish Police Jury
Notes to the Financial Statements
December 31, 2017**

NOTE 12 - INTERFUND TRANSACTIONS (FFS LEVEL ONLY)

Transfers In/Out

<u>Transferred In</u>	<u>Transferred Out</u>	<u>Amount</u>
General Fund	Solid Waste	\$ 150,000
Nonmajor Governmental	General Fund	445,000
Nonmajor Governmental	Library	243,053
Nonmajor Governmental	Nonmajor Governmental	10,000
		<hr/> <u>\$ 848,053</u>

Transfers were made from the Solid Waste to the General Fund to assist in covering renovation costs for the Annex building. Transfers from the General fund to the Nonmajor Governmental funds were to cover shortfalls in the Criminal Court fund. Additionally, the transfer from the Library fund was to the Nonmajor Governmental - debt service fund due to the required sinking fund payment.

NOTE 13 - LITIGATION AND CLAIMS

Litigation Per legal counsel, the Police Jury was not involved in any lawsuits at December 31, 2017.

Grant Disallowances The Police Jury participates in a number of state and federally assisted grant programs. The programs are subject to compliance audits under the single audit approach based on the total received in the fiscal year. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under terms of the grant.

Construction Projects The Police Jury the following construction projects underway at the close of the 2017 fiscal year end: \$938,315 in a renovation project for the Willie and Mary Mack Branch Library at Springhill and \$540,598 in a renovation project for the Police Jury Annex Building. The total amount remaining outstanding on these projects at December 31, 2017 was \$13,334. The renovation project for a new water well for the St. James Water System was in the planning phase at December 31, 2017.

NOTE 14 - RISK MANAGEMENT The Police Jury is at risk for property damage, liability and theft which are covered by commercial insurance through the Louisianian Rural Parish Insurance Cooperative, a self-insurance fund. This self-insurance program is a public entity risk pool which was approved by the State of Louisiana Insurance Commission. The cooperative operates as any other commercial insurance company. Three insurance companies currently share the excess coverage insurance. The first \$100,000 of all coverage is self-funded by the combined contributions of the members. No additional assessments can be made against the Police Jury. The Police Jury is responsible only for the payment of premiums. Settled claims resulting from these risks have not exceeded the commercial insurance coverage in any of the past three years.

NOTE 15 - LANDFILL CLOSURE AND POST-CLOSURE CARE COST State and federal laws and regulations requires the Police Jury to place a final cover on its landfill site when it stops receiving waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. In August 1997, the Police Jury entered into a long term lease of the landfill. At this time the Police Jury had completed closure costs on the landfill cells it had used under the terms of the lease, the new operator will be responsible for closure of all landfill cells it utilizes and will also be responsible for all required post-closure activities related to such areas. The closure cost and post-closure cost estimate completed in 2016 was \$8,843,735. Louisiana Department of Environmental Quality (LDEQ) considers the owner of the landfill to be responsible for the closure costs; however the Police Jury is disputing the underlying data regarding the acreage of land used for the estimate calculation as

Webster Parish Police Jury
Notes to the Financial Statements
December 31, 2017

well as the operator of the landfill is required to insure their portion of the liability. Therefore, no long-term debt due to landfill closure and post closure costs as defined in Governmental Accounting Standard No. 18 has been accrued. The Police Jury has \$2,000,000 in investments in the General Fund, which are committed for any future landfill closure or post-closure costs. Additionally, the landfill operator maintains a surety bond to cover the landfill closure or post-closure costs of \$2,704,105.

NOTE 16 - OTHER POST EMPLOYMENT BENEFITS (OPEB) Effective with the fiscal year ended December 31, 2009, the Webster Parish Police Jury implemented Government Accounting Standards Board Statement Number 45, *Accounting and Financial Reporting by Employers for Post Employment Benefits Other than Pensions (GASB 45)*.

Plan description - The Police Jury's OPEB plan is a single-employer defined benefit "substantive plan" as understood by past practices of the Police Jury and its employees. Although no written plan or trust currently exists or is sanctioned by law, the OPEB plan is reported based on communication to plan members. Substantially all of the Police Jury's employees become eligible for these benefits if they reach normal retirement age while working for the Police Jury. The OPEB plan does not issue a stand-alone financial report.

Funding Policy - The insurance for retired individuals is provided through the Police Jury's group plan, which covers both active and retired members. Employees do not contribute to their post employment benefits cost until they become retirees and begin receiving those benefits. The Police Jury pays the total premium less \$50 for retiree healthcare coverage.

The plan is currently financed on a "pay as you go basis", with the Police Jury contributing \$148,171 for 23 retirees for the year ended December 31, 2017.

Annual Other Post Employment Benefit Cost and Liability - The Police Jury's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, would cover normal cost each year and amortize any unfunded actuarial liabilities (UAL) over a period of thirty years. A 30 year amortization period (the maximum amortization period allowed by GASB 45) was used for post employment benefits. The total ARC for fiscal year 2017 is \$657,752 as set forth below:

Normal Cost	\$ 376,308
30-year UAL amortization amount	<u>281,444</u>
Annual required contribution (ARC)	<u><u>\$ 657,752</u></u>

The following table presents the Police Jury's OPEB Obligation for fiscal years ending 2017, 2016 and 2015

	2017	2016	2015
Beginning Net OPEB Obligation January 1,	\$ 1,825,822	\$ 1,336,504	\$ 999,105
Annual required contribution	657,752	657,752	375,966
Interest on prior year Net OPEB Obligation	45,646	33,413	24,979
Adjustment to ARC	<u>(72,362)</u>	<u>(52,969)</u>	<u>(19,392)</u>
Annual OPEB Cost	631,036	638,196	381,553
Less current year retiree premiums	148,171	148,878	44,154
Increase in Net OPEB Obligation	<u>482,865</u>	<u>489,318</u>	<u>337,399</u>
Ending Net OPEB Obligation at December 31,	<u><u>\$ 2,308,687</u></u>	<u><u>\$ 1,825,822</u></u>	<u><u>\$ 1,336,504</u></u>

Webster Parish Police Jury
Notes to the Financial Statements
December 31, 2017

Utilizing the pay as you go method, the Police Jury contributed 23% of the annual post employment benefits cost during 2017, 23% during 2016, and 12% during 2015, respectively.

Funded Status and Funding Progress - Since the plan is not funded, the Police Jury's entire actuarial accrued liability of \$6,962,071 was unfunded.

The funded status of the plan at December 31, 2017, as determined by an actuary as of the valuation date December 31, 2016, was as follows:

Actuarial accrued liability (AAL)	\$ 6,962,071
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	<u>\$ 6,962,071</u>
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll	\$ 2,419,121
UAAL as a percentage of covered payroll	288%

Actuarial Methods and Assumptions - Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities consistent with the long-term perspective of the calculations.

In the Webster Parish Police Jury actuarial valuation using the alternative measure, the entry age actuarial cost method was used. The actuarial assumptions included a 2.5% rate of return on investments and inflation rate of 2.0%. The expected rate on increase in healthcare and pharmaceutical costs was based on Pre-Medicare and Medicare eligible graduated down from 8% in healthcare cost and 9% in pharmaceutical costs to an ultimate annual rate of 4.7% for both. The expected rate increase in Dental costs was based on Pre-Medicare and Medicare eligible graduated down from 4% to an ultimate annual rate of 3%. While vision costs remained constant at 3%. The RP 2000 system table for Male and Female projected 10 years was used in making actuarial assumptions in regards to mortality rates. The average retirement age used in the valuation assumption was 62. The amortization method is the level percentage of payroll.

The remaining amortization period at December 31, 2017 for other post-employment benefits (OPEB) was twenty-one years.

The required schedule of funding progress immediately following the notes presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Webster Parish Police Jury
Notes to the Financial Statements
December 31, 2017

NOTE 17 - OPERATING LEASES The Police Jury leases postage machines and printers under noncancelable operating leases. Total costs paid for such leases were \$18,147 for the year ended December 31, 2017. The minimum lease payments for these leases are as follows:

Year Ending December 31,	<u>Amount</u>
2018	\$ 17,164
2019	11,561
2020	9,225
2021	2,827

NOTE 18 - FUND BALANCE CLASSIFICATION DETAILS: The following are details of the fund balance classifications:

	General Fund	Sales Tax	Library	Special 2.5 Mill Tax	Solid Waste	Nonmajor Governmental	Total
Non-spendable:							
Prepaid items	\$ 312,527	\$ 23,217	\$ 81,347	\$ 4,478	\$ -	\$ 20,131	\$ 441,700
Restricted for:							
Solid waste collection, road and jail	-	729,180	-	-	-	-	729,180
Road	-	-	-	-	-	2,117,490	2,117,490
Library	-	-	4,473,303	-	-	818,177	5,291,480
Debt Service	-	-	-	-	-	133	133
Operations & Maintenance of Courthouse & Health Unit	-	-	-	662,970	-	-	662,970
DA salary and benefits	-	-	-	-	-	2,152	2,152
Criminal court	-	-	-	-	-	23,674	23,674
Court reporter	-	-	-	-	-	11,399	11,399
Committed to:							
Solid Waste	-	-	-	-	1,470,768	-	1,470,768
Landfill	2,000,000	-	-	-	-	-	2,000,000
Unassigned:							
General fund	1,320,632	-	-	-	-	-	1,320,632
Total	\$ 3,633,159	\$ 752,397	\$ 4,554,650	\$ 667,448	\$ 1,470,768	\$ 2,993,156	\$ 14,071,578

NOTE 19 - NEW GASB STANDARDS In fiscal year 2017, the Police Jury adopted the following statement of financial accounting standard issued by the Governmental Accounting Standards Board:

- *Statement No. 82 – Pension Issues:* This Statement establishes standards to improve consistency in the application of pension accounting and financial reporting requirements by addressing certain issues that have been raised with respect to statements No. 67, No. 68, and No. 73. This Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements.

The adoption of this standard had no impact on the government-wide or the governmental fund financial statements.

Webster Parish Police Jury
Notes to the Financial Statements
December 31, 2017

NOTE 20 - TAX ABATEMENTS The Police Jury is subject to tax abatements granted by the Louisiana Department of Economic Development, Office of Commerce and Industry: Industrial Tax Exemption Program (ITEP). Louisiana has a ten-year industrial exemption law that provides any manufacturing establishment entering Louisiana, or any manufacturing establishment expanding its Louisiana facilities is eligible to receive exemption on buildings and equipment from state, parish and local property taxes for a period of ten years. The exemption is for the "contract" value of buildings or equipment used by the business. When the exemption expires, the property is to be placed on the tax roll at 15% of its current market value.

The amount of tax abatement under this program during the fiscal year ended December 31, 2017 by authorized millage is as follows:

Tax Code	Millage	Assessed Value	Estimated Tax
		Lost to ITEP	Dollar Lost to
General maintenance	6.39	\$ 8,433,100	\$ 33,573
Library maintenance and operation	12.43	8,433,100	104,823
Courthouse, health unit, and agricultural extension service	2.78	8,433,100	23,444
Road District A construction and maintenance	2.70	3,453,720	9,325
Road District B construction and maintenance	3.92	4,979,380	19,519
			\$ 190,684

NOTE 21 - INSURANCE RECOVERIES In May 2017, a pipe had burst on the 4th floor of the Courthouse causing water damage on multiple floors. The insurance recoveries of \$84,157 for this event received by the Police Jury are reported as other financing sources – insurance recoveries in the governmental funds' Statement of Revenues, Expenditures and Changes in Fund Balance and reported as general revenues – miscellaneous in the governmental activities' Statement of Activities.

REQUIRED SUPPLEMENTARY INFORMATION

Webster Parish Police Jury

Schedule of Funding Progress For Other Post Employment Benefits
December 31, 2017

Exhibit 1

Fiscal Year End	Actuarial Valuation Date	Value of Assets	(2) Actuarial		(4) Unfunded		UAAL as a Percentage of Covered Payroll
			Actuarial	Accrued Liability (AAL) Entry-Age Normal	Funded Ratio (1) / (2)	Actuarial Liability (UAAL) (5) (2) - (1)	
Dec. 31, 2009	May 24, 2010	\$ -	\$3,478,352	\$ -	\$3,478,352	\$3,228,386	108%
Dec. 31, 2010	May 24, 2010	-	3,478,352	-	3,478,352	3,328,695	104%
Dec. 31, 2011	February 22, 2012	-	3,061,802	-	3,061,802	3,463,246	88%
Dec. 31, 2012	February 22, 2012	-	3,061,802	-	3,061,802	3,457,433	89%
Dec. 31, 2013	February 13, 2014	-	4,430,478	-	4,430,478	3,505,151	126%
Dec. 31, 2014	February 13, 2014	-	4,430,478	-	4,430,478	3,643,223	122%
Dec. 31, 2015	February 13, 2014	-	4,430,478	-	4,430,478	3,916,146	113%
Dec. 31, 2016	June 16, 2017	-	6,962,071	-	6,962,071	3,824,907	182%
Dec. 31, 2017	June 16, 2017	-	6,962,071	-	6,962,071	2,419,121	288%

Webster Parish Police Jury

Schedule of Employer's Proportionate Share of the Net Pension Liability
December 31, 2017

Exhibit 2-1

<u>Fiscal Year</u>	<u>Employer's Proportion of the Net Pension Liability</u>	<u>Employer's Proportionate Share of the Net Pension Liability</u>	<u>Employer's Covered Payroll</u>	<u>Employer's Proportionate Share of the Net Pension Liability 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					
2015	0.507982%	\$ 142,257	\$ 2,831,304	5%	99.15%
2016	0.533967%	1,405,555	3,061,552	46%	92.23%
2017	0.530874%	1,093,342	3,148,370	35%	94.15%

Notes:

The amounts presented have a measurement date of the previous fiscal year end.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, only information for those years for which information is available is presented.

Webster Parish Police Jury

Schedule of Employer Contributions to Pension Plans
December 31, 2017

Exhibit 2-2

<u>Fiscal Year</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Payroll</u>	<u>Contributions as a Percentage of Covered Employee Payroll</u>
Parochial Employees' Retirement System of Louisiana					
2015	\$ 443,925	\$ 443,925	\$ -	\$ 3,061,552	14.5%
2016	409,289	409,289	-	3,148,370	13.0%
2017	400,225	400,225	-	3,201,800	12.5%

Notes:

The amounts presented were determined as of the fiscal year end.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, only information for those years for which information is available is presented.

Webster Parish Police Jury

Notes to the Required Supplementary Information for Pensions **December 31, 2017**

Changes in Benefit Terms A 2.5% COLA was effective January 1, 2015. Cost of living provisions for the system are detailed in R.S. 11:1937 and R.S. 11:246.

Change in Assumptions Changes in actuarial assumptions used in the December 31, 2015 valuation from the assumptions used in the December 31, 2014 actuarial valuation are as follows:

Valuation Date	<u>December 31, 2015</u>	<u>December 31, 2014</u>
Investment Rate of Return (Discount Rate)	7.00%	7.25%
Inflation Rate	2.50%	3.00%
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 Tables set back 1 year for males and RP-2000 Combined Healthy Female Table for females were selected for annuitant, beneficiary and employee mortality. RP-2000 Disabled Lives Mortality Tables for Males and Females was selected for disabled annuitants.
Termination, Disability, Retirement	Projected based on a 5 year (January 1, 2010 - December 31, 2014) experience study	Projected based on a 5 year (January 1, 2006 - December 31, 2010) experience study
Projected Salary Increases	5.25% (2.75% Merit/2.50% Inflation)	5.75% (2.75% Merit/3.00% Inflation)
Expected arithmetic nominal return	7.55%	8.11%

Webster Parish Police Jury

Budgetary Comparison Schedules

General Fund and Any Major Special Revenue Funds With a Legally Adopted Annual Budget

GENERAL FUND - is the general operating fund of the Police Jury. It accounts for all activities except those required to be accounted for in other funds.

SALES TAX FUND - accounts for proceeds and use of sales taxes.

LIBRARY FUND - accounts for the activities performed for the public library. The main source of revenue is ad valorem tax restricted for the library.

SPECIAL 2.5 MILL TAX FUND - accounts for the operation and maintenance of the parish courthouse and health unit. Financing is provided by a special annual property tax levy, state revenue sharing funds, and interest on time deposits.

SOLID WASTE FUND - accounts for the receipt of tipping fees for use of the landfill and the operation of the solid waste landfill.

WEBSTER PARISH POLICE JURY

GENERAL FUND
 Budgetary Comparison Schedule
 For the Year Ended December 31, 2017

Exhibit 3-1

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		
BUDGETARY FUND BALANCES, BEGINNING	\$ 2,523,264	\$ 2,523,264	\$ 3,451,675	\$ 928,411
Resources (inflows)				
Local sources:				
Taxes:				
Ad valorem	843,000	843,000	911,811	68,811
Licenses and permits	424,102	439,210	415,784	(23,426)
Intergovernmental revenues:				
Federal grants	630,100	602,100	368,096	(234,004)
State funds:				
State revenue sharing	60,000	60,000	66,846	6,846
Severance taxes	1,000,000	1,135,000	1,177,335	42,335
Other	462,500	462,500	412,684	(49,816)
Fees, charges and commissions	10,000	30,000	30,000	-
Fines and forfeitures	-	-	544	544
Use of money and property	21,890	24,060	41,113	17,053
Other revenues	221,500	362,576	263,915	(98,661)
Transfers from other funds	196,807	196,807	150,000	(46,807)
Insurance recoveries	-	-	27,544	27,544
Amounts available for appropriations	<u>6,393,163</u>	<u>6,678,517</u>	<u>7,317,347</u>	<u>638,830</u>
Charges to appropriations (outflows)				
General government:				
Legislative	224,500	226,700	229,968	(3,268)
Judicial	587,000	637,000	600,061	36,939
Elections	49,500	52,850	51,889	961
Finance and administrative	1,157,575	1,232,475	1,054,219	178,256
Other general government	2,511,442	2,862,404	348,281	2,514,123
Public safety	575,831	460,677	462,686	(2,009)
Public works	-	250,000	9,563	240,437
Health and welfare	491,942	441,942	395,874	46,068
Culture and recreation	57,750	57,750	52,889	4,861
Economic development and assistance	29,937	36,621	28,263	8,358
Capital outlay	180,000	92,412	5,495	86,917
Transfers to other funds	525,000	325,000	445,000	(120,000)
Total charges to appropriations	<u>6,390,477</u>	<u>6,675,831</u>	<u>3,684,188</u>	<u>2,991,643</u>
BUDGETARY FUND BALANCES, ENDING	<u>\$ 2,686</u>	<u>\$ 2,686</u>	<u>\$ 3,633,159</u>	<u>\$ 3,630,473</u>

WEBSTER PARISH POLICE JURY

SALES TAX
 Budgetary Comparison Schedule
 For the Year Ended December 31, 2017

Exhibit 3-2

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
BUDGETARY FUND BALANCES, BEGINNING	\$ 21,626	\$ 21,796	\$ 268,850	\$ 247,054
Resources (inflows)				
Local sources:				
Taxes:				
Sales and use	2,747,920	2,747,920	3,088,953	341,033
Use of money and property	800	800	731	(69)
Other revenues	180,000	180,000	47,994	(132,006)
Amounts available for appropriations	2,950,346	2,950,516	3,406,528	456,012
Charges to appropriations (outflows)				
Public safety	1,795,000	1,695,300	1,690,429	4,871
Public works	1,155,346	1,254,946	963,702	291,244
Capital outlay	-	100	-	100
Total charges to appropriations	2,950,346	2,950,346	2,654,131	296,215
BUDGETARY FUND BALANCES, ENDING	\$ -	\$ 170	\$ 752,397	\$ 752,227

WEBSTER PARISH POLICE JURY

LIBRARY
 Budgetary Comparison Schedule
 For the Year Ended December 31, 2017

Exhibit 3-3

	BUDGETED AMOUNTS		VARIANCE WITH
	ORIGINAL	FINAL	FINAL BUDGET
			POSITIVE (NEGATIVE)
BUDGETARY FUND BALANCES, BEGINNING	\$ 1,718,661	\$ 1,718,661	\$ 4,434,984
Resources (inflows)			\$ 2,716,323
Local sources:			
Taxes:			
Ad valorem	3,103,478	2,836,656	3,161,785
Intergovernmental revenues:			325,129
State funds:			
State revenue sharing	68,000	66,000	67,978
Fines and forfeitures	33,000	33,000	32,752
Use of money and property	3,000	5,500	5,901
Other revenues	8,000	11,624	13,131
Amounts available for appropriations	<u>4,934,139</u>	<u>4,671,441</u>	<u>7,716,531</u>
			3,045,090
Charges to appropriations (outflows)			
Culture and recreation	3,800,581	3,207,883	2,595,091
Debt Service:			612,792
Principal retirement	200,000	200,000	-
Interest and bank charges	43,053	43,053	-
Capital outlay	910,000	1,240,000	323,737
Transfers to other funds	-	-	243,053
Total charges to appropriations	<u>4,953,634</u>	<u>4,690,936</u>	<u>3,161,881</u>
			1,529,055
BUDGETARY FUND BALANCES, ENDING	<u>\$ (19,495)</u>	<u>\$ (19,495)</u>	<u>\$ 4,554,650</u>
			<u>\$ 4,574,145</u>

WEBSTER PARISH POLICE JURY

SPECIAL 2.5 MILL TAX
 Budgetary Comparison Schedule
 For the Year Ended December 31, 2017

Exhibit 3-4

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL	AMOUNTS	FINAL BUDGET
BUDGETARY FUND BALANCES, BEGINNING	\$ 783,385	\$ 783,385	\$ 1,317,101	\$ 533,716
Resources (inflows)				
Local sources:				
Taxes:				
Ad valorem	660,000	660,000	708,215	48,215
Intergovernmental revenues:				
State funds:				
State Revenue Sharing	40,000	40,000	54,296	14,296
Other	-	259,000	186,656	(72,344)
Fees, charges, and commissions				
for services	3,000	63,000	3,439	(59,561)
Use of money and property	2,000	2,000	1,600	(400)
Insurance recoveries	-	-	56,613	56,613
Amounts available for appropriations	1,488,385	1,807,385	2,327,920	520,535
Charges to appropriations (outflows)				
General government:				
Other general government	457,825	96,994	33,894	63,100
Health and Welfare	523,600	680,600	663,383	17,217
Capital outlay	515,000	1,037,831	963,195	74,636
Total charges to appropriations	1,496,425	1,815,425	1,660,472	154,953
BUDGETARY FUND BALANCES, ENDING	\$ (8,040)	\$ (8,040)	\$ 667,448	\$ 675,488

WEBSTER PARISH POLICE JURY

SOLID WASTE
Budgetary Comparison Schedule
For the Year Ended December 31, 2017

Exhibit 3-5

	BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL	POSITIVE (NEGATIVE)
BUDGETARY FUND BALANCES, BEGINNING	\$ 1,683,042	\$ 1,683,042	\$ 1,687,089 \$ 4,047
Resources (inflows)			
Use of money and property	401,000	231,200	222,359 (8,841)
Other revenues	1,500	-	-
Amounts available for appropriations	2,085,542	1,914,242	1,909,448 (4,794)
Charges to appropriations (outflows)			
Public works	2,085,542	1,714,242	288,680 1,425,562
Transfers to other funds	-	200,000	150,000 50,000
Total charges to appropriations	2,085,542	1,914,242	438,680 1,475,562
BUDGETARY FUND BALANCES, ENDING	\$ -	\$ -	\$ 1,470,768 \$ 1,470,768

Webster Parish Police Jury

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

A. BUDGETS

General Budget Policies Preliminary budgets for the ensuing year are prepared by the secretary-treasurer prior to December 31 of each year. The availability of the proposed budgets for public inspection and the date of the public hearing on the proposed budgets are then advertised in the official journal. During its regular December meeting, the Police Jury holds a public hearing on the proposed budgets in order to receive comments from residents of the parish. Changes are made to the proposed budgets based on the public hearing and the desires of the Police Jury as a whole. The budgets are then adopted during the Police Jury's regular December meeting, and a notice of the adoption is then published in the official journal.

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

The Police Jury exercises budgetary control at the functional level. Within functions the secretary-treasurer has the discretion to make changes as she deems necessary for proper control. Unexpended appropriations lapse at year end and must be re-appropriated in the next year's budget to be expended. Formal budgetary integration is employed as a management control device.

For the year ended December 31, 2017, modified accrual basis budgets were adopted for the general fund and all special revenue funds, except the criminal court special revenue fund, which is exempt from the requirements Louisiana Revised Statutes 30:1301-1314 (Local Government Budget Act).

The 2017 budget was amended quarterly. The Police Jury's final amended budget was approved December 5, 2017.

Encumbrances Encumbrance accounting is not recognized within the accounting records for budgetary control purposes. Authorization for the eventual expenditure will be included in the following year's budget appropriations.

Budget Basis of Accounting All governmental funds' budgets are prepared on the modified accrual basis of accounting. Budgeted amounts are as originally adopted or as amended by the Board. Legally, the Board must adopt a balanced budget; that is, total budgeted revenues and other financing sources including fund balance must equal or exceed total budgeted expenditures and other financing uses. State statutes require the Board to amend its budgets when revenues plus projected revenues within a fund are expected to be less than budgeted revenues by five percent or more and/or expenditures within a fund are expected to exceed budgeted expenditures by five percent or more.

B. BUDGET DEFICIT

The Police Jury did not amend the budget's fund balance to the actual fund balance amount, which caused two funds to appear to have a budget deficit. However, when considering the true fund balance amount, these funds would not have and did not have a deficit.

Webster Parish Police Jury

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

C. BUDGET TO GAAP RECONCILIATION - EXPLANATION OF DIFFERENCES BETWEEN BUDGETARY INFLOWS AND OUTFLOWS AND GAAP REVENUES AND EXPENDITURES

	General	Sales Tax	Library	Mill Tax	Special 2.5 Solid Waste
<u>Sources/inflows of resources:</u>					
Actual amounts (budgetary basis) "available for appropriation" from the Budgetary Comparison Schedule	\$ 7,317,347	\$ 3,406,528	\$ 7,716,531	\$ 2,327,920	\$ 1,909,448
Adjustment to revenue for transfers ins are inflows of budgetary resources but are not revenues for financial statement purposes	(150,000)	-	-	-	-
Adjustment to revenue for insurance recoveries are inflows of budgetary resources but are not revenues for financial statement purposes	(27,544)	-	-	(56,613)	-
The fund balance at the beginning of the year is a budgetary resource but is not a current-year revenue for financial reporting purposes	<u>(3,451,675)</u>	<u>(268,850)</u>	<u>(4,434,984)</u>	<u>(1,317,101)</u>	<u>(1,687,089)</u>
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u><u>\$ 3,688,128</u></u>	<u><u>\$ 3,137,678</u></u>	<u><u>\$ 3,281,547</u></u>	<u><u>\$ 954,206</u></u>	<u><u>\$ 222,359</u></u>
<u>Uses/Outflows of resources:</u>					
Actual amounts (budgetary basis) "Total charges to appropriations" from the Budgetary Comparison Schedule	\$ 3,684,188	\$ 2,654,131	\$ 3,161,881	\$ 1,660,472	\$ 438,680
Transfers to other funds classified as expenditures for budgetary purposes and as an operating transfer for financial reporting	(445,000)	-	(243,053)	-	(150,000)
Total expenditures as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u><u>\$ 3,239,188</u></u>	<u><u>\$ 2,654,131</u></u>	<u><u>\$ 2,918,828</u></u>	<u><u>\$ 1,660,472</u></u>	<u><u>\$ 288,680</u></u>

SUPPLEMENTARY INFORMATION

**COMBINING
NONMAJOR GOVERNMENTAL FUNDS -
BY FUND TYPE**

WEBSTER PARISH POLICE JURY

NONMAJOR GOVERNMENTAL FUNDS
 Combining Balance Sheet - By Fund Type
 December 31, 2017

Exhibit 4

	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	TOTAL
ASSETS				
Cash and cash equivalents	\$ 1,730,682	\$ 133	\$ 457,188	\$ 2,188,003
Investments	200,000	-	-	200,000
Receivables	681,862	-	-	681,862
Prepaid items	<u>20,131</u>	-	-	<u>20,131</u>
TOTAL ASSETS	<u>2,632,675</u>	<u>133</u>	<u>457,188</u>	<u>3,089,996</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable vendors	<u>3,466</u>	-	<u>46,916</u>	<u>50,382</u>
Total Liabilities	<u>3,466</u>	-	<u>46,916</u>	<u>50,382</u>
Deferred Inflows of Resources:				
Unavailable revenue-property taxes	<u>46,458</u>	-	-	<u>46,458</u>
Total Deferred Inflows of Resources	<u>46,458</u>	-	-	<u>46,458</u>
Fund Balances:				
Nonspendable - prepaid items	<u>20,131</u>	-	-	<u>20,131</u>
Restricted	<u>2,562,620</u>	<u>133</u>	<u>410,272</u>	<u>2,973,025</u>
Total Fund Balances	<u>2,582,751</u>	<u>133</u>	<u>410,272</u>	<u>2,993,156</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 2,632,675</u>	<u>\$ 133</u>	<u>\$ 457,188</u>	<u>\$ 3,089,996</u>

WEBSTER PARISH POLICE JURY

NONMAJOR GOVERNMENTAL FUNDS
 Combining Statement of Revenues, Expenditures,
 And Changes in Fund Balances - By Fund Type
 For the Year Ended December 31, 2017

Exhibit 5

	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	TOTAL
REVENUES				
Local sources:				
Taxes:				
Ad valorem	\$ 809,421	\$ 35	\$ -	\$ 809,456
Intergovernmental revenues:				
Federal grants	-	-	38,087	38,087
State funds:				
Parish transportation funds	475,319	-	-	475,319
State revenue sharing	57,036	-	-	57,036
Fees, charges, and commissions for services	136,063	-	-	136,063
Fines and forfeitures	321,863	-	-	321,863
Use of money and property	8,127	20	2,327	10,474
Other revenues	169,701	-	-	169,701
 Total Revenues	 1,977,530	 55	 40,414	 2,017,999
 EXPENDITURES	 	 	 	
Current:				
General government:				
Judicial	1,015,102	-	-	1,015,102
Public works	1,465,888	-	-	1,465,888
Culture and recreation	-	-	23,221	23,221
Debt service:				
Principal retirement	-	200,000	-	200,000
Interest and bank charges	-	43,016	-	43,016
Capital outlay	19,376	-	904,960	924,336
 Total Expenditures	 2,500,366	 243,016	 928,181	 3,671,563
 EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	 (522,836)	 (242,961)	 (887,767)	 (1,653,564)
 OTHER FINANCING SOURCES (USES)	 	 	 	
Transfers in	455,000	243,053	-	698,053
Transfers out	(10,000)	-	-	(10,000)
 Total Other Financing Sources (Uses)	 445,000	 243,053	 -	 688,053
 Net Change in Fund Balances	 (77,836)	 92	 (887,767)	 (965,511)
 FUND BALANCES - BEGINNING	 2,660,587	 41	 1,298,039	 3,958,667
 FUND BALANCES - ENDING	 \$ 2,582,751	 \$ 133	 \$ 410,272	 \$ 2,993,156

Webster Parish Police Jury

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Webster Parish Police Jury

NONMAJOR SPECIAL REVENUE FUNDS

PARISH ROAD FUND The Parish Road Fund accounts for the construction and maintenance of the parish roads and bridges. Financing is provided primarily by the Parish Transportation funds and from the sale of surplus property.

ROAD DISTRICT MAINTENANCE FUNDS The Road District Maintenance Funds (A & B) account for the operations and maintenance of District A and B roads and bridges. Financing is provided by a special annual property tax levy, state revenue sharing funds, and interest on time deposits.

SPECIAL LIBRARY FUND The Special Library Fund account for the receipt of proceeds of the use of the Library's copy machines and other equipment and property rentals. The revenues are to be used for the purpose of the purchase of capital equipment and property improvements for the Webster Parish Library System.

DA ASSET FOREITURE FUND Authorized by the Webster Parish District Attorney for supplemental payroll reimbursement under Title 46:2400 eq. seq. The revenues are considered deemed contraband (drug money and drug vehicles) forfeited in accordance with the applicable state laws. Its primary activity is to provide additional revenues for payroll purposes.

CRIMINAL COURT FUND The Criminal Court Fund was created by Section 571.11 of Title 15 of the Louisiana Revised Statues of 1950, which provides that fines and forfeitures imposed by district accounts and district attorney's conviction fees in criminal cases, be transferred to the parish treasurer and deposited in a special "Criminal Court Fund" account to be used for the expense of the criminal court of the parish. Expenditures shall be made from the fund on motion of the district attorney and approval of the district judge.

The statute also required that one-half of the surplus (fund balance) remaining in the fund at December 31 of each year be transferred to the parish General Fund.

COURT REPORTER FUND The Court Reporter Fund accounts for the operations of the court reporter for the district court. Financing is provided primarily by fees.

WEBSTER PARISH POLICE JURY

NONMAJOR SPECIAL REVENUE FUNDS
 Combining Balance Sheet
 December 31, 2017

	PARISH ROAD	ROAD DISTRICT A	ROAD DISTRICT B	SPECIAL LIBRARY
ASSETS				
Cash and cash equivalents	\$ 570,517	\$ 439,968	\$ 486,556	\$ 207,905
Investments	-	-	-	200,000
Receivables	39,475	294,997	332,722	-
Prepaid items	-	-	-	-
TOTAL ASSETS	609,992	734,965	819,278	407,905
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable vendors	-	287	-	-
Total Liabilities	-	287	-	-
Deferred Inflows of Resources:				
Unavailable revenue-property taxes	-	39,468	6,990	-
Total Deferred Inflows of Resources	-	39,468	6,990	-
Fund Balances:				
Nonspendable - prepaid items	-	-	-	-
Restricted	609,992	695,210	812,288	407,905
Total Fund Balances	609,992	695,210	812,288	407,905
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 609,992	\$ 734,965	\$ 819,278	\$ 407,905

Exhibit 6

WEBSTER PARISH POLICE JURY

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

	PARISH ROAD	ROAD DISTRICT A	ROAD DISTRICT B	SPECIAL LIBRARY
REVENUES				
Local sources:				
Taxes:				
Ad valorem	\$ -	\$ 411,767	\$ 397,654	\$ -
Intergovernmental revenues:				
State funds:				
Parish transportation funds	475,319	-	-	-
State revenue sharing	-	32,740	24,296	-
Fees, charges, and commissions for services	12,350	-	-	44,195
Fines and forfeitures	-	-	-	-
Use of money and property	3,597	1,347	1,719	1,453
Other revenues	180	-	-	-
Total Revenues	<u>491,446</u>	<u>445,854</u>	<u>423,669</u>	<u>45,648</u>
EXPENDITURES				
Current:				
General government:				
Judicial	-	-	-	-
Public Works	479,899	496,985	489,004	-
Capital outlay	<u>19,376</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>499,275</u>	<u>496,985</u>	<u>489,004</u>	<u>-</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(7,829)	(51,131)	(65,335)	45,648
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	(7,829)	(51,131)	(65,335)	45,648
FUND BALANCES - BEGINNING	<u>617,821</u>	<u>746,341</u>	<u>877,623</u>	<u>362,257</u>
FUND BALANCES - ENDING	<u>\$ 609,992</u>	<u>\$ 695,210</u>	<u>\$ 812,288</u>	<u>\$ 407,905</u>

Exhibit 7

DA ASSET FORFEITURE	CRIMINAL COURT	COURT REPORTER	TOTAL
\$ -	\$ -	\$ -	\$ 809,421
-	-	-	475,319
-	-	-	57,036
-	65,249	14,269	136,063
31,490	290,373	-	321,863
2	-	9	8,127
-	169,521	-	169,701
<u>31,492</u>	<u>525,143</u>	<u>14,278</u>	<u>1,977,530</u>
36,285	969,560	9,257	1,015,102
-	-	-	1,465,888
-	-	-	<u>19,376</u>
<u>36,285</u>	<u>969,560</u>	<u>9,257</u>	<u>2,500,366</u>
(4,793)	(444,417)	5,021	(522,836)
-	455,000	-	455,000
-	-	(10,000)	(10,000)
-	455,000	(10,000)	445,000
(4,793)	10,583	(4,979)	(77,836)
<u>6,945</u>	<u>33,222</u>	<u>16,378</u>	<u>2,660,587</u>
<u>\$ 2,152</u>	<u>\$ 43,805</u>	<u>\$ 11,399</u>	<u>\$ 2,582,751</u>

**Webster Parish Police Jury
Schedule of Compensation Paid Police Jurors
For the Year Ended December 31, 2017**

Exhibit 8

COMPENSATION PAID POLICE JURORS The schedule of compensation paid to Police Jurors is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Compensation of the Police Jurors is included in the legislative expenditures of the general fund.

Jim Bonsall, President	\$ 14,400
Vera Davison, Vice President	14,400
Bruce Blanton	14,400
Allen Gilbert	14,400
Daniel Thomas	14,400
Randy Thomas	14,400
Bernard Hudson	14,400
Steve Lemmons	14,400
Nick Cox	14,400
Jerri M. Lee	14,400
Steve Ramsey	14,400
Dustin Moseley	<u>14,400</u>
Total	<u>\$ 172,800</u>

Webster Parish Police Jury
Schedule of Compensation, Benefits and Other Payments to Agency Head
For the Year Ended December 31, 2017

Exhibit 9

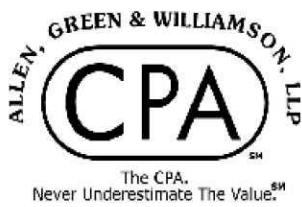
Agency Head Name: Ronda Carnahan, Secretary-Treasurer

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 85,592
Benefits-insurance	16,654
Benefits-retirement	13,382
Reimbursement	57
Travel	67
Cell phone	1,121

Webster Parish Police Jury

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**OTHER REPORTS REQUIRED BY
GOVERNMENT AUDITNG STANDARDS**



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Jennie Henry, CPA
Ronnie Jacola, CPA

Audit Manager: Margie Williamson, CPA

Ernest L. Allen, CPA
(Retired) 1963 - 2000

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*

Independent Auditor's Report

Police Jurors
Webster Parish Police Jury
Mindens, Louisiana

We have audited, 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Webster Parish Police Jury as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Police Jury's basic financial statements, and have issued our report thereon dated June 28, 2018. We issued an adverse opinion on the aggregate discretely presented component units and an unmodified opinion on the governmental activities, each major fund, and the aggregate remaining fund information.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Police Jury's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed 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 Responses as item 2017-001.

Police Jury's Response to Finding

The Police Jury's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Responses and Corrective Action Plan for Current Year Audit Findings and Responses. The Police Jury's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Allen, Green & Williamson, LLP
ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
June 28, 2018

**Webster Parish Police Jury
Schedule of Findings and Responses
For the Year Ended December 31, 2017**

PART I - Summary of the Auditor's Results

Financial Statement Audit

- i. The type of audit report issued was an adverse opinion on the aggregate discretely presented component units and an unmodified opinion on the governmental activities, each major fund, and the aggregate remaining fund information.
- ii. There were no significant deficiencies required to be disclosed by *Government Auditing Standards* issued by the Comptroller General of the United States of America.
- iii. There was one instance of noncompliance, as defined by the *Government Auditing Standards*, to the basic financial statements.

**Webster Parish Police Jury
Schedule of Findings and Responses
For the Year Ended December 31, 2017**

Part II – Findings related to the financial statements which are required to be reported in accordance with Government Auditing Standards generally accepted in the United States of America:

Reference # and title: 2017-001 **Official Publication of Budget**

Entity-wide or program/department specific: This finding is considered entity-wide.

Criteria or specific requirement: According to R.S. 39:1307, the political subdivision shall cause to be published a notice stating that the proposed budget is available for public inspection. The notice shall also state that a public hearing on the proposed budget shall be held with the date, time, and place of the hearing specified in the notice. The notice shall be published at least ten days prior to the date of the first public hearing.

Condition found: It was noted that although the Police Jury properly held the public hearing for the proposed budget, the Police Jury did not publish the notice of the public hearing in its official journal.

Possible asserted effect (cause and effect):

Cause: The auditor was unable to determine the cause.

Effect: The Police Jury did not meet all state requirements regarding publication of public notices.

Origination date and prior year reference (if applicable): This finding originated fiscal year ended December 31, 2016. See prior year finding 2016-002.

Recommendation to prevent future occurrences: The Police Jury should establish quality control procedures to ensure that all public notices are sent to the official journal for publication.

View of responsible official: The notice of public meeting was not published ten days prior to the first public hearing for 2017 budget. The notice was sent to the paper, and the notice was posted on the front door of the address of the public hearing, but the publication was not made within the 10 day required notification. New procedures to ensure accurate and timely publication have been implemented for the 2018 budget publication. The 2018 budget was published as required.

Webster Parish Police Jury

Other Information

**Webster Parish Police Jury
Summary Schedule of Prior Year Audit Findings and Responses
For Year End December 31, 2017**

Reference # and title: 2016-001 **Year Ending Reporting**

Origination date: This finding originated fiscal year ended December 31, 2016.

Entity-wide or program/department specific: This finding is considered entity-wide.

Condition: Good internal control over financial reporting requires that accounting records contain accurate and complete information to ensure that financial accruals are accurate at year-end.

During the testing of year-end report balances associated with accounts receivable, accounts payable, deferred inflows and construction in progress were not complete and accurate. The auditor had to request the Police Jury to further research these items and provide necessary adjustments to correct.

Corrective action taken: For 2017, the Police Jury initiated additional controls over accruals by having the most experienced members of the fee accountant team handle the accruals. After assembling the accruals and adjusting AR, AP, deferred inflows and capital items from a cash basis to the modified and full accrual basis, the fee accountant did a review with the secretary/treasurer and in addition had a partner/owner CPA of the fee accountant firm do a final review. These procedures should help locate all accrual items for general revenues and also on the capital projects underway, including the HVAC Renovation, Bank Building Renovation, Port of Bistineau, and Springhill Library. This should help ensure there are no items above the auditors materiality levels noted during the audit process that needs to be reported in the audit year or subsequent year. This finding is considered to be cleared.

Reference # and title: 2016-002 **Official Publications**

Origination date: This finding originated fiscal year ended December 31, 2016.

Entity-wide or program/department specific: This finding is considered entity-wide.

Condition: According to Louisiana Revised Statute 38:2212, the president of the police jury shall declare that an extreme emergency exists and shall cause such declaration to be published in the official journal within ten days or as soon as practicable thereafter.

According to R.S. 39:1307, the political subdivision shall cause to be published a notice stating that the proposed budget is available for public inspection. The notice shall also state that a public hearing on the proposed budget shall be held with the date, time, and place of the hearing specified in the notice. The notice shall be published at least ten days prior to the date of the first public hearing.

It was noted that the Police Jury did not properly publish in the official journal the declaration of emergency that occurred during the fiscal year.

Additionally it was noted that although the Police Jury properly held the public hearing for the proposed budget, the Police Jury did not publish the notice of the public hearing in the official journal.

Corrective action taken: The flood in March 2016 was very hectic. The Secretary-Treasurer is aware of the official publication rules and emergency rules. This finding is partially cleared; see current year finding 2017-001.



Webster Parish Police Jury

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Jim Bonsall
President

Vera Davison
Vice-President

Ronda Carnahan
Secretary-Treasurer

Lisa Balkom
Asst. Secretary
Treasurer

MEMBERS:
Bruce Blanton
District #1

Allen Gilbert
District #2

Daniel Thomas
District #3

Randy Thomas
District #4

Bernard Hudson
District #5

Jim Bonsall
District #6

Steve Lemmons
District #7

Nick Cox
District #8

Jerri M. Lee
District #9

Vera Davison
District #10

Steve Ramsey
District #11

Dustin Moseley
District #12

Corrective Action Plan for Current Year Audit Findings and Responses For Year End December 31, 2017

Reference # and title: 2017-001 **Official Publication of Budget**

Entity-wide or program/department specific: This finding is considered entity-wide.

Condition: According to R.S. 39:1307, the political subdivision shall cause to be published a notice stating that the proposed budget is available for public inspection. The notice shall also state that a public hearing on the proposed budget shall be held with the date, time, and place of the hearing specified in the notice. The notice shall be published at least ten days prior to the date of the first public hearing.

It was noted that although the Police Jury properly held the public hearing for the proposed budget, the Police Jury did not publish the notice of the public hearing in its official journal.

Corrective action planned: Duties have been designated that will ensure overview of the required dates and timelines necessary for publication of notice and especially in regard to publication of budget and budget public hearing. The Secretary-Treasurer and the Asst. Secretary-Treasurer will approve publication date and content for publication of the budget.

Person responsible for corrective action:

Ronda Carnahan, Secretary-Treasurer	Telephone: 318-377-7564
Webster Parish Police Jury	Fax: 318-371-2366
P. O. Box 389	
Minden, LA 71058-0389	

Anticipated completion date: January 1, 2018



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Eddi Hernandez, CPA
Jennie Henry CPA
Ronnie Jacola, CPA

Audit Manager: Margie Williamson, CPA

Ernest L. Allen, CPA
(Retired) 1963 - 2000

Management Letter

Police Jurors
Webster Parish Police Jury
Mindens, Louisiana

In planning and performing our audit of the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Webster Parish Police Jury as of and for the year ended December 30, 2017, we considered the Police Jury's internal control to plan our auditing procedures for the purpose of expressing our opinions in the financial statements and not to provide assurance on the internal control.

However, during the performance of our procedures, we noted certain matters that are presented for your consideration. This letter does not affect our report dated June 28, 2018 on the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Police Jury. We will review the status of this comment during our next audit engagement. Our comment and recommendation, all of which have been discussed with appropriate members of management is intended to improve the internal control or result in other operating efficiencies. We will be pleased to discuss this comment in further detail at your convenience, to perform any additional study of this matter, or to assist you in implementing the recommendation. Our comment and management's response is summarized as follows:

2017-M1 Construction in Progress

Comment: Through testing, it was noted that the Police Jury's construction in progress listing did not carry forward correctly from prior year. Additionally, it was noted that the listing did not adequately cover all costs associated with the projects, including retainage payable.

Recommendation: The Police Jury should establish procedures over construction in progress to ensure the listing carries forward completely and that all costs associated with the projects are reflected on the listing.

Management's response: The carryforward was off due to some differences in 2016 between in-house schedule and schedule used by auditor in 2016. We have ensured our in-house schedule matches the balances at the end of the 2017 year used by the auditors. The final retainage was on an invoice received in February 2018 and was not picked up in our accounts payable testwork, since majority of accounts payable was formed from January 2018 payments.. For 2018 year we look at the last invoice received from contractors to ensure proper year for recording retainage payable.

Our audit procedures are designed primarily to enable us to form our opinions on the financial statements of Webster Parish Police Jury as of and for the year ended December 30, 2017, which collectively comprise the Police Jury's basic financial statements, and therefore, may not reveal all weaknesses in policies and procedures that may exist. Also included is management's response to our current year management letter item. We have performed no audit work to verify the content of the response.

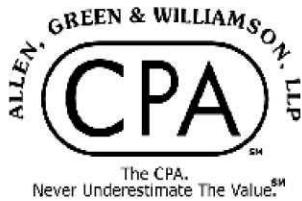
This report is intended solely for the information and use of the Police Jurors, management, others within the entity, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Although the intended use of this report may be limited, under Louisiana Revised Statute 24:513 this report is distributed by the Office of the Louisiana Legislative Auditor as a public document.

Allen, Green & Williamson, LLP
Allen, Green & Williamson, LLP

Monroe, Louisiana
June 28, 2018

Webster Parish Police Jury

AGREED-UPON PROCEDURES



The CPA.
Never Underestimate The Value.SM

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Ernest L. Allen, CPA
(Retired) 1963 - 2000

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING STATEWIDE AGREED-UPON PROCEDURES

Board Members

Webster Parish Police Jury
Minden, Louisiana

We have performed the procedures enumerated below, which were agreed to by the management of Webster Parish Police Jury, Minden, Louisiana, and the Louisiana Legislative Auditor (LLA), on the control and compliance areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal year ended December 31, 2017. The Police Jury's management is responsible for the control and compliance areas identified in these Statewide Agreed-Upon Procedures. 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 the reports. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:
 - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget
 - b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes
 - c) **Disbursements**, including processing, reviewing, and approving
 - d) **Receipts**, including receiving, recording, and preparing deposits
 - e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
 - f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process

- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy. Note: Ethics requirements are not applicable to nonprofits.
- j) **Debt Service**, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements

Comment: There were no exceptions noted as a result of applying agreed upon procedures.

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

Comment: There were no exceptions noted as a result of applying agreed upon procedures.

Bank Reconciliations

- 3. Obtain a listing of client bank accounts from management and management's representation that the listing is complete.
- 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). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity fund accounts may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:
 - a) Bank reconciliations have been prepared;
 - b) Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation; and
 - c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.

Comment: Bank account reconciliations were tested for each month of the year for five bank accounts. It was noted that bank reconciliations were not performed for any of the months for the Louisiana Community Development Block Grant (LCDBG) account. Although it was noted that the bank statements were reviewed by staff, it was further noted that the limited activity on the account was not initially recorded on the Police Jury's books due to the deposits and disbursements were for the same amounts. For the Insurance Retiree account, there was no review of bank reconciliations performed by a member of management or Juror Member not associated with the bank account. Additionally, checks outstanding for more than 6 months for the Accounts Payable account did not have documentation reflecting research by management.

Management's Response: WPPJ is working to incorporate the LCDBG account into the General Ledger. The Insurance Retiree Account will be reviewed by the Secretary-Treasurer monthly and signed off on. Checks outstanding for more than 6 months for AP account are being researched and resolved, or documented on action taken.

Collections

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

Comment: There are three cash collection locations, all of which were tested. Two exceptions were noted where the person who collects cash also makes the deposits at the bank. It was also noted that due to limited collections received at the Library, employees share the same cash drawer.

Three receipts at the Police Jury Office (all within the same deposit) were not deposited within one day of collection; rather, these were deposited within two or three days after the initial date of receipt.

Management's Response: The cash collection and deposit at the bank by the same person is mainly due to lack of staff members that have the responsibility to handle cash.

The WPPJ Policy for the deposit of cash has been to deposit within 3 days of receipt. Efforts are being made to deposit daily, but there have been exceptions. The newly adopted Agreed upon Procedures were implemented during the year and the Police Jury was not aware that the policy for depositing was not in agreement with these AUPs until months into the year.

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

8. Obtain a listing of entity disbursements from management or, alternately, obtain the general ledger and sort/filter for entity disbursements. Obtain management's representation that the listing or general ledger population is complete.
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.
 - b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.
 - c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice.
10. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the person responsible for processing payments is prohibited from adding vendors to the entity's purchasing/disbursement system.
11. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.
12. Inquire of management and observe whether the supply of unused checks is maintained in a locked location, with access restricted to those persons that do not have signatory authority, and report any exceptions. Alternately, if the checks are electronically printed on blank check stock, review entity documentation (electronic system control documentation) and report whether the persons with signatory authority have system access to print checks.
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.

Comment: Twenty-five disbursements were tested with no exceptions noted as a result of applying agreed upon procedures when reviewing supporting documentation.

Disbursement processes were tested at all three disbursement locations. One exception noted is related to the personnel at the Police Jury Office responsible for processing payments, in which the same employee has the ability to add vendors to the purchasing system. One exception was noted where an employee with signatory authority also has the ability to initiate or record purchases. The Police Jury does have a mitigating control in which a Juror Member reviews and approves the check register.

Additionally, it was noted that at one location, unused checks were not maintained in a locked location. At two other disbursement locations, it was noted that employees with signatory authority also had access to the unused checks. Furthermore, two exceptions were noted for two locations involving checks that were not maintained under the control of the signer or authorized user until mailed.

Management's Response: The Webster Parish Police Jury Finance Committee approves the Check Register, the Check Reconciliation, and the Financial Statement monthly at the Finance Committee. The Jury is given the financials the month prior to approval. One juror does sign each invoice for payment monthly as well as the supervisor except for utility; line item approved monthly or quarterly payments. The person that is responsible for processing payments must also have the ability to add and or delete vendors in order to process the payment in a timely manner.

The number of employees within the office does not allow for delegation of these duties as specified, but the mitigating control of the Jurors access to the financial records and the approval of the disbursements should verify this procedure.

Checks are written at the Clerk of Court Office which the Police Jury does not have control over their procedures. We find it necessary for the employees with signatory authority to have access to the unused checks to be able to complete their duties.

The checks for the Police Jury office are maintained under control of a bonded employee 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.
15. Using the listing prepared by management, randomly select 10 cards (or at least one-third of the cards if the entity has less than 10 cards) that were used during the fiscal period, rotating cards each year. If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner.

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

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

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

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

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

Comment: Highest dollar activity for nine credit cards were tested. One exception was noted which involved a late payment on a balance that resulted from an underpayment in a prior month. One exception was noted where an itemized receipt for a purchase was not available. Additionally, exceptions on three credit card transactions were noted which involved sales tax paid on purchases.

Management's Response: A credit card company was responsible for assigning a payment for the Police Jury Credit Card to the Library's Credit Card and it took some time for this error to be rectified. Better control will be implemented to track purchases and attach itemized receipt or the purchase on a credit and/or store card. We have found that some out of state companies will not recognize the tax exemption of the Parish. The WPPJ will be sure that all vendors are aware of the tax exemption status and provided a tax exemption form.

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.
18. Obtain the entity's written policies related to travel and expense reimbursements. Compare the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration (www.gsa.gov) and report any amounts that exceed GSA rates.
19. Using the listing or general ledger from #17 above, select the three persons who incurred the most travel costs during the fiscal period. Obtain the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and choose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:
 - a) Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the entity

does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates.

- b) Report whether each expense is supported by:
 - An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]
 - Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).
 - Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance)
- c) Compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.
- d) Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Comment: There were no exceptions noted as a result of applying agreed upon procedures.

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.
21. Using the listing above, select the five contract "vendors" that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). Obtain the related contracts and paid invoices and:
 - a) Report whether there is a formal/written contract that supports the services arrangement and the amount paid.
 - b) Compare each contract's detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:
 - If yes, obtain/compare supporting contract documentation to legal requirements and report whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder)
 - If no, obtain supporting contract documentation and report whether the entity solicited quotes as a best practice.
 - c) Report whether the contract was amended. If so, report the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.
 - d) Select the largest payment from each of the five contracts, obtain the supporting invoice, compare the invoice to the contract terms, and report whether the invoice and related payment complied with the terms and conditions of the contract.
 - e) Obtain/review contract documentation and board minutes and report whether there is documentation of board approval, if required by policy or law (e.g. Lawrason Act or Home Rule Charter).

Comment: There were no exceptions noted as a result of applying agreed upon procedures.

Payroll and Personnel

22. Obtain a listing of employees (and elected officials, if applicable) with their related salaries, and obtain management's representation that the listing is complete. Randomly select five employees/officials, obtain their personnel files, and:
 - a) Review compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.
 - b) Review changes made to hourly pay rates/salaries during the fiscal period and report whether those changes were approved in writing and in accordance with written policy.
23. Obtain attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period, randomly select 25 employees/officials (or randomly select one-third of employees/officials if the entity had less than 25 employees during the fiscal period), and:
 - a) Report whether all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
 - b) Report whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.
 - c) Report whether there is written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.
24. Obtain from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. If applicable, select the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtain the personnel files for the two employees/officials. Report whether the termination payments were made in strict accordance with policy and/or contract and approved by management.
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.

Comment: One exception noted where a supervisor approved their own attendance documentation. Additionally, one exception was noted where the April state payroll tax deposit was not made until June 29, 2017.

Management's Response: The Secretary-Treasurer will approve attendance documents on supervisors including for the Library. A clerical error caused the lateness of the April state payroll tax deposit, this is not a normal occurrence and history will show that state payroll tax deposits have always been timely.

Ethics (excluding nonprofits)

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

Comment: There were no exceptions noted as a result of applying agreed upon procedures.

Debt Service (excluding nonprofits)

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

Comment: There were no exceptions noted as a result of applying agreed upon procedures.

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.
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.lla.la.gov/hotline) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.
33. If the practitioner observes or otherwise identifies any exceptions regarding management's representations in the procedures above, report the nature of each exception.

Comment: There were no exceptions noted as a result of applying agreed upon procedures.

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 control and compliance 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 control and compliance 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.

Allen, Green & Williamson, LLP

Allen, Green & Williamson, LLP

Monroe, Louisiana

June 28, 2018