

**East Carroll Parish Police Jury
Lake Providence, Louisiana**

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



East Carroll Parish Police Jury

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East Carroll Parish Police Jury

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(Concluded)

Independent Auditor's Report

To the Jurors of the East Carroll Parish Police Jury
Lake Providence, Louisiana

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Basis for Adverse Opinion on Aggregate Discretely Presented Component Units

The financial statements referred to above do not include financial data for the East Carroll Parish Police Jury's legally separate component units. Accounting principles generally accepted in the United States of America require financial data for those component units to be reported with the financial data of the Police Jury's primary government unless the Police Jury also issues financial statements for the financial reporting entity that include the financial data for its component units. The Police Jury has not issued such reporting entity financial statements. Because of this departure from accounting principles generally accepted in the United States of America, the assets, liabilities, net position, revenues, and expenses of the aggregate discretely presented component units are not reasonably obtainable.

Adverse Opinion on Aggregate Discretely Presented Component Units

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

Unmodified Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities; the business-type activities, each major fund, and the aggregate remaining fund information of the primary government of East Carroll Parish Police Jury as of December 31, 2017, and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis beginning on page 9, the budgetary comparison schedules beginning on page 65 and the supplementary schedules required by GASB No. 68 on pages 63 and 64 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 (GASB), who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the primary government financial statements that collectively comprise East Carroll Parish Police Jury's primary government financial statements. The schedules listed in the table of contents as Exhibits 3 through 9 are presented for purposes of additional analysis and are not a required part of the Police Jury's basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 19, 2018, on our consideration of the Police Jury's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering East Carroll Parish Police Jury's internal control over financial reporting and compliance.



A Professional Accounting Corporation

Covington, LA
June 19, 2018

REQUIRED SUPPLEMENTARY INFORMATION

Management's Discussion And Analysis (MD&A)

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

Our discussion and analysis of East Carroll Parish Police Jury's financial performance provides an overview of the Police Jury's financial activities for the year ended December 31, 2017. Separate financial statements may be obtained from component units not included.

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 fiscal year 2017 by \$11,385 thousand (net position). Of this amount, \$1,150 thousand represents unrestricted net position, which may be used to meet the government's ongoing obligations to citizens and creditors.

The Police Jury total net position increased \$219 thousand mainly because of an increase in capital assets from the drainage construction project funded through capital grants and an increase in ad valorem revenues in comparison with prior year. In addition, net position increased because of the current year changes in the Police Jury's proportionate share of the retirement plan's net pension liability and related deferred outflows and inflows.

At the end of 2017, the Police Jury's governmental funds reported a combined fund balances of \$5,501 thousand, an increase of \$290 thousand in comparison with prior year. \$1,047 thousand or 19% of the combined fund balance is available for spending at the government's discretion (unassigned fund balance). All of the unassigned fund balance is reported in the general fund.

Total spending for all our governmental activities was \$4,515 thousand for the year. Most of the Police Jury's property and sales taxes were used to support the net cost (after deducting restricted grants and fees charged to users) of these six areas: judicial \$150 thousand, finance and administrative \$270 thousand, other general government \$739 thousand, public safety \$234 thousand, public works \$1,010 thousand, and culture and recreation \$349 thousand.

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.

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

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 - the General Fund, Road Maintenance and Construction, Garbage District No. 1, Library, Drainage Maintenance, Health Unit, Criminal Court and Drainage Capital Project.

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 Employer's Proportionate Share of the Net Pension Liability
Schedule of Employer Contributions to Pension Plan
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
Financial Data Schedule**

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

East Carroll 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 with the government-wide financial statements. 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.

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

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

Business-type activities - The Police Jury manages the Section 8 Housing Choice Voucher program and receives an administrative fee for the activities. This program is reported here.

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 Road Maintenance and Construction fund) or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money (like grants the Police Jury receives for Section 8). The Police Jury's governmental funds use the following accounting approach:

Governmental funds - Most 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.

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

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 the reconciliation on Statements D and F.

Proprietary funds - Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statements of Activities. In fact, the Police Jury's Section 8 enterprise fund (a component of proprietary funds) is the same as business-type activities we report in the government-wide financial statements but provide more detail and additional information, such as cash flows, for proprietary funds.

THE POLICE JURY AS A WHOLE As noted earlier, net position over time, may serve as a useful indicator of a government's financial position. The Police Jury's assets and deferred outflows of resources exceeded liabilities and deferred inflows by \$11,385 thousand. Our analysis below focuses on the net position (Table 1) and change in net position (Table 2) of the Police Jury's governmental and business-type activities.

Table 1
Net Position
December 31,
(in thousands)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2017	2016	2017	2016	2017	2016
Other assets	\$ 5,666	\$ 5,421	\$ 53	\$ 122	\$ 5,719	\$ 5,543
Capital assets	6,033	6,176	16	-	6,049	6,176
Total assets	11,699	11,597	69	122	11,768	11,719
Deferred outflows of resources	549	767	15	19	564	786
Other liabilities	102	169	4	52	106	221
Long-term liabilities	745	1,004	12	14	757	1,018
Total liabilities	847	1,173	16	66	863	1,239
Deferred inflows of resources	82	98	2	2	84	100
Net position						
Net investment in capital assets	5,712	5,715	16	-	5,728	5,715
Restricted	4,505	4,361	2	15	4,507	4,376
Unrestricted	1,102	1,017	48	58	1,150	1,075
Total net position	\$ 11,319	\$ 11,093	\$ 66	\$ 73	\$ 11,385	\$ 11,166

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

The largest portion of the Police Jury's combined net position (\$5,728 thousand or 50%) reflects its investment in capital assets (e.g. land, buildings, equipment, vehicles and infrastructure), less any related outstanding debt that was used to acquire those assets. The Police Jury uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending. Although the Police Jury's investments in capital assets are reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Police Jury's combined net position (\$4,507 thousand or 40%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$1,150 thousand is unrestricted net position and may be used to meet the Police Jury's obligations to its citizens and creditors.

At the end of the current fiscal year, the Police Jury is able to report positive balances in all reported categories of net position, both for the government as a whole, as well as for the separate governmental and business-type activities. The same situation held true for the prior fiscal year. The Police Jury's overall net position increased \$219 thousand from the prior year. The reasons for this overall increase are discussed in the following sections for governmental activities and business-type activities.

Governmental Activities During the current fiscal year, net position for the governmental activities increased \$226 thousand from the prior fiscal year for an ending balance of \$11,319 thousand. The Police Jury's governmental activities experienced an overall increase in revenues of \$436 thousand. Revenues received from charges for services (\$36 thousand), operating grants & contributions (\$88 thousand), capital grants (\$286 thousand), ad valorem taxes (\$113 thousand) and in sales taxes revenues (\$32 thousand) increased from the amounts reported in the prior fiscal year while licenses and permits (\$16 thousand) and other general revenues (\$103 thousand) experienced a decline in revenues. Expenses decreased \$83 thousand or 2% to \$4,515 thousand from the \$4,598 thousand reported in the prior fiscal year. This change can mainly be contributed to the decrease (\$81 thousand) in overall expenses related to the changes in net pension liability and related deferred outflows and inflows.

Business-type Activities The Police Jury's business-type activities experienced a decrease of \$7 thousand in net position from the prior fiscal year for an ending balance of \$66 thousand. Current year revenues experienced a decrease of \$56 thousand in operating grants (\$54 thousand) and in other general revenues (\$2 thousand) from the amounts reported in the prior fiscal year. Expenses were also reduced by \$28 thousand mainly from a reduction in housing assistant payments.

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

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

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

	Governmental Activities			Business-Type Activities		
			Increase			Increase
Revenues:	2017	2016	(Decrease)	2017	2016	(Decrease)
Program revenues						
Charges for services	\$ 751	\$ 715	\$ 36	\$ -	\$ -	\$ -
Operating grants & contributions	336	248	88	577	631	(54)
Capital grants & contributions	426	140	286	-	-	-
General Revenues						
Ad valorem taxes	2,257	2,144	113	-	-	-
Sales taxes	653	621	32	-	-	-
Licenses and permits	130	146	(16)	-	-	-
Other general revenues	188	291	(103)	-	2	(2)
Total revenues	<u>4,741</u>	<u>4,305</u>	<u>436</u>	<u>577</u>	<u>633</u>	<u>(56)</u>
Functions/Program Expenses:						
General government:						
Legislative	75	75	-	-	-	-
Judicial	759	693	66	-	-	-
Elections	29	37	(8)	-	-	-
Finance and administrative	270	228	42	-	-	-
Other general government	739	779	(40)	-	-	-
Public safety	304	358	(54)	-	-	-
Public works	1,825	1,885	(60)	-	-	-
Health and welfare	107	129	(22)	584	612	(28)
Culture and recreation	362	369	(7)	-	-	-
Economic development and assistance	4	7	(3)	-	-	-
Transportation	31	33	(2)	-	-	-
Interest on long-term debt	10	5	5	-	-	-
Total expenses	<u>4,515</u>	<u>4,598</u>	<u>(83)</u>	<u>584</u>	<u>612</u>	<u>(28)</u>
Increase (decrease) in net position	226	(293)	519	(7)	21	(28)
Net position - beginning	<u>11,093</u>	<u>11,386</u>	<u>(293)</u>	<u>73</u>	<u>52</u>	<u>21</u>
Net position - ending	<u>\$ 11,319</u>	<u>\$ 11,093</u>	<u>\$ 226</u>	<u>\$ 66</u>	<u>\$ 73</u>	<u>\$ (7)</u>

Governmental Activities – Cost of Services As reported in the Statement of Activities, the cost of all of our governmental activities this year was \$4,515 thousand. However, the amount that our taxpayers ultimately financed for these activities through Police Jury taxes was only \$3,002 thousand because some of the cost was paid by those who benefited from the programs \$751 thousand or by other governments and organizations who subsidized certain programs with grants and contributions \$762 thousand. We paid for the remaining "public benefit" portion of our governmental activities with taxes and with our other revenues, like interest and general entitlements.

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

In Table 3 below, we have presented the cost of each of the Police Jury's six largest functions - judicial, finance and administrative, other general government, public safety, public works, 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.

Table 3
Costs of Services
For the Years Ended December 31,
(in thousands)

	Governmental Activities				Business-Type Activities			
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
	2017	2017	2016	2016	2017	2017	2016	2016
Judicial	\$ 759	\$ 150	\$ 693	\$ 107	\$ -	\$ -	\$ -	\$ -
Finance and administrative	270	270	228	228	-	-	-	-
Other general government	739	739	779	779	-	-	-	-
Public safety	304	234	358	289	-	-	-	-
Public works	1,825	1,010	1,885	1,453	-	-	-	-
Culture and Recreation	362	349	369	361	-	-	-	-
All others	256	250	286	278	584	7	612	(19)
Totals	\$ 4,515	\$ 3,002	\$ 4,598	\$ 3,495	\$ 584	\$ 7	\$ 612	\$ (19)

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.

Governmental Funds As the Police Jury completed this year, our governmental funds reported a combined fund balance of \$5,501 thousand which is an increase of \$290 thousand from prior year. The primary reasons for the changes in fund balances are:

The general fund, our principal operating fund, experienced an increase of \$165 thousand to reach an ending fund balance of \$1,047 thousand. At the end of the current fiscal year, unassigned fund balance of the general fund was \$1,047 or approximately 92% of total general fund expenditures. Revenues for the current fiscal year increased due to increases in State grant revenues offset by a reduction in ad valorem collections and licenses and permits in comparison with the prior year. Expenses for the current fiscal year increased mainly due to increases in State grant expenditures. The general fund also supplements the Criminal Court fund through transfers. The general fund transferred \$50 thousand to Criminal Court fund during the current fiscal year.

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

The Road Maintenance and Construction fund accounts for funds used to maintain the parish roads and streets. This fund showed an increase of \$30 thousand from the \$1,126 thousand reported at the end of the prior fiscal year to \$1,156 thousand. This increase is mainly due to an increase in sales tax collections, sales of capital assets, and a decrease in road repair expenditures during the current fiscal year. This fund also accounted for the police Jury's drainage construction project funded from a Louisiana Department of Transportation capital grant.

The Garbage District No. 1 accounts for the parish garbage collection services begun in 2001. This fund showed a decrease of \$11 thousand to \$533 thousand mainly because of a decrease in ad valorem tax collections.

The Library fund accounts for the public library. The Library's fund balance of \$702 thousand showed an increase of \$26 thousand for the current fiscal year while the prior fiscal year reported an increase of \$23 thousand. Both revenues and expenditures experienced a decrease in the current year from the amounts reported the prior year.

The Drainage Maintenance fund accounts for the maintenance of the parish drainage system. This fund showed an increase of \$66 thousand to \$636 thousand mainly from a reduction in expenses related to the Bunches Bend Protection District in the current fiscal year.

The Health Unit fund accounts for the parish health center. This fund showed a decrease of \$26 thousand to \$659 thousand mainly due to a reduction in ad valorem tax collections.

The Criminal Court fund accounts for the activities of the parish court. This fund showed a decrease of \$9 thousand to \$42 thousand due mainly to an increase in expenses related to the L.A.C.E. program.

The Drainage Capital Project fund accounts for the CDBG grant for drainage improvement within East Carroll Parish. CDBG is a cost reimbursement grant; therefore this fund does not report a fund balance.

The Nonmajor Governmental funds are comprised of the special revenue funds (Rural Fire Protection and LSU Cooperative Extension), and the debt service fund. The combined funds showed an increase of \$49 thousand to \$727 thousand.

Proprietary Funds The Section 8 Voucher fund accounts for the activity for HUD's Section 8 Housing Choice Voucher program. This fund showed a decrease of \$7 thousand from a reduction in HUD administrative grant funding decreasing net position from \$73 thousand to \$66 thousand.

General 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).

The amounts available for appropriations for the General Fund's original budget were \$565 thousand more than the final budget. The charges to the appropriations for the General Fund's original budget were \$788 thousand more than the final budget. These budget reductions were mainly due to reducing the amount expected in grant revenues and expenditures from delays in grant projects.

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

The actual amounts available for appropriations for the General Fund were \$100 thousand less than the amount budgeted. This is due mainly to collecting less in licenses and permits and other revenues than expected. The actual charges to appropriations were \$6 thousand more than budgeted was mostly due to spending more in other general government expenditures than anticipated in the last month of the year.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets At December 31, 2017, the Police Jury had \$6,049 thousand invested in a broad range of capital assets, including land, buildings, furniture and equipment and infrastructure assets such as roads and bridges. This amount represents a net decrease (including additions, deductions, and depreciation) of \$127 thousand or less than 2%, from last year. The primary reason for the net decrease is the increase in accumulated depreciation.

Capital Assets at December 31,
(in thousands)

	<u>Governmental Activities</u>		<u>Business-Type</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Land	\$ 376	\$ 376	\$ -	\$ -
Construction in progress	457	460	-	-
Buildings	985	1,042	-	-
Equipment and furniture	765	971	-	-
Vehicles	609	818	16	-
Infrastructure	2,841	2,509	-	-
Total capital assets	<u>\$ 6,033</u>	<u>\$ 6,176</u>	<u>\$ 16</u>	<u>\$ -</u>

This year's additions of \$500 thousand were comprised of \$72 thousand in equipment and vehicle purchases and \$428 thousand increase in construction in progress for drainage projects. Phase 1 of drainage improvement project was completed and moved out of construction in progress to infrastructure – drainage. We present more detailed information about our capital assets at Note 8 in the notes to the financial statements.

The Police Jury is responsible for the maintenance of 139 routes in East Carroll Parish consisting of 289.23 linear miles of two-lane gravel and asphalt roads. Other roads are located in East Carroll Parish but are maintained by the City of Lake Providence or the State of Louisiana. The majority of the Police Jury maintained roads were asphalt surfaced in the 1960s and 1970s. However, since that time many have been disked and changed back to gravel surface. Accordingly, the surface type of most roads maintained today by the Police Jury is gravel.

Infrastructure road right-of-ways consist of the sixty feet right-of-way for the 289.23 miles of roads maintained by the Police Jury. The acreage was determined by multiplying the sixty feet of right-of-way by the 5,280 linear feet in a mile by the 289.23 linear miles of road and dividing the sum by the 43,560 square feet in an acre. The result of 2,103.49 acres is the number of acres comprising the land associated with the 289.23 linear miles of roads maintained by the Police Jury.

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

These roads include thirty-two bridges, eleven of which are concrete structures and twenty-one are wooden structures. Most bridges are thirty to fifty feet in length with two to three spans. The longest bridge is the Bayou Macon Bridge with twelve spans for a total length of 269 feet. The next longest is Loggy Bayou bridge with eight spans for a total length of 156 feet. All other bridges are less than 100 feet in total length. The shortest bridge is the drain to Jones Bayou consisting of two spans for a total length of 23 feet.

Cost of infrastructure assets was determined in various ways. GASB No. 34 requires capital assets to be recorded at historical cost or at estimated historical cost whenever it is impractical to determine historical cost because of inadequate records. The cost was determined as identified below whenever actual historical cost was not known.

The surface cost of the roads was determined by multiplying the estimated current cost to construct a linear mile of two lanes of gravel or asphalt road and deflating the current cost to the estimated cost at the time of construction of the roads. Most roads were considered to have been constructed in the 1950s and 1960s with most asphalt surfacing occurring in the 1960s and 1970s, and with resurfacing occurring periodically since. The surface of the roads currently was considered by management to be approximately 20 years old. Accordingly, 1979 was considered as the date of purchase for all surface materials for depreciation purpose.

The cost of the right-of-way was determined by using a current average value for farm land of \$1,500 an acre deflated to the estimated year of acquisition or prescription.

Eleven bridges have been replaced in recent times with concrete structures with funding provided by the U.S. Government. Cost figures for five of these concrete bridges were obtained from the Louisiana Department of Transportation and Development, the pass-through entity for the federal funding. The estimated cost for the other six concrete bridges were estimated based on the actual cost of the other five concrete bridges, considering the date constructed, the number of spans and the total length of the bridge. The cost of the 21 wood structure bridges was based on management's estimate of today's cost to construct deflated to the actual year of construction.

The deflation factors used were as per the "price trends for federal-aid highway construction" obtained from the United States Department of Transportation web site.

Debt At the end of this year, the Police Jury had \$135 thousand in general obligation bonds outstanding versus \$200 thousand last year. The Police Jury's general obligation bonds are not rated. The state limits the amount of general obligation debt that parishes can issue up to 10 percent of the assessed value of all taxable property within the parish. The Police Jury's net outstanding general obligation debt of \$37 thousand is significantly below the statutorily imposed limit.

The Police Jury has financed the purchase of various equipment through both banking and financing institutions. Outstanding notes payable at December 31, 2017 was \$186 thousand.

Other obligations are accrued vacations and the net pension liability. We present more detailed information about our long-term liabilities in Note 11 of the notes to the financial statements.

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

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's budget and tax rates. One of the most important factors affecting the budget is our ad valorem and sales tax collections. We have budgeted very little change in ad valorem and sales tax collections from 2017 to 2018. Approximately 59% of total revenue is from ad valorem and sales taxes. We have projected an increase in net position for the 2018 budget year.

CONTACTING THE POLICE JURY'S FINANCIAL MANAGEMENT Our financial report is designed to provide our citizens, taxpayers, 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 Natosha Davis, Secretary-Treasurer, at the East Carroll Parish Police Jury, 400 First Street, Lake Providence, Louisiana 71254, telephone number (318) 559-2256.

BASIC FINANCIAL STATEMENTS

Government-wide Financial Statements (GWFS)

EAST CARROLL PARISH POLICE JURY

STATEMENT OF NET POSITION
December 31, 2017

Statement A

	PRIMARY GOVERNMENT		
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Cash and cash equivalents	\$ 1,966,771	\$ 44,721	\$ 2,011,492
Investments	729,741	-	729,741
Receivables	2,971,282	-	2,971,282
Internal balances	(4,617)	4,617	-
Prepays	2,638	2,084	4,722
Cash and cash equivalents - restricted	-	2,166	2,166
Capital assets not being depreciated	1,391,467	-	1,391,467
Capital assets, net of accumulated depreciation	4,641,710	16,508	4,658,218
TOTAL ASSETS	11,698,992	70,096	11,769,088
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	549,166	15,046	564,212
TOTAL DEFERRED OUTFLOWS OF RESOURCES	549,166	15,046	564,212
LIABILITIES			
Accounts, salaries and other payables	100,927	4,580	105,507
Interest payable	1,113	-	1,113
Long-term liabilities			
Due within one year	258,576	336	258,912
Due in more than one year	486,606	11,414	498,020
TOTAL LIABILITIES	847,222	16,330	863,552
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	82,250	2,253	84,503
TOTAL DEFERRED INFLOWS OF RESOURCES	82,250	2,253	84,503
NET POSITION			
Net investment in capital assets	5,711,859	16,508	5,728,367
Restricted for:			
Road Maintenance	1,167,382	-	1,167,382
Garbage	541,317	-	541,317
Library	712,619	-	712,619
Drainage	646,490	-	646,490
Health Unit	662,127	-	662,127
Criminal Court	41,848	-	41,848
Debt service	98,222	-	98,222
Rural Fire Protection	410,636	-	410,636
LSU/SU Extension	224,121	-	224,121
Housing Assistance Payments	-	2,166	2,166
Unrestricted	1,102,065	47,885	1,149,950
TOTAL NET POSITION	\$ 11,318,686	\$ 66,559	\$ 11,385,245

The accompanying notes are an integral part of these financial statements.

EAST CARROLL PARISH POLICE JURY

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2017

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
<i>Governmental Activities:</i>				
General government:				
Legislative	\$ 74,988	\$ -	\$ -	\$ -
Judicial	759,203	607,711	1,100	-
Elections	28,996	-	-	-
Finance and administrative	270,254	-	-	-
Other general government	739,306	-	-	-
Public safety	304,216	-	70,268	-
Public works	1,825,214	124,170	265,102	425,965
Health and welfare	106,613	-	-	-
Culture and recreation	361,359	12,733	-	-
Economic development and assistance	3,531	-	-	-
Transportation	31,018	6,100	-	-
Interest on long-term debt	10,263	-	-	-
Total Governmental Activities	<u>4,514,961</u>	<u>750,714</u>	<u>336,470</u>	<u>425,965</u>
<i>Business-Type Activities:</i>				
Health and welfare	<u>584,167</u>	<u>-</u>	<u>576,944</u>	<u>-</u>
Total Primary Government	<u>\$ 5,099,128</u>	<u>\$ 750,714</u>	<u>\$ 913,414</u>	<u>\$ 425,965</u>

General revenues:

Taxes:

Property taxes, levied for general purposes

Property taxes, levied for debt services

Sales taxes, levied for general purposes

Other taxes

Grants and contributions not restricted to specific programs

Licenses and permits

Interest and investment earnings

Miscellaneous

Total general revenues

Changes in net position

Net position - beginning

Net position - ending

The accompanying notes are an integral part of these financial statements.

Statement B

**PRIMARY GOVERNMENT
NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION**

GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
\$ (74,988)	\$ -	\$ (74,988)
(150,392)	-	(150,392)
(28,996)	-	(28,996)
(270,254)	-	(270,254)
(739,306)	-	(739,306)
(233,948)	-	(233,948)
(1,009,977)	-	(1,009,977)
(106,613)	-	(106,613)
(348,626)	-	(348,626)
(3,531)	-	(3,531)
(24,918)	-	(24,918)
(10,263)	-	(10,263)
<u>(3,001,812)</u>	<u>-</u>	<u>(3,001,812)</u>
	(7,223)	(7,223)
<u>(3,001,812)</u>	<u>(7,223)</u>	<u>(3,009,035)</u>
2,188,924	-	2,188,924
68,541	-	68,541
652,981	-	652,981
39,665	-	39,665
102,261	-	102,261
130,054	-	130,054
8,876	67	8,943
36,025	409	36,434
<u>3,227,327</u>	<u>476</u>	<u>3,227,803</u>
225,515	(6,747)	218,768
<u>11,093,171</u>	<u>73,306</u>	<u>11,166,477</u>
<u>\$ 11,318,686</u>	<u>\$ 66,559</u>	<u>\$ 11,385,245</u>

The accompanying notes are an integral part of these financial statements.

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BASIC FINANCIAL STATEMENTS

Fund Financial Statements (FFS)

EAST CARROLL PARISH POLICE JURY

GOVERNMENTAL FUNDS

Balance Sheet

December 31, 2017

	GENERAL	ROAD MAINTENANCE AND CONSTRUCTION	GARBAGE DISTRICT NO. 1	LIBRARY
ASSETS				
Cash and cash equivalents	\$ 427,164	\$ 436,006	\$ 4,216	\$ 124,718
Investments	1,429	194,439	151,621	218,707
Receivables	735,024	507,345	395,078	347,391
Interfund receivables	4,117	43,062	-	19,590
Prepays	-	-	-	2,638
TOTAL ASSETS	1,167,734	1,180,852	550,915	713,044
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts, salaries and other payables	28,537	13,470	9,598	425
Interfund payables	80,184	-	-	-
Total Liabilities	108,721	13,470	9,598	425
Deferred Inflows of Resources:				
Unavailable revenue - property taxes	12,103	10,923	8,782	10,896
Total Deferred inflow of resources	12,103	10,923	8,782	10,896
Fund Balances:				
Restricted	-	1,156,459	532,535	701,723
Unassigned	1,046,910	-	-	-
Total Fund Balances	1,046,910	1,156,459	532,535	701,723
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 1,167,734	\$ 1,180,852	\$ 550,915	\$ 713,044

The accompanying notes are an integral part of these financial statements.

Statement C

DRAINAGE MAINTENANCE	HEALTH UNIT	CRIMINAL COURT	DRAINAGE CAPITAL PROJECT	NONMAJOR GOVERNMENTAL	TOTAL
\$ 20,804	\$ 544,601	\$ 13,747	\$ 24,129	\$ 371,386	\$ 1,966,771
62,595	29,203	-	-	71,747	729,741
558,365	84,526	33,061	19,579	290,913	2,971,282
7,371	5,300	-	-	244	79,684
-	-	-	-	-	2,638
649,135	663,630	46,808	43,708	734,290	5,750,116
2,645	1,503	3,808	40,743	198	100,927
-	-	1,152	2,965	-	84,301
2,645	1,503	4,960	43,708	198	185,228
10,923	2,651	-	-	7,538	63,816
10,923	2,651	-	-	7,538	63,816
635,567	659,476	41,848	-	726,554	4,454,162
-	-	-	-	-	1,046,910
635,567	659,476	41,848	-	726,554	5,501,072
\$ 649,135	\$ 663,630	\$ 46,808	\$ 43,708	\$ 734,290	\$ 5,750,116

The accompanying notes are an integral part of these financial statements.

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EAST CARROLL 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	\$	5,501,072
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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	\$	22,194,834	
Accumulated depreciation		<u>(16,161,657)</u>	6,033,177

Long-term assets that are not available to pay current period expenditures are reported as deferred inflows of resources: unavailable revenue - property taxes in the governmental funds and are reported as revenue in the government-wide statements.		63,816
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Deferred outflows of resources related to pensions are not available to pay current period expenditures and therefore are not reported in the governmental funds.		549,166
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Deferred inflows of resources related to pensions are not due and payable in the current period and accordingly are not reported in the governmental funds.		(82,250)
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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			
Bonds payable	\$	(135,000)	
Notes payable		(186,318)	
Compensated absences		(7,258)	
Net pension liability		(416,606)	
Interest payable		<u>(1,113)</u>	<u>(746,295)</u>

Net position of governmental activities	\$	<u><u>11,318,686</u></u>
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The accompanying notes are an integral part of these financial statements.

EAST CARROLL PARISH POLICE JURY

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

	GENERAL	ROAD MAINTENANCE AND CONSTRUCTION	GARBAGE DISTRICT NO. 1	LIBRARY
REVENUES				
Local sources:				
Taxes:				
Ad valorem	\$ 395,768	\$ 356,941	\$ 403,535	\$ 344,527
Sales and use	61,554	591,427	-	-
Other taxes	24,722	-	-	-
Licenses and permits	130,054	-	-	-
Fines and forfeitures	-	-	-	-
Fees, charges, and commissions for services	295,012	-	16,716	12,733
Use of money and property	23,683	2,550	1,667	1,926
Other revenues	109,132	789	-	1,437
Intergovernmental revenues:				
State sources:				
Parish transportation funds	-	116,661	-	-
State revenue sharing	35,040	-	-	8,199
Other	208,563	335,555	-	-
Federal sources - federal grants	64,361	788	-	-
	<u>1,347,889</u>	<u>1,404,711</u>	<u>421,918</u>	<u>368,822</u>
Total Revenues	1,347,889	1,404,711	421,918	368,822
EXPENDITURES				
Current:				
General government:				
Legislative	74,988	-	-	-
Judicial	172,185	-	-	-
Elections	26,970	-	-	-
Finance and administrative	168,575	-	-	-
Other general government	277,549	-	-	-
Public safety	219,152	-	-	-
Public works	184,609	1,056,947	382,395	-
Health and welfare	3,509	-	-	-
Culture and recreation	94	-	-	342,471
Economic development and assistance	3,531	-	-	-
Transportation	2,731	-	-	-
Capital outlay	-	335,555	-	-
Debt service:				
Principal retirement	-	-	44,645	-
Interest and bank charges	-	-	5,887	-
Total Expenditures	<u>1,133,893</u>	<u>1,392,502</u>	<u>432,927</u>	<u>342,471</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ 213,996	\$ 12,209	\$ (11,009)	\$ 26,351

The accompanying notes are an integral part of these financial statements.

Statement E					
DRAINAGE MAINTENANCE	HEALTH UNIT	CRIMINAL COURT	DRAINAGE CAPITAL PROJECT	NONMAJOR GOVERNMENTAL	TOTAL
\$ 356,940	\$ 80,611	\$ -	\$ -	\$ 298,129	\$ 2,236,451
-	-	-	-	-	652,981
-	-	-	-	-	24,722
-	-	-	-	-	130,054
-	-	505,327	-	-	505,327
2,183	-	-	-	-	326,644
737	639	-	-	965	32,167
-	-	-	-	-	111,358
-	-	-	-	-	116,661
-	-	-	-	-	43,239
-	-	-	-	17,319	561,437
-	-	-	78,210	-	143,359
359,860	81,250	505,327	78,210	316,413	4,884,400
-	-	-	-	-	74,988
-	-	564,435	-	-	736,620
-	-	-	-	-	26,970
-	-	-	-	119,149	287,724
-	-	-	-	-	277,549
-	-	-	-	79,040	298,192
262,362	-	-	-	-	1,886,313
-	107,588	-	-	-	111,097
-	-	-	-	-	342,565
-	-	-	-	-	3,531
-	-	-	-	-	2,731
-	-	-	78,210	-	413,765
30,507	-	-	-	65,000	140,152
1,238	-	-	-	3,469	10,594
294,107	107,588	564,435	78,210	266,658	4,612,791
\$ 65,753	\$ (26,338)	\$ (59,108)	\$ -	\$ 49,755	\$ 271,609

(Continued)

The accompanying notes are an integral part of these financial statements.

EAST CARROLL PARISH POLICE JURY

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

	GENERAL	ROAD MAINTENANCE AND CONSTRUCTION	GARBAGE DISTRICT NO. 1	LIBRARY
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ -	\$ -	\$ -
Transfers out	(50,000)	-	-	-
Sale of capital assets	525	18,235	-	-
Total Other Financing Sources (Uses)	(49,475)	18,235	-	-
Net Change in Fund Balances	164,521	30,444	(11,009)	26,351
FUND BALANCES - BEGINNING	882,389	1,126,015	543,544	675,372
FUND BALANCES - ENDING	<u>\$ 1,046,910</u>	<u>\$ 1,156,459</u>	<u>\$ 532,535</u>	<u>\$ 701,723</u>

The accompanying notes are an integral part of these financial statements.

Statement E					
<u>DRAINAGE MAINTENANCE</u>	<u>HEALTH UNIT</u>	<u>CRIMINAL COURT</u>	<u>DRAINAGE CAPITAL PROJECT</u>	<u>NONMAJOR GOVERNMENTAL</u>	<u>TOTAL</u>
\$ -	\$ -	\$ 50,000	\$ -	\$ -	\$ 50,000
-	-	-	-	-	(50,000)
-	-	-	-	-	18,760
-	-	50,000	-	-	18,760
65,753	(26,338)	(9,108)	-	49,755	290,369
569,814	685,814	50,956	-	676,799	5,210,703
<u>\$ 635,567</u>	<u>\$ 659,476</u>	<u>\$ 41,848</u>	<u>\$ -</u>	<u>\$ 726,554</u>	<u>\$ 5,501,072</u>
(Concluded)					

The accompanying notes are an integral part of these financial statements.

EAST CARROLL 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	\$	290,369
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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	\$	483,402	
Depreciation expense		<u>(545,631)</u>	(62,229)

Capital assets disposed of prior to being fully depreciated results in a loss on disposal for the Statement of Activities, however, the loss is not recognized in the governmental funds.	(80,869)
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Repayment of bond principal and notes are an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.	140,152
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In the Statement of Activities, certain operating expenses-compensated absences (vacations and sick leave) - 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 and sick time earned (\$27,965) exceeded the amounts taken (\$25,776) by \$2,189.	(2,189)
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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 governmental funds are the amounts actually paid.	(81,064)
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Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds.	21,014
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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.	<u>331</u>
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Change in net position of governmental activities	<u>\$</u>	<u>225,515</u>
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The accompanying notes are an integral part of these financial statements.

EAST CARROLL PARISH POLICE JURY

PROPRIETARY FUND TYPE - ENTERPRISE FUND

Statement of Net Position

December 31, 2017

Statement G

SECTION 8
VOUCHER

ASSETS	
Current Assets:	
Cash and cash equivalents	\$ 44,721
Interfund receivables	4,617
Prepaid items	2,084
Cash and cash equivalents - restricted	2,166
Total Current Assets	53,588
Non-Current Assets	
Property, plant and equipment (net of accumulated depreciation)	16,508
TOTAL ASSETS	70,096
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	15,046
TOTAL DEFERRED OUTFLOWS OF RESOURCES	15,046
LIABILITIES	
Current Liabilities:	
Accounts payable	4,580
Compensated absences payable	336
Total Current Liabilities	4,916
Noncurrent Liabilities:	
Net pension liability	11,414
Total Noncurrent Liabilities	11,414
TOTAL LIABILITIES	16,330
DEFERRED INFLOWS OF RESOURCES	
Deferred outflows related to pensions	2,253
TOTAL DEFERRED INFLOWS OF RESOURCES	2,253
NET POSITION	
Net investment in capital assets	16,508
Restricted for HAP (Expendable)	2,166
Unrestricted	47,885
TOTAL NET POSITION	\$ 66,559

The accompanying notes are an integral part of these financial statements.

EAST CARROLL PARISH POLICE JURY

PROPRIETARY FUND TYPE - ENTERPRISE FUND

Statement of Revenues, Expenses,
and Changes in Fund Net Position
For the Year Ended December 31, 2017

Statement H

**SECTION 8
VOUCHER**

OPERATING REVENUES	
Federal Grants	\$ 576,944
Miscellaneous income	409
	<hr/>
Total operating revenues	577,353
	<hr/>
OPERATING EXPENSES	
Administration	75,210
Housing assistance payments	508,957
	<hr/>
Total operating expenses	584,167
	<hr/>
OPERATING INCOME (LOSS) FROM OPERATIONS	(6,814)
NONOPERATING REVENUES (EXPENSES)	
Interest income	67
	<hr/>
NET CHANGE IN NET POSITION	(6,747)
NET POSITION - BEGINNING OF YEAR	<hr/> 73,306
NET POSITION - END OF YEAR	<hr/> \$ 66,559

The accompanying notes are an integral part of these financial statements.

EAST CARROLL PARISH POLICE JURY
PROPRIETARY FUND TYPE - ENTERPRISE FUND
Statement of Cash Flows
For the Year Ended December 31, 2017

	Statement I
	SECTION 8 VOUCHER
CASH FLOWS FROM OPERATING ACTIVITIES	
Payments to vendors	\$ (36,060)
Payments to employees	(36,520)
Payments to private landlords and others	(508,957)
Federal grants	526,364
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(55,173)
CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchase of capital assets	(16,508)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(16,508)
CASH FLOW FROM INVESTING ACTIVITIES	
Interest and dividends	67
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	67
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(71,614)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	118,501
CASH AND CASH EQUIVALENTS AT END OF YEAR	46,887
RECONCILIATION TO THE STATEMENT OF NET POSITION:	
Cash and cash equivalents	44,721
Cash and cash equivalents - restricted	2,166
CASH AND CASH EQUIVALENTS AT END OF YEAR	46,887
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET	
CASH PROVIDED (USED) BY OPERATING ACTIVITIES:	
Operating income (loss)	(6,814)
Change in assets and liabilities:	
Accounts receivable	1,513
Interfund receivables	(4,617)
Prepaid expenses	85
Deferred outflows related to pensions	3,789
Accounts payable	3,965
Unearned revenue	(51,164)
Compensated absences payable	10
Net pension liability	(1,784)
Deferred inflows related to pensions	(156)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ (55,173)

The accompanying notes are an integral part of these financial statements.

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

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East Carroll Parish Police Jury
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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES The East Carroll Parish Police Jury (the Police Jury) is the governing authority for East Carroll Parish and is a political subdivision of the state of Louisiana. The Police Jury is governed by five jurors representing the various districts within the parish. The jurors serve four-year terms which expire in December 2019.

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, sales 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 East Carroll Parish Police Jury is the financial reporting entity for East Carroll 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.

The Governmental Accounting Standards Board (GASB) establishes criteria for determining the governmental reporting entity and component units that should be considered part of the East Carroll 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 standards have set forth criteria to be considered in determining financial accountability. These criteria include:

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 for which the Police Jury does not appoint a voting majority but are fiscally dependent on the Police Jury and a financial benefit or burden is present.
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.

**East Carroll Parish Police Jury
Notes to the Financial Statements
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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:			
Sixth Judicial District Criminal Court (East Carroll Parish)	Blended	December	2 and 3
LSU Cooperative Extension Service	Blended	December	2 and 3

Not included within the reporting entity:

East Carroll Parish:

Sheriff	Discrete	June 30	3
Assessor	Discrete	December	3
Hospital Service District	Discrete	May 31	2 and 3
Clerk of Court	Discrete	June 30	3
Community Action Agency of East Carroll Parish	Discrete	December	2 and 3

The Police Jury has chosen not to include the following component units in the basic financial statements: Sheriff, Assessor, Clerk of Court, and Community Action Agency of East Carroll Parish. Separate financial statements for each of these component units can be obtained by contacting the component unit.

The Police Jury is also responsible for appointing a majority of the members of the boards of the East Carroll Hospital Service District and the East Carroll Parish Housing Authority but the Police Jury's accountability for these organizations does not extend beyond making appointments so these entities should not be included in the financial reporting entity. The East Carroll Recreation District financial statements are not material to the financial statements of the Police Jury.

Additionally, it was determined that the East Carroll Parish Library is not a component unit of the East Carroll Parish Police Jury reporting entity because they do not have separate corporate powers that would distinguish it as being legally separate from the primary government, primarily due to the fact that East Carroll Parish Library does not have the right to buy, sell, lease, and mortgage property in its own name. Furthermore, it was determined that the East Carroll Parish Police Jury holds East Carroll Parish Library's corporate powers and that the East Carroll Parish Library financial statements should be included in the financial statements of the East Carroll Parish Police Jury as a special revenue fund.

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.

Governmental funds: 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 recovering the cost of providing services to the public or other agencies through service charges or user fees. The major governmental funds of the Police Jury are described as follows:

General fund - The 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.

**East Carroll Parish Police Jury
Notes to the Financial Statements
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Road Maintenance and Construction - This fund accounts for ad valorem and sales tax used to maintain the parish roads, streets and bridges.

Garbage District No. 1 - This fund accounts for the parish garbage collection services begun in 2001. The main source of revenue is ad valorem tax.

Library - This fund accounts for the activities performed for the public library with the use of ad valorem tax.

Drainage Maintenance - The drainage maintenance fund accounts for the maintenance of the parish drainage system. Financing is provided by ad valorem taxes.

Health Unit - This fund accounts for the parish health center.

Criminal Court - This fund accounts for the activities of the parish court. The main source of revenue is fines.

Drainage Capital Project – This fund accounts for the construction costs funded through CDBG federal grant funds.

Proprietary Fund - The proprietary fund accounts for activities similar to those found in the private sector where the determination of net income is necessary or useful to sound financial administration. The proprietary fund differs from a governmental fund in that its focus is on income measurement which, together with the maintenance of equity, is an important financial indicator.

Section 8 Voucher - This fund accounts for the activity for HUD's Section 8 Housing Choice Voucher program. The purpose is to assist low-income families in obtaining affordable housing.

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 inflows/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.

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

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 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 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 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 inflows/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 the taxes are due and payable. Ad valorem taxes are assessed on a calendar-year basis and attach as an enforceable lien and become due and payable on the date the tax rolls are filed with the recorder of mortgages. Louisiana Revised Statute 47:1993 requires that the tax roll be filed on or before November 15 of each year. 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.

Sales taxes are susceptible to accrual.

Federal and state grants are recognized when the Police Jury is entitled to the funds.

Fines, forfeitures, and court costs are recognized in the year they are received by the parish tax collector.

Interest income on time deposits is recognized when the time deposits have matured and the interest is available.

Substantially all other revenues are recognized 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 long-term obligations, which are recognized when due.

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

Other Financing Sources (Uses) Sale of capital assets, increases in long-term debt, 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.

Proprietary Funds

Operating Revenues and Expenses Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with the fund's principal ongoing operations which is providing affordable housing. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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 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, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

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.

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

Definitions:

Interest-earning investment contracts 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 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. These financial reports can be obtained by writing: LAMP, Inc., 228 St. Charles Avenue, Suite 1123, New Orleans, LA 70130.

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.

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. PREPAID ITEMS Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

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

J. CAPITAL ASSETS Capital assets exceeding \$1,000 are recorded at either historical cost or estimated historical cost and depreciated over their estimated useful lives (excluding salvage value). Donated capital assets are recorded at their acquisition value at the date of donation. General and infrastructure assets (e.g. roads, bridges, and other assets that are immovable and of value only to the government) are capitalized and valued at historical cost or estimated historical cost. Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Straight line depreciation is used based on the following estimated useful lives:

Buildings	40 years
Portable buildings	10 to 20 years
Office equipment	6 or 10 years
Furniture and fixtures	6 or 10 years
Construction equipment	4 to 10 years
Vehicles	4 or 9 years
Books, periodicals and law books	10 years
Infrastructure:	
Airport hangars	40 years
Road surface	25 years
Bridges	40 to 50 years
Drainage	25 years

K. COMPENSATED ABSENCES All full-time employees of the Police Jury earn annual leave at rates varying from ten to 20 days per year, depending on length of service. Employees may accumulate and carry forward no more than five days of annual leave. All full-time permanent employees earn one sick day per month of continuous employment. Sick leave can be accumulated up to 30 days. Employees are not compensated for sick leave at termination or retirement.

Full-time employees of the East Carroll Parish Library earn from ten to 15 days of vacation leave, depending on their length of service and position with the library. Part-time employees earn six days of vacation leave each year. Vacation leave cannot be accumulated. All 12-month employees earn ten days of sick leave each year. Sick leave can be accumulated up to 20 days. Part-time employees earn six days of sick leave each year. Sick leave lapses upon termination of employment.

The cost of leave privileges, computed in accordance with the previous codification, is recognized as a 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.

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

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

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

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

Employees are not compensated for sick leave at termination or retirement; therefore, sick leave is not accrued.

L. LIABILITIES For government-wide reporting, debt issuance costs, with the exception of any portion related to prepaid insurance costs, are recognized as an expense in the period incurred.

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 another 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.

M. 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 has one item, deferred outflows related to pensions that qualifies in this category and is reported only in the governmental activities.

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 until that time. The Police Jury has one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, 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 Police Jury also has one item, deferred inflows related to pensions that qualifies in this category and is reported only in the governmental activities.

N. PENSION PLAN 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.

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

O. 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. All of the Police Jury's restricted net position are restricted by enabling legislation except for net position restricted for housing assistance payments.

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 are available.

P. FUND BALANCES OF FUND FINANCIAL STATEMENTS Fund balance amounts are reported within the fund balance categories as follows:

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. Committed amounts cannot be used for any other purpose unless the Police Jury removes or changes the specified use by taking the same type of action it employed to previously commit the funds. Committed fund balance is the result of resolutions passed at a Jury meeting committing 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. Intent should be expressed by the Jury or a committee of the Jury.

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 to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available.

Q. 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 nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

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

R. SALES TAXES The Police Jury has a one percent sales and use tax, which was passed by the voters on October 16, 1993, for a period of five years. In July 2008, this tax was renewed for five years. The taxing period for the renewal is effective from January 1, 2009 through December 31, 2017. The net proceeds of the tax (after necessary costs of collection) are to be used to construct, operate, and maintain parish public roads, drainage canals, and public bridges, with ten percent of the proceeds used exclusively for insurance premiums.

S. UNEARNED REVENUES Unearned revenues arise when resources are received by the Police Jury before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when the Police Jury has a legal claim to the resources, the liability for unearned revenue is removed from the combined balance sheet and the revenue is recognized.

T. 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 and liabilities 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.

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Excess of Actual Expenditures Over Budgeted Expenditures in Individual Funds The following funds had actual expenditures which exceeded budgeted expenditures for the year ended December 31, 2017:

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
General Fund	\$ 1,182,665	\$1,188,990	\$ (6,325)
Road Maintenance and Construction	1,491,441	1,504,839	(13,398)

The negative budget variance is a result of expenditures exceeding the budget in the last month of the year.

NOTE 3 - LEVIED TAXES The Police Jury levies taxes on real and business personal property located within East Carroll Parish's boundaries. Property taxes are levied by the Police Jury on property values assessed by the East Carroll Parish Tax Assessor and approved by the State of Louisiana Tax Commission.

The East Carroll Parish sheriff's office bills and collects property taxes for the Police Jury. Collections are remitted to the Police Jury monthly.

Property Tax Calendar

Jury Levy date	September 2017
Tax bills mailed	November 2017
Due date	December 31, 2017
Lien date	January 1, 2018
Tax sale – 2017 delinquent property	June 2018

**East Carroll Parish Police Jury
Notes to the Financial Statements
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Assessed values are established by the East Carroll Parish Tax Assessor each year on a uniform basis at the following ratios of assessed value to fair market value.

10% land	15% machinery
10% residential improvements	15% commercial improvements
15% industrial 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 in 2016. Louisiana state law exempts the first \$75,000 of assessed value of a taxpayer's primary residence from parish property taxes. For calendar year 2017, the total assessed value was \$48,493,997 and the homestead exemption was \$5,278,215 of the assessed value.

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.

All property taxes are recorded in the general fund, road maintenance and construction special revenue fund, drainage maintenance special revenue fund, garbage district no. 1 special revenue fund, rural fire special revenue fund, library special revenue fund, health unit special revenue fund, LSU cooperative extension service special revenue fund and the debt service fund. Revenues in such funds are recognized in the accounting period in which they become measurable and available. Property taxes are considered measurable in the calendar year of the tax levy. 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. Available means due, or past due, and receivable within the current period and collected within the current period or expected to be collected soon enough thereafter to pay liabilities of the current period. The remaining property taxes receivable are considered available because they are substantially collected within 60 days subsequent to year end.

The tax roll is prepared by the parish tax assessor in November of each year; therefore, the amount of 2017 property taxes to be collected occurs in December and January and February of the next year. Historically, virtually all ad valorem taxes receivable were collected since they are secured by property; therefore, there is no allowance for uncollectible taxes.

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

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

	<u>Maximum Allowed Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
Parish-wide taxes:			
General fund	6.60	6.60	Indefinite
Courthouse maintenance	2.53	2.53	2019
Roads and bridges	8.24	8.24	2022
Drainage maintenance	8.24	8.24	2022
Library and bookmobile	8.22	8.22	2019
Health unit	4.74	2.00	2017
Cooperative extension program	2.74	2.74	2019
District taxes:			
Rural fire protection	3.25	3.25	2018
Rural fire protection debt service	Variable	1.94	2018
Garbage collection and disposal	11.67	11.67	2020

NOTE 4 - 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)	\$ 2,011,492
Demand deposits (cash and cash equivalents - restricted per Statement A)	2,166
Time deposits (reported as investments)	106,381
Total	<u>\$ 2,120,039</u>

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 Police Jury had a bank balance of \$2,297,276 of which \$589,204 was covered by federal depository insurance and \$1,708,072 was secured by collateral held by the Police Jury's agent but not in the Police Jury's name. 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.

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

NOTE 5 - INVESTMENTS The Police Jury categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted process in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

At year end, the Police Jury investment balances were as follows:

<u>Type of investment</u>	<u>Carrying Amount</u> <u>Fair Value</u>
Certificate of deposit	\$ 106,381
LAMP	623,360
	<u>\$ 729,741</u>

LAMP is a 2a7-like investment pool. Investments in LAMP are stated at fair value based on quoted market rates (Level 1). The following facts are relevant for 2a7-like investment pools:

Credit risk: Lamp is rated AAAM by Standard & Poor's.

Custodial credit risk: 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 rate 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.

Foreign currency risk: Not applicable to 2a7-like pools.

NOTE 6 - RECEIVABLES The following is a summary of receivables at December 31, 2017:

	<u>Ad Valorem</u>	<u>Other taxes</u>	<u>Intergovernmental</u>	<u>Other</u>	<u>Total</u>
General	\$ 385,855	\$ 25,624	\$ 256,627	\$ 66,918	\$ 735,024
Road Maintenance and Construction	348,242	56,413	102,690	-	507,345
Garbage District 1	393,752	-	-	1,326	395,078
Library	347,391	-	-	-	347,391
Drainage Maintenance	348,242	-	210,123	-	558,365
Health Unit	84,526	-	-	-	84,526
Criminal Court	-	-	-	33,061	33,061
Drainage Project	-	-	19,579	-	19,579
Nonmajor Governmental	290,913	-	-	-	290,913
Total	<u>\$ 2,198,921</u>	<u>\$ 82,037</u>	<u>\$ 589,019</u>	<u>\$ 101,305</u>	<u>\$ 2,971,282</u>

East Carroll Parish Police Jury
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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 accounts receivable is expected to be collected in full so no allowance for doubtful accounts has been established.

NOTE 7 - INTERFUND TRANSACTIONS (FFS LEVEL ONLY)

Interfund receivable/payable:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General fund	Criminal Court	\$ 1,152
General fund	Drainage Project	2,965
Road Maintenance and Construction	General fund	43,062
Library	General fund	19,590
Drainage Maintenance	General fund	7,371
Health Unit	General fund	5,300
Nonmajor Governmental	General fund	244
Section 8	General fund	4,617
Total		<u>\$ 84,301</u>

Interfund balances result from fund reimbursements not made before year end.

Interfund transfers:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
Criminal Court	General fund	\$ 50,000
Total		<u>\$ 50,000</u>

The General fund transferred funds to the Criminal Court fund to provide funding for operating and administrative expenditures.

East Carroll Parish Police Jury
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NOTE 8 - CAPITAL ASSETS The following schedule presents changes in capital assets for the Police Jury:

	Balance Beginning	Additions	Deletions	Balance Ending
Governmental activities				
Nondepreciable capital assets:				
Land	\$ 274,665	\$ -	\$ -	\$ 274,665
Airport land	101,000	-	-	101,000
Infras tructure: Road right-of-way	558,234	-	-	558,234
Construction in progress	460,249	427,614	430,295	457,568
Total non-depreciable capital assets	<u>1,394,148</u>	<u>427,614</u>	<u>430,295</u>	<u>1,391,467</u>
Depreciable capital assets:				
Buildings	2,780,483	-	-	2,780,483
Furniture & equipment	388,519	46,601	-	435,120
Construction equipment	2,140,759	-	227,133	1,913,626
Vehicles	3,255,555	9,187	76,501	3,188,241
Books, periodicals & law books	342,548	-	342,548	-
Infras tructure:				
Airport	1,155,666	-	-	1,155,666
Road surface	9,140,845	-	-	9,140,845
Bridges	1,759,091	-	-	1,759,091
Drainage	-	430,295	-	430,295
Total depreciable capital assets	<u>20,963,466</u>	<u>486,083</u>	<u>646,182</u>	<u>20,803,367</u>
Less accumulated depreciation:				
Buildings	1,738,783	57,013	-	1,795,796
Furniture & equipment	343,924	15,486	-	359,410
Vehicles	2,437,589	215,159	73,314	2,579,434
Construction equipment	1,214,391	159,063	149,451	1,224,003
Books, periodicals & law books	342,548	-	342,548	-
Infras tructure:				
Airport	314,840	28,267	-	343,107
Road surface	8,539,720	35,595	-	8,575,315
Bridges	1,249,544	26,442	-	1,275,986
Drainage	-	8,606	-	8,606
Total accumulated depreciation	<u>16,181,339</u>	<u>545,631</u>	<u>565,313</u>	<u>16,161,657</u>
Total depreciable capital assets, net	<u>4,782,127</u>	<u>(59,548)</u>	<u>80,869</u>	<u>4,641,710</u>
Governmental activities				
Capital assets, net	<u>\$ 6,176,275</u>	<u>\$ 368,066</u>	<u>\$ 511,164</u>	<u>\$ 6,033,177</u>

Depreciation expense was charged to governmental activities for the Police Jury as follows:

Elections	\$ 2,026
Other general government	11,529
Public Safety	44,545
Public Works	427,724
Health & Welfare	27,604
Culture & Recreation	3,936
Transportation	28,267
Total	<u>\$ 545,631</u>

East Carroll Parish Police Jury
Notes to the Financial Statements
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The following schedule presents changes in capital assets for the business-type activities.

	Balance <u>Beginning</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>Ending</u>
Depreciable capital assets				
Furniture & fixtures	\$ 3,131	\$ -	\$ -	\$ 3,131
Vehicles	12,365	16,508	-	28,873
Total	15,496	16,508	-	32,004
Less accumulated depreciation				
Furniture & equipment	3,131	-	-	3,131
Vehicles	12,365	-	-	12,365
Total	15,496	-	-	15,496
Business-type activities capital assets, net	<u>\$ -</u>	<u>\$ 16,508</u>	<u>\$ -</u>	<u>\$ 16,508</u>

NOTE 9 - 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 Descriptions/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.

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A member is eligible to retire and receive disability benefits if the member has at least 5 years of creditable service, 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, as outlined in the statutes.

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 9.35% of member's compensation. However, the actual rate for fiscal year ending December 31, 2017 was 12.5% or \$149,776. 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 \$15,352 and was recognized as revenue by the Police Jury.

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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 total liability of \$428,020, \$416,606 for governmental activities and \$11,414 for business-type activities, 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 was 0.207826%, or a decrease of 0.001295%.

For the year ended December 31, 2017, the Police Jury recognized a total pension expense of \$248,041, \$241,789 for governmental activities and \$6,252 for business-type activities. 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:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Differences between expected and actual experience	\$ -	\$ 72,903	\$ -	\$ 1,997	\$ -	\$ 74,900
Changes in assumptions	79,095	-	2,167	-	81,262	-
Net difference between projected and actual earnings on pension plan investments	323,302	-	8,858	-	332,160	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	987	9,347	27	256	1,014	9,603
Employer contributions subsequent to the measurement date	145,782	-	3,994	-	149,776	-
Total	<u>\$ 549,166</u>	<u>\$ 82,250</u>	<u>\$ 15,046</u>	<u>\$ 2,253</u>	<u>\$ 564,212</u>	<u>\$ 84,503</u>

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, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
2018	\$ 116,416	\$ 3,190	\$ 119,606
2019	129,162	3,539	132,701
2020	84,292	2,309	86,601
2021	(8,736)	(239)	(8,975)

**East Carroll Parish Police Jury
Notes to the Financial Statements
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Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of December 31, 2016 are as follows:

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	RP-2000 Healthy Annuitant Sex Distinct Tables (set forward 2 years for males and set forward 1 year for females) 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.
Termination, Disability, Retirement	Projected based on a 5 year (January 1, 2010 - December 31, 2014) experience study
Projected Salary Increases	5.25% (2.75% Merit/2.50% Inflation)
Cost of Living Adjustments	Not substantively automatic

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 contributions from plan members will be made at the current contribution rates and that contributions from participating employers and non-employer contributing entities will be made at the actuarially determined contribution rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. 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 plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The 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.

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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	Long-Term Expected Real Rate of Return
Fixed income	35%	1.24%
Equity	52%	3.63%
Alternatives	11%	0.67%
Real assets	2%	0.12%
Total	100%	5.66%
Inflation		2.00%
Expected arithmetic nominal return		7.66%

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
\$ 1,280,381	\$ 428,020	\$ (292,676)

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 \$113 in payables for the December 2017 employee and employer legally required contributions.

NOTE 10 - ACCOUNTS, SALARIES, AND OTHER PAYABLES Payables at December 31, 2017 are as follows:

	Accounts Payable	Salaries & Benefits Payable	Total
General	\$ 27,250	\$ 1,287	\$ 28,537
Road Maintenance and Construction	6,077	7,393	13,470
Garbage District No. 1	6,424	3,174	9,598
Library	425	-	425
Drainage Maintenance	2,645	-	2,645
Health Unit	-	1,503	1,503
Criminal Court	3,551	257	3,808
Drainage Project	40,743	-	40,743
Nonmajor Governmental	-	198	198
Section 8 Voucher	4,580	-	4,580
Total	\$ 91,695	\$ 13,812	\$ 105,507

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Notes to the Financial Statements
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NOTE 11 - LONG-TERM LIABILITIES The following is a summary of the long-term liabilities transactions and balances for the year ended December 31, 2017:

Governmental Activities

	Beginning Balance	Additions	Deletions	Ending Balance	Amounts Due Within One year
Governmental Activities:					
Bonds payable:					
General obligation debt	\$ 200,000	\$ -	\$ 65,000	\$ 135,000	\$ 65,000
Other Liabilities:					
Notes payable	261,470	-	75,152	186,318	186,318
Compensated absences	5,069	27,965	25,776	7,258	7,258
Net pension liability	537,269	33,091	153,754	416,606	-
Governmental Activities					
Long-term liabilities	<u>\$ 1,003,808</u>	<u>\$ 61,056</u>	<u>\$ 319,682</u>	<u>\$ 745,182</u>	<u>\$ 258,576</u>

Payments on the general obligation bonds payable that pertain to the Police Jury's governmental activities are made by the debt service fund. The compensated absences liability attributable to the governmental activities will be liquidated by the fund in which the salary is paid. The notes payable are paid from the garbage district no. 1 fund and drainage maintenance fund. The net pension liability will be liquidated through contributions to the pension plan from the governmental fund in which the related salary was paid.

Business-Type Activities

	Beginning Balance	Additions	Deletions	Ending Balance	Amounts Due Within One year
Business-type Activities:					
Other Liabilities:					
Compensated absences	\$ 326	\$ 1,331	\$ 1,321	\$ 336	\$ 336
Net pension liability	13,198	1,993	3,777	11,414	-
Total Business-type Activities					
Long-term liabilities	<u>\$ 13,524</u>	<u>\$ 3,324</u>	<u>\$ 5,098</u>	<u>\$ 11,750</u>	<u>\$ 336</u>

Governmental Activities

The general obligation bonds payable at December 31, 2017 is the following issue:

	Original Amount	Interest Rates	Final Payment Due	Interest to Maturity	Principal Outstanding
2004 Issue	<u>\$750,000</u>	0.75 to 2.25	1-Apr-19	<u>\$2,931</u>	<u>\$135,000</u>

**East Carroll Parish Police Jury
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All principal and interest requirements on the general obligation debt are funded in accordance with Louisiana law by the annual ad valorem tax levy on taxable property within the parish. At December 31, 2017 the Police Jury had accumulated \$97,875 in the debt service fund for future bond debt requirements.

The notes payable consists of two notes as follows:

	Original <u>Amount</u>	Interest <u>Rate</u>	Final Payment <u>Due</u>	Interest to <u>Maturity</u>	Principal <u>Outstanding</u>
2013	\$ 193,895	3.300%	September 26, 2018	\$ 260	\$ 20,905
2016	225,246	3.179%	September 25, 2018	3,775	165,413
				<u>\$ 4,035</u>	<u>\$ 186,318</u>

The bonds and notes payable are due as follows:

<u>Year Ending December 31,</u>	Principal <u>Payments</u>	Interest <u>Payments</u>	<u>Total</u>
2018	\$ 251,318	\$ 6,179	\$ 257,497
2019	70,000	787	70,787
Total	<u>\$ 321,318</u>	<u>\$ 6,966</u>	<u>\$ 328,284</u>

In accordance with Louisiana Revised Statute 39:562, the Police Jury and its component units are legally restricted from incurring long-term bonded 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 \$4,849,400 and net outstanding bonded debt totals \$37,125.

NOTE 12 - LITIGATION AND CLAIMS

Litigation At December 31, 2017, the Police Jury is not involved in any litigation; therefore, they have not sought legal counsel.

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. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under terms of the grant.

NOTE 13 - RISK MANAGEMENT The Police Jury is at risk for property damage, liability and theft which are covered by commercial insurance through the Louisiana 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. The amount of settlements have not exceeded insurance coverage for any of the past three years.

East Carroll Parish Police Jury
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NOTE 14 - FUND BALANCE CLASSIFICATION DETAILS

	General Fund	Road Maintenance and Construction	Garbage District No. 1	Library	Drainage Maintenance	Health Unit	Criminal Court	Nonmajor Governmental	Total
Restricted for:									
Road Maintenance and Construction	\$ -	\$ 1,156,459	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,156,459
Garbage	-	-	532,535	-	-	-	-	-	532,535
Library	-	-	-	701,723	-	-	-	-	701,723
Drainage Maintenance	-	-	-	-	635,567	-	-	-	635,567
Health Unit	-	-	-	-	-	659,476	-	-	659,476
Criminal Court	-	-	-	-	-	-	41,848	-	41,848
Debt Service	-	-	-	-	-	-	-	97,875	97,875
Rural Fire Protection	-	-	-	-	-	-	-	408,190	408,190
LSU Cooperative Extension	-	-	-	-	-	-	-	220,489	220,489
Unassigned:	1,046,910	-	-	-	-	-	-	-	1,046,910
Total	<u>\$ 1,046,910</u>	<u>\$ 1,156,459</u>	<u>\$ 532,535</u>	<u>\$ 701,723</u>	<u>\$ 635,567</u>	<u>\$ 659,476</u>	<u>\$ 41,848</u>	<u>\$ 726,554</u>	<u>\$ 5,501,072</u>

NOTE 15 - TAX ABATEMENTS The Police Jury is subject to tax abatements granted by the Louisiana Department of Economic Development, Office of Commerce and Industry. 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 Valuate Lost to ITEP	Estimated Tax Dollar Lost to ITEP
Parish General	6.60	\$ 6,793,905	\$ 44,840
Courthouse Maintenance	2.53	6,793,905	17,189
Road Maintenance & Construction	8.24	6,793,905	55,982
Garbage District #1	11.67	6,793,905	79,285
Library & Bookmobile	8.22	6,793,905	55,846
Drainage Maintenance	8.24	6,793,905	55,982
Health Unit	2.00	6,793,905	13,588
LA Cooperative Extension Program	2.74	6,793,905	18,615
Fire Maintenance	3.25	6,793,905	22,080
Fire Bond	1.94	6,793,905	13,180
			<u>\$ 376,586</u>

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

NOTE 16 - 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.

NOTE 17 – SUBSEQUENT EVENTS During March 2018, the Police Jury entered into a contract for phase 2 of the Lake Providence Statewide Flood Control project for \$549,286. This project is federally funded by a Community Development Block Grant.

NOTE 18 – CHANGE IN PRESENTATION The Drainage Capital Project fund is required to be reported as a major fund for the current fiscal year. This is a change in presentation from prior year as the Drainage Capital Project fund was reported as a nonmajor fund in the prior fiscal year.

REQUIRED SUPPLEMENTARY INFORMATION

East Carroll Parish Police Jury

Schedule of Employer's Proportionate Share of the Net Pension Liability Last Three Fiscal Years

Exhibit 1-1

Fiscal Year	Employer's Proportion of the Net Pension Liability	Employer's Proportionate Share of the Net Pension Liability	Employer's Covered Payroll	Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.216628%	\$ 60,666	\$ 1,080,876	6%	99.15%
2016	0.209121%	550,467	1,180,476	47%	92.23%
2017	0.207826%	428,020	1,211,777	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.

Schedule of Employer Contributions to Pension Plan Last Three Fiscal Years

Exhibit 1-2

Fiscal Year	Contractually Required Contribution	Contributions in Relation to Contractually Required Contributions	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a Percentage of Covered Employee Payroll
2015	\$ 171,169	\$ 171,169	\$ -	\$ 1,180,476	14.5%
2016	157,531	157,531	-	1,211,777	13.0%
2017	149,776	149,776	-	1,198,208	12.5%

Notes:

The amounts presented were determined 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.

See independent auditor's report.

East Carroll Parish Police Jury

Notes to Required Supplemental Information for Pensions

Changes in Benefit Terms A 2.5% COLA effective January 1, 2015, provided by State statutes. This COLA is reflected in amounts reported after 2015.

Change in Assumptions: For amounts reported in 2015, an investment rate of return of 7.25% and an inflation rate of 3.00% were used and expectations and mortality were based on January 1, 2006 – December 31, 2010 experience study. The RP-2000 Combined Healthy Tables set back 1 year for males and RP-2000 Combined Healthy Female Table for females were used for annuitant, beneficiary and employee mortality and the RP-2000 Disabled Lives Mortality Tables for Males and Females were used for disabled annuitants.

For amounts reported in 2016 and later, an investment rate of return of 7.00% and an inflation rate of 2.50% were used and expectations and mortality were based on a January 2, 2010 – December 31, 2014 experience study. The RP-2000 Healthy Annuitant Sex Distinct Tables (set forward 2 years for males and set forward 1 year for females) projected to 2031 using Scale AA were used for annuitant and beneficiary mortality, the RP-2000 Employees Sex Distinct Tables (set back 4 years for males and 3 years for females) were used for employee mortality and the RP-2000 Disabled Lives Mortality Tables (set back 5 years for males and set back 3 years for females) were used for disabled annuitants mortality.

See independent auditor's report.

East Carroll Parish Police Jury

Budgetary Comparison Schedules

General Fund And Major Special Revenue Funds With Legally Adopted Annual Budgets

GENERAL FUND The general fund accounts for all activities of the Police Jury except those that are accounted for in other funds.

ROAD MAINTENANCE AND CONSTRUCTION The road maintenance fund accounts for the maintenance of the parish highways, streets, and bridges. Major means of financing is provided by a one percent sales tax and by ad valorem taxes.

GARBAGE DISTRICT NO. 1 The solid waste fund accounts for the operations of the parish-wide landfill project and is funded by a district ad valorem tax.

LIBRARY The library fund accounts for the operations of the parish library. Financing is provided by ad valorem taxes.

DRAINAGE MAINTENANCE The drainage maintenance fund accounts for the maintenance of the parish drainage system. Financing is provided by ad valorem taxes.

HEALTH UNIT The health unit fund accounts for the parish health center. Financing is provided by ad valorem taxes.

See independent auditor's report.

EAST CARROLL PARISH POLICE JURY

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

Exhibit 2-1

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	(BUDGETARY BASIS)	
BUDGETARY FUND BALANCES, BEGINNING	\$ 222,036	\$ 305,219	\$ 305,219	\$ -
Resources (inflows)				
Local sources:				
Taxes:				
Ad valorem	397,000	380,042	380,042	-
Sales and use	50,000	59,416	59,416	-
Other taxes	25,200	29,749	28,391	(1,358)
Licenses and permits	115,800	191,494	120,239	(71,255)
Fees, charges, and commissions for services	277,000	297,000	295,012	(1,988)
Use of money and property	23,100	23,636	23,683	47
Other revenues	116,250	224,761	208,191	(16,570)
Intergovernmental revenues:				
State sources:				
State revenue sharing	36,000	42,267	40,865	(1,402)
Other	237,036	176,268	168,656	(7,612)
Federal sources - federal grants	821,720	25,609	25,609	-
Sale of capital assets	-	525	525	-
	<u>2,321,142</u>	<u>1,755,986</u>	<u>1,655,848</u>	<u>(100,138)</u>
Amounts available for appropriations	<u>2,321,142</u>	<u>1,755,986</u>	<u>1,655,848</u>	<u>(100,138)</u>
Charges to appropriations (outflows)				
Current:				
General government:				
Legislative	74,634	75,024	74,988	36
Judicial	188,400	173,287	172,185	1,102
Elections	35,500	27,132	26,970	162
Finance and administrative	141,300	166,201	166,160	41
Other general government	330,100	284,180	292,874	(8,694)
Public safety	928,600	231,609	231,555	54
Public works	206,686	164,393	164,393	-
Health and welfare	5,850	3,509	3,509	-
Culture and recreation	700	94	94	-
Economic development and assistance	6,500	4,473	3,531	942
Transportation	3,155	2,763	2,731	32
Transfers Out	50,000	50,000	50,000	-
	<u>1,971,425</u>	<u>1,182,665</u>	<u>1,188,990</u>	<u>(6,325)</u>
Total charges to appropriations	<u>1,971,425</u>	<u>1,182,665</u>	<u>1,188,990</u>	<u>(6,325)</u>
BUDGETARY FUND BALANCES, ENDING	<u>\$ 349,717</u>	<u>\$ 573,321</u>	<u>\$ 466,858</u>	<u>\$ (106,463)</u>

See independent auditor's report.

EAST CARROLL PARISH POLICE JURY

ROAD MAINTENANCE AND CONSTRUCTION

Budgetary Comparison Schedule

For the Year Ended December 31, 2017

Exhibit 2-2

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL	(BUDGETARY BASIS)	POSITIVE (NEGATIVE)
BUDGETARY FUND BALANCES, BEGINNING	\$ 545,240	\$ 745,099	\$ 745,099	\$ -
Resources (inflows)				
Local sources:				
Taxes:				
Ad valorem	358,302	332,173	332,173	-
Sales and use	500,000	607,342	586,903	(20,439)
Use of money and property	1,034	2,494	2,550	56
Other revenues	500	789	789	-
Intergovernmental revenues:				
State sources:				
Parish transportation funds	161,000	112,518	128,355	15,837
Other	-	335,555	335,555	-
Federal sources- federal grants	-	788	788	-
Sale of capital assets	-	18,235	18,235	-
Amounts available for appropriations	<u>1,566,076</u>	<u>2,154,993</u>	<u>2,150,447</u>	<u>(4,546)</u>
Charges to appropriations (outflows)				
Current:				
Public works	1,018,196	1,155,886	1,169,284	(13,398)
Capital outlay	<u>-</u>	<u>335,555</u>	<u>335,555</u>	<u>-</u>
Total charges to appropriations	<u>1,018,196</u>	<u>1,491,441</u>	<u>1,504,839</u>	<u>(13,398)</u>
BUDGETARY FUND BALANCES, ENDING	<u><u>\$ 547,880</u></u>	<u><u>\$ 663,552</u></u>	<u><u>\$ 645,608</u></u>	<u><u>\$ (17,944)</u></u>

See independent auditor's report.

EAST CARROLL PARISH POLICE JURY

GARBAGE DISTRICT NO. 1
Budgetary Comparison Schedule
For the Year Ended December 31, 2017

Exhibit 2-3

	BUDGETED AMOUNTS		ACTUAL AMOUNTS (BUDGETARY BASIS)	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
BUDGETARY FUND BALANCES, BEGINNING	\$ 23,702	\$ 181,380	\$ 181,380	\$ -
Resources (inflows)				
Local sources:				
Taxes:				
Ad valorem	418,488	392,833	392,833	-
Fees, charges, and commissions for services	16,298	16,716	16,716	-
Use of money and property	190	1,668	1,667	(1)
Amounts available for appropriations	458,678	592,597	592,596	(1)
Charges to appropriations (outflows)				
Current:				
Public works	357,734	385,535	385,148	387
Debt service:				
Principal retirement	50,532	50,532	50,532	-
Total charges to appropriations	408,266	436,067	435,680	387
BUDGETARY FUND BALANCES, ENDING	\$ 50,412	\$ 156,530	\$ 156,916	\$ 386

See independent auditor's report.

EAST CARROLL PARISH POLICE JURY

LIBRARY

Budgetary Comparison Schedule
For the Year Ended December 31, 2017

Exhibit 2-4

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL	(BUDGETARY BASIS)	POSITIVE (NEGATIVE)
BUDGETARY FUND BALANCES, BEGINNING	\$ 418,288	\$ 355,289	\$ 355,289	\$ -
Resources (inflows)				
Local sources:				
Taxes:				
Ad valorem	320,000	331,539	319,797	(11,742)
Fees, charges, and commissions for services	6,435	12,733	12,733	-
Use of money and property	405	1,259	1,260	1
Intergovernmental revenues:				
State funds:				
State revenue sharing	8,088	2,733	2,733	-
Amounts available for appropriations	753,216	703,553	691,812	(11,741)
Charges to appropriations (outflows)				
Current:				
Culture and recreation	358,767	362,815	350,490	12,325
Total charges to appropriations	358,767	362,815	350,490	12,325
BUDGETARY FUND BALANCES, ENDING	\$ 394,449	\$ 340,738	\$ 341,322	\$ 584

See independent auditor's report.

EAST CARROLL PARISH POLICE JURY

DRAINAGE MAINTENANCE
Budgetary Comparison Schedule
For the Year Ended December 31, 2017

Exhibit 2-5

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	(BUDGETARY BASIS)	
BUDGETARY FUND BALANCES, BEGINNING	\$ 84,427	\$ 64,049	\$ 64,049	\$ -
Resources (inflows)				
Local sources:				
Taxes:				
Ad valorem	358,302	332,173	332,173	-
Fees, charges, and commissions for services	1,800	2,183	2,183	-
Use of money and property	418	737	737	-
Intergovernmental revenues:				
Federal sources - federal grants	125,230	-	-	-
Amounts available for appropriations	570,177	399,142	399,142	-
Charges to appropriations (outflows)				
Current:				
Public works	418,748	329,452	315,743	13,709
Total charges to appropriations	418,748	329,452	315,743	13,709
BUDGETARY FUND BALANCES, ENDING	\$ 151,429	\$ 69,690	\$ 83,399	\$ 13,709

See independent auditor's report.

EAST CARROLL PARISH POLICE JURY

HEALTH UNIT
Budgetary Comparison Schedule
For the Year Ended December 31, 2017

Exhibit 2-6

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL	(BUDGETARY BASIS)	POSITIVE (NEGATIVE)
BUDGETARY FUND BALANCES, BEGINNING	\$ 578,555	\$ 602,349	\$ 602,349	\$ -
Resources (inflows)				
Local sources:				
Taxes:				
Ad valorem	206,100	83,252	83,252	-
Use of money and property	912	640	639	(1)
Amounts available for appropriations	785,567	686,241	686,240	(1)
Charges to appropriations (outflows)				
Current:				
Health and welfare	103,913	112,817	112,475	342
Total charges to appropriations	103,913	112,817	112,475	342
BUDGETARY FUND BALANCES, ENDING	\$ 681,654	\$ 573,424	\$ 573,765	\$ 341

See independent auditor's report.

East Carroll 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, cash 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 per Louisiana Revised Statutes 30:1301-1314 (Local Government Budget Act).

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 cash basis of accounting. Budgeted amounts are as originally adopted or as amended by the Jury. Legally, the Jury 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 Jury 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. UNFAVORABLE BUDGET VARIANCE

The following funds had actual appropriations exceed budgeted appropriations:

	Final Budget	Actual	Variance
General Fund	\$ 1,182,665	\$ 1,188,990	\$ (6,325)
Road Maintenance and Construction	1,491,441	1,504,839	(13,398)

The negative budget variance is a result of expenditures exceeding the budget in the last month of the year.

See independent auditor's report.

East Carroll 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

	<u>General</u>	<u>Road Maintenance & Construction</u>	<u>Garbage District No. 1</u>	<u>Library</u>	<u>Drainage Maintenance</u>	<u>Health Unit</u>
<u>Sources/inflows of resources:</u>						
Actual amounts (budgetary basis) "available for appropriation" from the Budgetary Comparison Schedule	\$1,655,848	\$ 2,150,447	\$ 592,596	\$ 691,812	\$ 399,142	\$ 686,240
The fund balance at the beginning of the year is a budgetary resource but is not a current-year revenue for financial reporting purposes	(305,219)	(745,099)	(181,380)	(355,289)	(64,049)	(602,349)
Sale of capital assets are inflows of budgetary resources but are not revenues for financial reporting purposes	525	18,235	-	-	-	-
Adjustments for conversion from cash basis to modified accrual for financial reporting purposes	<u>(3,265)</u>	<u>(18,872)</u>	<u>10,702</u>	<u>32,299</u>	<u>24,767</u>	<u>(2,641)</u>
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u><u>\$1,347,889</u></u>	<u><u>\$ 1,404,711</u></u>	<u><u>\$ 421,918</u></u>	<u><u>\$ 368,822</u></u>	<u><u>\$ 359,860</u></u>	<u><u>\$ 81,250</u></u>
<u>Uses/Outflows of resources:</u>						
Actual amounts (budgetary basis) "Total charges to appropriations" from the Budgetary Comparison Schedule	\$1,188,990	\$ 1,504,839	\$ 435,680	\$ 350,490	\$ 315,743	\$ 112,475
Adjustments for conversion from cash basis to modified accrual for financial reporting purposes	(5,097)	(112,337)	(2,753)	(8,019)	(21,636)	(4,887)
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	<u>(50,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u><u>\$1,133,893</u></u>	<u><u>\$1,392,502</u></u>	<u><u>\$ 432,927</u></u>	<u><u>\$342,471</u></u>	<u><u>\$ 294,107</u></u>	<u><u>\$ 107,588</u></u>

See independent auditor's report.

SUPPLEMENTARY INFORMATION

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

EAST CARROLL PARISH POLICE JURY

NONMAJOR GOVERNMENTAL FUNDS

Combining Balance Sheet - By Fund Type

December 31, 2017

Exhibit 3

	<u>SPECIAL REVENUE</u>	<u>DEBT SERVICE</u>	<u>TOTAL</u>
ASSETS			
Cash and cash equivalents	\$ 337,507	\$ 33,879	\$ 371,386
Investments	71,747	-	71,747
Receivables	225,457	65,456	290,913
Interfund receivables	244	-	244
	<u>634,955</u>	<u>99,335</u>	<u>734,290</u>
TOTAL ASSETS			
	<u>634,955</u>	<u>99,335</u>	<u>734,290</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities:			
Accounts, salaries and other payables	198	-	198
	<u>198</u>	<u>-</u>	<u>198</u>
Total Liabilities			
	<u>198</u>	<u>-</u>	<u>198</u>
Deferred Inflows of Resources:			
Unavailable revenue - property taxes	6,078	1,460	7,538
	<u>6,078</u>	<u>1,460</u>	<u>7,538</u>
Total Deferred inflow of resources			
	<u>6,078</u>	<u>1,460</u>	<u>7,538</u>
Fund Balances:			
Restricted	628,679	97,875	726,554
	<u>628,679</u>	<u>97,875</u>	<u>726,554</u>
Total Fund Balances			
	<u>628,679</u>	<u>97,875</u>	<u>726,554</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 634,955</u>	<u>\$ 99,335</u>	<u>\$ 734,290</u>

See independent auditor's report.

EAST CARROLL 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 4

	SPECIAL REVENUE	DEBT SERVICE	TOTAL
REVENUES			
Local sources:			
Taxes:			
Ad valorem	\$ 231,048	\$ 67,081	\$ 298,129
Use of money and property	931	34	965
Intergovernmental revenues:			
State sources:			
Other	17,319	-	17,319
Total Revenues	249,298	67,115	316,413
EXPENDITURES			
Current:			
General government:			
Finance and administrative	116,795	2,354	119,149
Public Safety	79,040	-	79,040
Debt service:			
Principal retirement	-	65,000	65,000
Interest and bank charges	-	3,469	3,469
Total Expenditures	195,835	70,823	266,658
Net Change in Fund Balances	53,463	(3,708)	49,755
FUND BALANCES - BEGINNING	575,216	101,583	676,799
FUND BALANCES - ENDING	\$ 628,679	\$ 97,875	\$ 726,554

See independent auditor's report.

East Carroll Parish Police Jury

NONMAJOR SPECIAL REVENUE FUNDS

RURAL FIRE PROTECTION This fund accounts for grant funds provided by USDA, FEMA, and Louisiana Community Development Block Grants. These grants are used to enhance existing equipment, purchase new equipment, emergencies, and construction of a new fire house.

LSU COOPERATIVE EXTENSION This fund accounts for the LSU Cooperative Extension program which sponsors 4-H events, provides literature and information to local farmers and provides educational seminars, etc.

See independent auditor's report.

EAST CARROLL PARISH POLICE JURY

NONMAJOR SPECIAL REVENUE FUNDS

Combining Balance Sheet

December 31, 2017

Exhibit 5

	RURAL FIRE PROTECTION	LSU COOPERATIVE EXTENSION	TOTAL
ASSETS			
Cash and cash equivalents	\$ 229,185	\$ 108,322	\$ 337,507
Investments	71,747	-	71,747
Receivables	109,658	115,799	225,457
Interfund receivables	244	-	244
TOTAL ASSETS	410,834	224,121	634,955
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities:			
Accounts, salaries and other payables	198	-	198
Total Liabilities	198	-	198
Deferred Inflows of Resources:			
Unavailable revenue - property taxes	2,446	3,632	6,078
Total Deferred inflow of resources	2,446	3,632	6,078
Fund Balances:			
Restricted	408,190	220,489	628,679
Total Fund Balance	408,190	220,489	628,679
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 410,834	\$ 224,121	\$ 634,955

See independent auditor's report.

EAST CARROLL PARISH POLICE JURY

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

Exhibit 6

	RURAL FIRE PROTECTION	LSU COOPERATIVE EXTENSION	TOTAL
REVENUES			
Local sources:			
Taxes:			
Ad valorem	\$ 112,360	\$ 118,688	\$ 231,048
Use of money and property	833	98	931
Intergovernmental revenues:			
State sources:			
Other	17,319	-	17,319
Total Revenues	130,512	118,786	249,298
EXPENDITURES			
Current:			
General government:			
Finance and administrative	-	116,795	116,795
Public Safety	79,040	-	79,040
Total Expenditures	79,040	116,795	195,835
Net Change in Fund Balances	51,472	1,991	53,463
FUND BALANCES - BEGINNING	356,718	218,498	575,216
FUND BALANCES - ENDING	\$ 408,190	\$ 220,489	\$ 628,679

See independent auditor's report.

East Carroll Parish Police Jury

GENERAL

Exhibit 7

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

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. In accordance with Louisiana Revised Statute 33:1233, the Police Jury has elected the monthly payment method of compensation. Under this method, the president receives \$1,200 per month and the other jurors receive \$1,000 per month.

Sidney L. Denny, President	\$	14,400
Kendall L. Thompson, Vice-President		12,000
Billy Travis		12,000
Kofi Darden-Hawkins		12,000
Brian Blockwood		12,000
Total	\$	<u>62,400</u>

See independent auditor's report.

East Carroll Parish Police Jury

Schedule of Compensation, Benefits and Other Payments to Agency Head

Exhibit 8

Natasha Davis, Secretary Treasurer

Purpose	Amount
Salary	\$ 41,000
Benefits-insurance	5,596
Benefits-retirement	5,125
Benefits-medicare	595
Registration fees	848
Conference travel	5,480
	<u>\$ 58,644</u>

See independent auditor's report.

East Carroll Parish Police Jury (LA195)
Lake Providence, LA
Program Balance Sheet Summary
14.871 Housing Choice Vouchers

Exhibit 9

Submission Type: Unaudited

Fiscal Year End: 12/31/17

111 Cash - Unrestricted	\$ 44,721
113 Cash - Other Restricted	2,166
100 Total Cash	<u>46,887</u>
142 Prepaid Expenses and Other Assets	2,084
144 Inter Program Due From	4,617
150 Total Current Assets	<u>53,588</u>
164 Furniture, Equipment & Machinery - Administration	32,004
165 Leasehold Improvements	
166 Accumulated Depreciation	<u>(15,496)</u>
160 Total Capital Assets, Net of Accumulated Depreciation	<u>16,508</u>
180 Total Non-Current Assets	<u>16,508</u>
200 Deferred Outflow of Resources	<u>15,046</u>
290 Total Assets and Deferred Outflow of Resources	<u><u>\$ 85,142</u></u>
312 Accounts Payable <= 90 Days	\$ 4,494
322 Accrued Compensated Absences - Current Portion	336
331 Accounts Payable - HUD PHA Programs	86
310 Total Current Liabilities	<u>4,916</u>
357 Accrued Pension and OPEB Liabilities	<u>11,414</u>
350 Total Non-Current Liabilities	<u>11,414</u>
300 Total Liabilities	<u>16,330</u>
400 Deferred Inflow of Resources	<u>2,253</u>
508.4 Net Investment in Capital Assets	16,508
511.4 Restricted Net Position	2,166
512.4 Unrestricted Net Position	47,885
513 Total Equity - Net Assets / Position	<u>66,559</u>
600 Total Liabilities, Deferred Inflows of Resources and Equity -	<u><u>\$ 85,142</u></u>

(Continued)

See independent auditor's report.

East Carroll Parish Police Jury (LA195)
Lake Providence, LA
Program Revenue and Expense Summary
14.871 Housing Choice Vouchers

Exhibit 9

Submission Type: Unaudited

Fiscal Year End: 12/31/17

70600 HUD PHA Operating Grants	\$ 576,944
71100 Investment Income - Unrestricted	67
71500 Other Revenue	409
70000 Total Revenue	<u>577,420</u>
91100 Administrative Salaries	38,788
91200 Auditing Fees	4,100
91500 Employee Benefit contributions - Administrative	9,392
91600 Office Expenses	7,677
91700 Legal Expense	1,700
91800 Travel	6,046
91900 Other	1,000
91000 Total Operating - Administrative	<u>68,703</u>
94300 Ordinary Maintenance and Operations Contracts	661
94000 Total Maintenance	<u>661</u>
96110 Property Insurance	
96120 Liability Insurance	2,169
96130 Workmen's Compensation	83
96140 All Other Insurance	126
96100 Total insurance Premiums	<u>2,378</u>
96200 Other General Expenses	3,458
96210 Compensated Absences	10
96000 Total Other General Expenses	<u>3,468</u>
96900 Total Operating Expenses	<u>75,210</u>
97000 Excess of Operating Revenue over Operating Expenses	502,210
97100 Extraordinary Maintenance	
97300 Housing Assistance Payments	508,957
90000 Total Expenses	<u>508,957</u>
10000 Excess (Deficiency) of Total Revenue Over (Under) Total	(6,747)
11030 Beginning Equity	73,306
11170 Administrative Fee Equity	64,393
11180 Housing Assistance Payments Equity	<u>\$ 2,166</u>
11190 Unit Months Available	1,650
11210 Number of Unit Months Leased	1,650

(Concluded)

See independent auditor's report.

**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

To the Jurors of the East Carroll Parish Police Jury
Lake Providence, 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 primary government financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the East Carroll Parish Police Jury (the 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 19, 2018. Our report expresses an adverse opinion on the aggregate discretely presented component units due to their exclusion from the financial statements.

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 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 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 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 from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings and responses as item 2017-001.

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. We did not audit the Police Jury's response and accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 Legislative Auditor as a public document.



A Professional Accounting Corporation

Covington, LA
June 19, 2018

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

Part I - Summary of Auditor's Results

Financial Statements

- | | |
|--|---------------|
| 1. Type of auditor's report issued: | Unmodified |
| 2. Internal control over financial reporting: | |
| a. Material weaknesses identified? | No |
| b. Significant deficiencies identified | None Reported |
| 3. Noncompliance material to the financial statements noted? | Yes |

Part II - Findings and Responses Related to the Financial Statements

2017-001 Failure to Amend Budget (LRS 39:1310)

- | | |
|-------------------------------|---|
| <i>Criteria:</i> | The Police Jury is required to follow the requirements of the Louisiana Local Government Budget Act at LRS 39:1301 through 39:1315. |
| <i>Condition:</i> | State law requires that budgets be amended when actual revenues are less than budgeted revenues or actual expenditures exceed budgeted expenditures and other financing uses exceed budgeted amounts by 5% or more. For the year ended December 31, 2017, actual revenues and other sources in the general fund of \$1,350,629 fell short of budgeted revenues and others sources of \$1,450,767 which is an unfavorable variance of 7% |
| <i>Effect:</i> | The Police Jury did not comply with all of the requirements of the Louisiana Local Government Budget Act as outlined above. |
| <i>Recommendation:</i> | We recommend the monitoring of actual costs accumulated by department and fund more closely and making appropriate budget amendments to comply with the law requiring the budget to actual variance to be within 5%. |
| <i>Management's Response:</i> | Management will review budget to actual comparisons and amend the budget when budgeted revenues are falling short of actual by more than 5%. |

East Carroll Parish Police Jury

**Schedule of Prior Year Audit Findings
For the Year Ended December 31, 2017**

2016-001 Tenant Files (CFDA 14.871)

This finding has been resolved.

AGREED-UPON PROCEDURES REPORT

East Carroll Parish Police Jury

Independent Accountant's Report
on Applying Agreed-Upon Procedures

For the Period of January 1, 2017 - December 31, 2017

To the Police Jurors of East Carroll Parish and
Louisiana Legislative Auditor

We have performed the procedures enumerated below which were agreed to by East Carroll Parish Police Jury (the Police Jury) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2017 to December 31, 2017. The Police Jury's management is responsible for those C/C areas identified in the SAUPs. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and results 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.

Results: We reviewed the Police Jury's policies and procedures and noted there was a policy for each area listed with the exception of receipts, contracting, and debt service. The Police Jury does not have policies and procedures for these three areas.

Management's Response: Management will adopt policies and procedures for receipts, contracting, and debt service.

Board (or Finance Committee, if applicable)

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

Results: We noted that the Police Jury met monthly with a quorum during the year ended December 31, 2017. In addition, there were several special meetings during the year. We noted that the minutes to the meeting contained references to budget to actual comparisons, adoption, and amendment of its budget. The minutes contained multiple references to non-budgetary financial information.

Bank Reconciliations

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

Results: We obtained management's representation that the listing provided 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 five 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.

Results: We noted no exceptions in the performance of this procedure.

Collections

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

Results: We obtained management's representation that the listing provided 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 five 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.

Results: We noted two cash collection locations. We noted that employees responsible for collecting cash were bonded. We noted that employees who collect cash are not allowed to deposit cash in the bank, per policy and procedures. We noted that the Police Jury does not have any formal cash registers or drawers.

The Police Jury has a formal process to reconcile cash collections to the general ledger, primarily through bank reconciliations performed by a person who is not responsible for cash collections.

We selected a week with the largest collection volume for testing. For the week selected, we noted that 17 out of 20 collections tested were deposited within 1 day of collection. All other collections were deposited within 1 to 8 days.

Management's Response: The collections that were not deposited within 1 day were at the Library. Management considers it to not be practicable to make daily deposits since the amounts received are very small. The Library deposits on a weekly basis.

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.

Results: The Secretary-Treasurer monitors budget to actual comparisons on a monthly basis.

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.

Results: We obtained management's representation that the listing provided 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; (2) a receiving report showing receipt of goods purchased, or electronic equivalent; and (3) an approved invoice.

Results: We noted that the Police Jury does not use purchase orders. We noted that purchases are approved by supervisors and that each check is signed by the Secretary-Treasurer and a Police Juror. We noted that 20 disbursements were supported by invoice and 5 disbursements were for Section 8 housing assistance and were supported by the tenant file.

Management's Response: Management will implement procedures which will require a requisition/purchase order for each disbursement other than Section 8.

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.

Results: We noted that new vendors are approved by the Secretary-Treasurer who does not process payments for any fund although she is an authorized check signer.

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.

Results: We noted that the persons with signatory authority 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.

Results: We noted that blank check stock is maintained in a locked office with access restriction. We noted that access to print checks is limited to the designated check processor for that fund.

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.

Results: The Police Jury does not use a signature stamp or machine.

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.

Results: We obtained management's representation that the listing provided 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.

Results: We noted that the Police Jury has 6 cards. We noted evidence that the monthly combined statement and supporting documentation was reviewed and approved. We noted that 2 of the cards are reviewed by the cardholder. We noted total finance charges of \$222.69 were assessed.

Management's Response: Procedures will be instituted which will provide for the review of each statement by someone other than the cardholder.

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 of 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.

Results: We tested 86 credit card charges and noted 18 charges were not supported by itemized receipts and 11 did not include documentation of business purpose. We noted no transactions for which the public bid law is applicable and we noted no violations of Article 7, Section 14 of the Louisiana Constitution.

Management's Response: The Police Jury will improve its review of credit card statements to ensure that itemized receipts and documentation of business purpose is obtained for future credit card transactions.

Travel and Expense Reimbursement

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

Results: We obtained management's representation that the listing provided 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.

Results: We obtained the Police Jury's policy and procedures for travel expenses. The policy states that meals cannot exceed \$50 per day and that mileage is reimbursed at \$.52 per mile, which are both below the rates established by the GSA. Lodging is reimbursed at actual cost.

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.

Results: We noted no exceptions in comparing expense reimbursement transactions sampled to policy.

We noted no exceptions in reviewing the transactions' detail against the requirement of Article 7, Section 14 of the Louisiana Constitution.

We noted that one reimbursement was reviewed and approved by the person receiving the reimbursement. However, the disbursement was signed by the Secretary-Treasurer and a Police Juror. The other two reimbursements were reviewed and approved by someone other than the person receiving reimbursement.

Contracts

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

Results: We obtained management's representation that the listing provided 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).

Results: We noted a formal/written contract existed for all sampled contracts.

We noted that three of the five contracts were subject to the Louisiana Public Bid Law or Procurement Code. For those contracts, we noted that the Police Jury complied with the requirements of the Public Bid Law

We noted that the largest payment from each contract agreed to the supporting invoice and contract terms.

We noted that the each contract was approved by the Police Jury.

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.

Results: We obtained management's representation that the listing provided is complete.

We noted that compensation paid to four out of five employees sampled was in accordance with the approved pay rate in their personnel file. For one employee, we noted no pay rate in the personnel file but did note that pay rate was approved by the Police Jury in 2016.

We noted that one of the five employees received a pay raise and noted that it was approved in writing.

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.

Results: We noted that the Police Jury does not require timesheets for salaried employees. Of the 25 employees tested, we noted that 9 were salaried, 9 were employees of the Court, 3 were Police Jurors, and 4 were supported by timesheet. We noted that 3 of the 25 employees took leave during the pay period and the leave was supported by an approved PTO request form. We noted that written documentation is maintained of leave hours for each employee except for the 9 employees who are employed by the Court.

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.

Results: We obtained management's representation that the listing provided is complete. Termination payments for employees selected were made in accordance with policy and were 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.

Results: The appropriate employee and employer portions of payroll taxes and retirement contributions were submitted to the applicable agencies by the required deadlines for all payroll tax and retirement contribution supporting documentation sampled.

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.

Results: We noted documentation for ethics training was present for 4 out of the 5 employees.

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.

Results: Per our discussion with management, there were no alleged ethics violations during the fiscal year.

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.

Results: We noted that no debt was issued during the year ended December 31, 2017.

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

Results: We noted that the Police Jury's scheduled debt service was made timely. The Police Jury has one general obligation bond for which it has established a debt service fund.

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.

Results: We noted that millage collections were less than scheduled debt service for the Police Jury's general obligation bond.

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 Police Jury attorney of the parish in which the entity is domiciled.

Results: We noted no instances of misappropriation of public funds or assets, per inquiry with management.

32. Observe and report whether the entity has posted on its premises and website, the notice required by LRS 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.

Results: We noted the LLA hotline notice per LRS 24:523.1 was posted at the Police Jury's offices. The Police Jury does not have a website.

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

Results: No exceptions were noted in obtained management representations.

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This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to perform, and did not perform an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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



A Professional Accounting Corporation

Covington, LA
June 19, 2018