

**Jackson Parish Police Jury
Jonesboro, Louisiana**

**Annual Financial Report
As of and for the Year Ended December 31, 2016**

Jackson Parish Police Jury

TABLE OF CONTENTS

	<u>Statement</u>	<u>Page</u>
INDEPENDENT AUDITOR’S REPORT		5-7
REQUIRED SUPPLEMENTARY INFORMATION		8
Management's Discussion and Analysis (MD&A)		9-16
BASIC FINANCIAL STATEMENTS		
Government-wide Financial Statements (GWFS)		17
Statement of Net Position	A	18
Statement of Activities	B	19
Fund Financial Statements (FFS)		21
Governmental Funds		
Balance Sheet	C	22-23
Reconciliation of the Governmental Funds		
Balance Sheet to the Statement of Net Position	D	25
Statement of Revenues, Expenditures, and Changes		
in Fund Balances	E	26-29
Reconciliation of the Governmental Funds		
Statement of Revenues, Expenditures, and Changes in Fund Balances		
to the Statement of Activities	F	30
Notes to the Financial Statements		
Index		31
Notes		32-52
REQUIRED SUPPLEMENTARY INFORMATION		53
	<u>Exhibit</u>	
Schedule of Employer’s Proportionate Share of the Net Pension Liability	1-1	54
Schedule of Employer Contributions to Pension Plan	1-2	55
Notes to Required Supplementary Information for Pensions		56
Budgetary Comparison Schedules		57
General Fund	2-1	58
Road Fund	2-2	59
Solid Waste Fund	2-3	60
Library Fund	2-4	61
Asphalt Fund	2-5	62
Road Sales Tax Fund	2-6	63
Notes to the Budgetary Comparison Schedules		64-65

(Continued)

Jackson Parish Police Jury

TABLE OF CONTENTS

	<u>Exhibit</u>	<u>Page</u>
SUPPLEMENTARY INFORMATION		66
COMBINING NONMAJOR GOVERNMENTAL FUNDS - BY FUND TYPE		67
Combining Balance Sheets - By Fund Type	3	68
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - By Fund Type	4	69
NONMAJOR SPECIAL REVENUE FUNDS		70
Combining Balance Sheet	5	71
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	6	72
NONMAJOR CAPITAL PROJECT FUNDS		73
Combining Balance Sheet	7	74
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	8	75
AGENCY FUND		76
Statement of Changes in Fiduciary Assets and Liabilities	9	77
GENERAL		
Schedule of Compensation Paid Police Jurors		78
Schedule of Compensation, Benefits and Other Payments to Agency Head		79
OTHER REPORTS REQUIRED BY <i>GOVERNMENT AUDITING STANDARDS</i>		80
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>		81-82
Schedule of Findings		83
OTHER INFORMATION		84
Management Letter		85-86
Status of Prior Year Management Letter Item		87

(Concluded)



ALLEN, GREEN & WILLIAMSON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

P. O. Box 6075

Monroe, LA 71211-6075

2441 Tower Drive
Monroe, LA 71201

Telephone: (318) 388-4422

Fax: (318) 388-4664

Toll-free: (888) 741-0205

Partners: Tim Green, CPA
Amy Tynes, CPA, CFE
Aimee Buchanan, CPA
Nicia Mercer, CPA, CFE
Principal: Cindy Thomason, CPA

Matt Carmichael, CPA
Eddi Hernandez, CPA
Audit Manager: Margie Williamson, CPA

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

Independent Auditor's Report

Police Jurors
Jackson Parish Police Jury
Jonesboro, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Jackson Parish Police Jury, Jonesboro, Louisiana, as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the basic financial statements of the Police Jury's primary government as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Basis for Adverse Opinion on the Aggregate Discretely Presented Component Units

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

Adverse Opinion

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on the Aggregate Discretely Presented Component Units” paragraph, the financial statements referred to above do not present fairly, the financial position of the aggregate discretely presented component units of the Police Jury as of December 31, 2016, or the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions

In our opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Police Jury as of December 31, 2016, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management’s Discussion and Analysis, the Schedule of Employer’s Proportionate Share of the Net Pension Liability, the Schedule of Employer Contributions to Pension Plan, and Budgetary Comparison Schedules and notes to required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

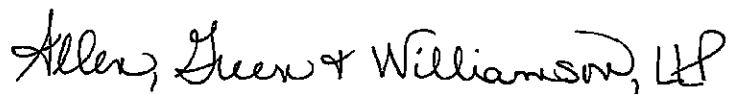
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of the Police Jury’s primary government. The accompanying supplementary information and other information, as listed in the table of contents, are presented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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2017 on our consideration of the Police Jury's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Police Jury's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Police Jury's internal control over financial reporting and compliance.



ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
June 28, 2017

**Jackson Parish Police Jury
Jonesboro, Louisiana**

REQUIRED SUPPLEMENTARY INFORMATION

Management's Discussion And Analysis (MD&A)

Jackson Parish Police Jury
Management's Discussion and Analysis (MD&A)
December 31, 2016

Our discussion and analysis of Jackson Parish Police Jury's financial performance provides an overview of the Police Jury's financial activities for the year ended December 31, 2016.

NEW GASB STANDARDS In fiscal year 2016, the Police Jury adopted three new statements of financial accounting standards issued by the Governmental Accounting Standards Board:

- *Statement No. 72 – Fair Value Measurement and Application:* This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.
- *Statement No. 73 – Accounting and Financial reporting for Pensions and Related Assets That Are Not Within the Scope of GASB 68, and Amendment to Certain Provision of GASB Statements 67 and 68:* This Statement establishes requirements for defined benefit pensions that are not within the scope of Statement 68, as well as for the assets accumulated for purposes of providing those pensions. It also amends certain provisions of Statement 67 and 68 that are within their respective scopes. This statement also clarifies the application of certain provisions of Statements 67 and 68.
- *Statement No. 77 – Tax Abatement Disclosures:* This Statement establishes standards of accounting and financial reporting for tax abatements. Financial statement users need information about certain limitations on a government's ability to raise resources. This includes limitations on revenue-raising capacity resulting from government programs that use tax abatements to induce behavior by individuals and entities that is beneficial to the government or its citizens. Tax abatements are widely used by state and local governments, particularly to encourage economic development. This Statement requires disclosure of tax abatement information about (1) a reporting government's own tax abatement agreements and (2) those that are entered into by other governments that reduce the reporting government's tax revenues.

The adoption of these standards had no impact on the government-wide or the governmental fund financial statements, but provide for guidance, clarification and/or additional disclosures in the notes to the financial statements and required supplementary information related to pensions. At December 31, 2016, the Police Jury did not have any tax abatements to disclose.

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 2016 by \$29,679 thousand (net position). Of this amount, \$3,377 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 decreased \$152 thousand mainly because depreciation of buildings, equipment and infrastructure in comparison with prior year. In addition, net position decreased 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.

**Jackson Parish Police Jury
Management's Discussion and Analysis (MD&A)
December 31, 2016**

At the end of 2016, the Police Jury's governmental funds reported a combined fund balances of \$16,268 thousand, an increase of \$599 thousand in comparison with prior year. \$2,611 thousand or 16.0% of the combined fund balance is available for spending at the government's discretion (unassigned fund balance). 100% of the unassigned fund balance is reported in the general fund.

Total spending for all our governmental activities was \$9,385 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 \$225 thousand, finance and administrative \$282 thousand, other general government \$333 thousand, public safety \$697 thousand, public works \$5,053 thousand, and culture and recreation \$1,456 thousand.

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 Fund, Solid Waste Fund, Library Fund, Asphalt Fund and Road Sales Tax Fund.

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 Employers 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**

Other Information

Other Reports Required By *Government Auditing Standards*

Jackson Parish Police Jury
Management's Discussion and Analysis (MD&A)
December 31, 2016

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

Reporting the Police Jury as a Whole

The Statement of Net Position and the Statement of Activities One of the most important questions asked about the Police Jury is, "Is the Police Jury as a whole better off or worse off financially as a result of the year's activities?" The Statement of Net Position and the Statement of Activities, which appear first in the Police Jury's financial statements, report information on the Police Jury as a whole and its activities in a way that helps you answer this question. We prepare these statements to include all assets, liabilities and deferred inflows/outflows of resources, using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

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

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

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

Reporting the Police Jury's Most Significant Funds

Fund Financial Statements The Police Jury's fund financial statements provide detailed information about the most significant funds - not the Police Jury as a whole. Some funds are required to be established by State law and by bond covenants. However, the Police Jury establishes many other funds to help it control and manage money for particular purposes (like the solid waste fund). The Police Jury's governmental funds use the following accounting approach:

Governmental funds - All of the Police Jury's services are reported in governmental funds. Governmental fund reporting focuses on showing how money flows into and out of funds and the balances left at year-end that are available for spending. They are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Police Jury's operations and the services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Police Jury's programs. We describe the

Jackson Parish Police Jury
Management's Discussion and Analysis (MD&A)
December 31, 2016

relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in the reconciliations on Statements D and F.

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 \$29,679 thousand. Our analysis below of the primary government focuses on the net position (Table 1) and change in net position (Table 2) of the Police Jury's governmental activities.

Table 1
Net Position
December 31,
(in thousands)

	<u>2016</u>	<u>2015</u>	<u>Variance</u>	Percentage of Change
Other assets	\$ 16,738	\$ 16,467	\$ 271	1.6
Capital assets	16,457	17,233	(776)	(4.5)
Total assets	<u>33,195</u>	<u>33,700</u>	<u>(505)</u>	(1.5)
Deferred outflows of resources	<u>1,135</u>	<u>426</u>	<u>709</u>	166.4
Other liabilities	388	517	(129)	(25.0)
Long-term liabilities	<u>4,127</u>	<u>3,713</u>	<u>414</u>	11.2
Total liabilities	<u>4,515</u>	<u>4,230</u>	<u>285</u>	6.7
Deferred inflows of resources	<u>136</u>	<u>65</u>	<u>71</u>	109.2
Net position				
Net investment in capital assets	13,722	14,792	(1,070)	(7.2)
Restricted	12,580	11,746	834	7.1
Unrestricted	<u>3,377</u>	<u>3,293</u>	<u>84</u>	2.6
Total net position	<u>\$ 29,679</u>	<u>\$ 29,831</u>	<u>\$ (152)</u>	(0.5)

The largest portion of the Police Jury's net position (\$13,722 thousand or 46.2%) 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 (\$12,580 thousand or 42.4%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$3,377 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. The same situation held true for the prior fiscal year. The Police Jury's overall net position decreased \$152 thousand from the prior year. The reasons for this overall decrease are discussed below.

Jackson Parish Police Jury
Management's Discussion and Analysis (MD&A)
December 31, 2016

Governmental Activities During the current fiscal year, net position for the governmental activities decreased \$152 thousand from the prior fiscal year for an ending balance of \$29,679 thousand. The Police Jury's governmental activities experienced a decrease in revenues of \$258 thousand. This change can be attributed to the assessment of property in Jackson Parish decrease in 2016, and the decrease in severance taxes because of the declining natural gas production. Expenses decreased \$378 thousand or 3.9% to \$9,385 thousand from the \$9,763 thousand reported in the prior fiscal year. This change can be attributed to a decrease in the cost of incarceration of prisoners at the parish detention center and reduction of costs associated with road maintenance and repairs.

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

	<u>2016</u>	<u>2015</u>	<u>Variance</u>	<u>Percent of Change</u>
Revenues:				
Program revenues:				
Charges for services	\$ 218	\$ 221	\$ (3)	(1.4)
Operating grants and contributions	598	401	197	49.1
General revenues:				
Ad valorem taxes	4,955	5,137	(182)	(3.5)
Sales taxes	2,368	2,171	197	9.1
Severance taxes	621	841	(220)	(26.2)
Interest and investment earnings	66	99	(33)	(33.3)
Miscellaneous	407	621	(214)	(34.5)
Total revenues	<u>9,233</u>	<u>9,491</u>	<u>(258)</u>	(2.7)
Functions/Program Expenses:				
General government:				
Legislative	129	123	6	4.9
Judicial	272	304	(32)	(10.5)
Elections	60	37	23	62.2
Finance and administrative	282	275	7	2.5
Other general government	424	710	(286)	(40.3)
Public safety	723	882	(159)	(18.0)
Public works	5,598	5,822	(224)	(3.8)
Health and welfare	289	241	48	19.9
Culture and recreation	1,565	1,350	215	15.9
Interest on long-term debt	43	19	24	126.3
Total expenses	<u>9,385</u>	<u>9,763</u>	<u>(378)</u>	(3.9)
Increase (decrease) in net position	<u>(152)</u>	<u>(272)</u>	<u>120</u>	(44.1)
Net Position, beginning, as originally stated	29,831	29,863	(32)	(0.1)
Prior period adjustment	-	240	(240)	(100.0)
Net Position, beginning, as restated	<u>29,831</u>	<u>30,103</u>	<u>(272)</u>	(0.9)
Net Position, ending	<u>\$ 29,679</u>	<u>\$ 29,831</u>	<u>\$ (152)</u>	(0.5)

**Jackson Parish Police Jury
Management's Discussion and Analysis (MD&A)
December 31, 2016**

As reported in the Statement of Activities, the cost of all of our governmental activities this year was \$9,385 thousand, the amount that our taxpayers ultimately financed for these activities through Police Jury taxes and other general revenue was only \$8,568 thousand because some of the cost was paid by other governments and organizations who subsidized certain programs with grants and contributions \$598 thousand; also charges for services totaled \$218 thousand.

In Table 3 below, we have presented the cost of each of the Police Jury's six largest functions for fiscal year ended December 31, 2016 – Judicial, Finance and administration, 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
For the Years Ended December 31,
Governmental Activities
(in thousands)**

	Total Cost of Services 2016	Net Cost of Services 2016	Total Cost of Services 2015	Net Cost of Services 2015
Judicial	\$ 272	\$ 225	\$ 304	\$ 264
Finance and administration	282	282	275	275
Other general government	424	333	710	644
Public safety	723	697	882	791
Public works	5,598	5,053	5,822	5,426
Culture and recreation	1,565	1,456	1,350	1,320
All others	521	522	420	421
Totals	\$ 9,385	\$ 8,568	\$ 9,763	\$ 9,141

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

As the Police Jury completed this year, our governmental funds reported a combined fund balance of \$16,268 thousand which is an increase of \$599 thousand from last year. The primary reasons for the changes in fund balances are:

Our General Fund is our principal operating fund. The fund balance in the General Fund increased from \$3,572 thousand to \$3,615 thousand. This increase was mainly due to elimination of the parish's Uniform Construction Code Enforcement Office.

The Road Fund is our road maintenance fund. The fund balance in the Road Fund decreased from \$3,327 thousand to \$3,266 thousand. This decrease was due to a general reduction of many categories and that no equipment was purchased from the road fund in 2016.

Jackson Parish Police Jury
Management's Discussion and Analysis (MD&A)
December 31, 2016

Our Solid Waste Fund is used to collect, dispose, and maintain garbage throughout Jackson Parish. The fund balance in the Solid Waste Fund decreased from \$1,158, thousand to \$1,097 thousand. This decrease was mainly due to declining sales tax and increased repair expenses for aging equipment.

Our Library Fund accounts for the Parish Library activities. The fund balance increased from \$2,454 thousand to \$2,917 thousand. This increase was mainly due to an increase in the ad valorem tax levied for 2016.

Our Asphalt Fund accounts for asphaltting parish roads. The fund balance in the Asphalt Fund increased from \$2,763 thousand to \$3,110 thousand. This increase was due to discontinuation of the cracked fuel oil program on parish roads in 2016.

Our Road Sales Tax Fund accounts for the blacktopping and sealing of parish roads financed by a parish-wide sales tax and interest earned on investments. The fund balance in the Road Sales Tax Fund decreased \$358 thousand. This change is because in 2015 the jury issued \$3,000,000 of Certificates of Indebtedness for construction of roads; in 2016 the jury transferred \$360,000 to the Certificate of Indebtedness fund to assure that sufficient funds will be available to pay the annual debt requirements. The Road Sales Tax Fund will continue to transfer the required annual debt service payment into the Debt Service Fund until the certificates are repaid on June 1, 2025.

Nonmajor Governmental Funds, which includes the Health Unit Fund, Landfill Closure Fund, Tourism Fund, Debt Service Fund and capital project funds, increased from \$1,349 thousand to \$1,577 thousand. This increase was due mainly to the creation of the Debt Service Fund and the transfer to pay future debt.

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 for the General Fund and major special revenue funds with legally adopted budgets is provided later in this report).

The actual amounts available for appropriations for the General Fund were \$66 thousand more than the amount budgeted. This was mainly due to early information that the 2016 tax roll assessment for Jackson Parish had decreased, and the budget included possible unanticipated events that could arise. The Jury deemed it prudent to budget conservatively. Actual charges to appropriations were \$496 thousand less than budgeted mainly due to management and the jury's conservative approach to utilizing the taxpayer's dollars in an efficient manner.

The amounts available for appropriations for the General Fund final budget were \$1,606 thousand more than the original budget. The original budget was adopted in 2015. The Jury does not consider funds in the Statutory Reserve in building of the budget. These funds are set aside for bona fide emergency use.

The charges to appropriations for the General Fund final budget were \$209 thousand more than the original budget. This was due mainly to projects and appropriations that were not planned prior to be adoption of the 2016 budget.

**Jackson Parish Police Jury
Management's Discussion and Analysis (MD&A)
December 31, 2016**

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets At December 31, 2016, the Police Jury had \$16,457 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 \$776 thousand or 4.5%, from last year.

**Capital Assets at Year End
Governmental Activities
(in thousands)**

	2016	2015
Land	\$ 434	\$ 434
Buildings & Improvements	6,222	6,464
Vehicles	702	757
Equipment/Machinery/Furniture	1,245	1,504
Infrastructure/Roads	7,854	8,074
Total net capital assets	\$ 16,457	\$ 17,233

The infrastructure/road classification includes \$1,372 thousand in additions for resurfacing of parish roads. See Note 5 for further information regarding capital assets of the Police Jury at December 31, 2016.

Debt

At the end of this year, the Police Jury had \$2,735 thousand in certificates of indebtedness outstanding versus \$3,000 thousand last year, a decrease of 8.8%. The certificates are payable over the next 9 years.

The Police Jury also has an obligation for the landfill closure liability at year end. The landfill liability is \$422 thousand. We present more detailed information about our long-term liabilities in Note 9 and Note 11 in the Notes to the Financial Statements.

The Policy Jury also has liabilities accrued for compensated absences (Note 8) and net pension liability (Note 6). See the respective note in the Notes to the Financial Statements for detailed information.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES The Jackson Parish Police Jury has adopted a budget for 2017 based on historical data. Revenue from ad valorem taxes is expected to decrease for the year. Sales tax collections have stabilized for the present. The General Severance taxes have declined and pending legislation could substantially have an adverse effect on the 2017 General Fund. This will require constant monitoring of programs and appropriations to groups and boards that the parish funds.

CONTACTING THE POLICE JURY'S FINANCIAL MANAGEMENT Our financial report is designed to provide our citizens, taxpayers, parents, students, and investors and creditors with a general overview of the Police Jury's finances and to show the Police Jury's accountability for the money it receives. If you have questions about this report or wish to request additional financial information, contact Kenneth Pardue, Secretary-Treasurer, at the Jackson Parish Police Jury, 500 E. Main Street, Room 301, Jonesboro, Louisiana 71251, telephone number (318) 259-2361.

BASIC FINANCIAL STATEMENTS

**Government-wide
Financial Statements (GWFS)**

JACKSON PARISH POLICE JURY

STATEMENT OF NET POSITION
December 31, 2016

Statement A

	<u>GOVERNMENTAL ACTIVITIES</u>
ASSETS:	
Cash and cash equivalents	\$ 12,106,314
Receivables	4,397,819
Prepaid items	233,440
Capital assets:	
Land and construction in progress	433,912
Capital assets, net of depreciation	<u>16,023,269</u>
TOTAL ASSETS	<u>33,194,754</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	<u>1,134,825</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>1,134,825</u>
LIABILITIES	
Accounts, salaries and other payables	353,199
Security deposits	35,321
Long-term liabilities	
Due within one year	443,604
Due in more than one year	<u>3,683,267</u>
TOTAL LIABILITIES	<u>4,515,391</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pensions	<u>135,644</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>135,644</u>
NET POSITION	
Net investment in capital assets	13,722,181
Restricted for:	
Road maintenance (Road, Sales Tax and Asphalt Funds)	7,097,843
Waste management	1,096,957
Library	2,918,792
Health unit	328,897
Tourism	64,100
Landfill closure	558,394
Pavilion/Riding Arena	252,293
Grand jury and witness fees	17,729
Debt Service	244,128
Unrestricted	<u>3,377,230</u>
TOTAL NET POSITION	<u>\$ 29,678,544</u>

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

JACKSON PARISH POLICE JURY

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2016

Statement B

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			PRIMARY GOVERNMENT GOVERNMENTAL ACTIVITIES
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION
<i>Primary Government: Governmental Activities:</i>				
General government:				
Legislative	\$ 128,869	\$ -	\$ -	\$ (128,869)
Judicial	272,102	32,491	14,367	(225,244)
Elections	59,686	-	-	(59,686)
Finance and administrative	281,891	-	-	(281,891)
Other general government	424,268	11,700	79,406	(333,162)
Public safety	723,285	-	25,877	(697,408)
Public works	5,597,835	143,723	400,696	(5,053,416)
Health and welfare	289,463	-	-	(289,463)
Culture and recreation	1,564,664	30,476	77,693	(1,456,495)
Interest on long-term debt	42,774	-	-	(42,774)
Total Governmental Activities	<u>\$ 9,384,837</u>	<u>\$ 218,390</u>	<u>\$ 598,039</u>	<u>(8,568,408)</u>
General revenues:				
Taxes:				
Property taxes				4,955,102
Sales taxes				2,368,333
State revenue sharing				91,434
Severance tax				621,454
Miscellaneous taxes				153,201
Licenses and permits				11,687
Interest and investment earnings				66,474
Miscellaneous				147,979
Total general revenues				<u>8,415,664</u>
Changes in net position				(152,744)
Net position- beginning				<u>29,831,288</u>
Net position - ending				<u>\$ 29,678,544</u>

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

Jackson Parish Police Jury

This page intentionally left blank

BASIC FINANCIAL STATEMENTS

Fund Financial Statements (FFS)

JACKSON PARISH POLICE JURY

GOVERNMENTAL FUNDS

Balance Sheet

December 31, 2016

	GENERAL	ROAD FUND	SOLID WASTE	LIBRARY
ASSETS:				
Cash and cash equivalents	\$ 2,603,232	\$ 2,505,314	\$ 876,272	\$ 1,777,124
Receivables	947,865	876,445	288,378	1,221,860
Prepaid items	209,170	-	-	24,270
TOTAL ASSETS	3,760,267	3,381,759	1,164,650	3,023,254
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts, salaries and other payables	124,184	66,109	67,693	80,192
Security deposits	4,335	30,986	-	-
Total Liabilities	128,519	97,095	67,693	80,192
Deferred Inflows of Resources:				
Unavailable revenue-property taxes	17,238	18,512	-	26,512
Total Deferred Inflows of Resources	17,238	18,512	-	26,512
Fund Balances:				
Nonspendable - prepaid items	209,170	-	-	24,270
Restricted	17,729	3,266,152	1,096,957	2,892,280
Committed	776,836	-	-	-
Unassigned	2,610,775	-	-	-
Total fund balances	3,614,510	3,266,152	1,096,957	2,916,550
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 3,760,267	\$ 3,381,759	\$ 1,164,650	\$ 3,023,254

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

Statement C

ASPHALT FUND	ROAD SALES TAX	NONMAJOR GOVERNMENTAL	TOTAL
\$ 2,397,677	\$ 495,882	\$ 1,450,813	\$ 12,106,314
741,492	191,408	130,371	4,397,819
-	-	-	233,440
<u>3,139,169</u>	<u>687,290</u>	<u>1,581,184</u>	<u>16,737,573</u>
13,280	-	1,741	353,199
-	-	-	35,321
<u>13,280</u>	<u>-</u>	<u>1,741</u>	<u>388,520</u>
16,106	-	2,831	81,199
<u>16,106</u>	<u>-</u>	<u>2,831</u>	<u>81,199</u>
-	-	-	233,440
3,109,783	687,290	1,444,981	12,515,172
-	-	131,631	908,467
-	-	-	2,610,775
<u>3,109,783</u>	<u>687,290</u>	<u>1,576,612</u>	<u>16,267,854</u>
<u>\$ 3,139,169</u>	<u>\$ 687,290</u>	<u>\$ 1,581,184</u>	<u>\$ 16,737,573</u>

Jackson Parish Police Jury

This page intentionally left blank

JACKSON PARISH POLICE JURY

**Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Position
December 31, 2016**

Statement D

Total fund balances - governmental funds \$ 16,267,854

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	\$ 39,263,330	
Accumulated depreciation	<u>(22,806,149)</u>	16,457,181

Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as deferred inflows of resources - unavailable revenue in the governmental funds. 81,199

Deferred outflows of resources are not available to pay current period expenditures and therefore, are not reported in the governmental funds. 1,134,825

Deferred inflows of resources are not due and payable in the current period and accordingly are not reported in the governmental funds. (135,644)

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, 2016 are:

Long-term liabilities		
Certificates of indebtedness	(2,735,000)	
Net pension liability	(796,267)	
Compensated absences payable	(173,604)	
Estimated liability for landfill closure	<u>(422,000)</u>	<u>(4,126,871)</u>

Net position of governmental activities \$ 29,678,544

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

JACKSON PARISH POLICE JURY

GOVERNMENTAL FUNDS
 Statement of Revenues, Expenditures,
 and Changes in Fund Balances
 For the Year Ended December 31, 2016

	<u>GENERAL</u>	<u>ROAD FUND</u>	<u>SOLID WASTE</u>	<u>LIBRARY</u>
REVENUES				
Local sources:				
Taxes:				
Ad valorem	\$ 1,094,637	\$ 1,175,562	\$ -	\$ 1,683,537
Sales and use	-	-	1,420,999	-
Other taxes, penalties and interest	153,201	-	-	-
Licenses and permits	11,687	-	-	-
Intergovernmental revenues:				
State funds:				
Severance taxes	621,454	-	-	-
Parish transportation funds	-	264,500	-	-
State revenue sharing	20,034	21,309	-	31,556
State aid grants	93,773	-	-	-
Federal revenue	25,877	136,196	-	-
Fees, charges, and commissions for services	33,925	-	143,723	-
Fines and forfeitures	10,266	-	-	30,476
Miscellaneous revenues	31,846	13,507	42,217	7,081
Use of money and property	15,473	15,386	4,933	7,049
	<u>2,112,173</u>	<u>1,626,460</u>	<u>1,611,872</u>	<u>1,759,699</u>
EXPENDITURES				
Current:				
General government:				
Legislative	122,144	-	-	-
Judicial	255,324	-	-	-
Elections	56,433	-	-	-
Finance and administrative	262,242	-	-	-
Other general government	382,598	-	-	-
Public safety	669,491	-	-	-
Public works	-	1,255,643	1,442,046	-
Health and welfare	137,090	-	-	-
Culture and recreation	35,987	-	-	1,326,458
Capital outlay	-	1,371,577	231,106	-
Debt service:				
Principal retirement	-	-	-	-
Interest and bank charges	-	-	-	-
	<u>1,921,309</u>	<u>2,627,220</u>	<u>1,673,152</u>	<u>1,326,458</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES				
	<u>\$ 190,864</u>	<u>\$ (1,000,760)</u>	<u>\$ (61,280)</u>	<u>\$ 433,241</u>

				Statement E
ASPHALT FUND	ROAD SALES TAX	NONMAJOR GOVERNMENTAL	TOTAL	
\$ 1,022,707	\$ -	\$ 179,822	\$ 5,156,265	
-	947,334	-	2,368,333	
-	-	-	153,201	
-	-	-	11,687	
-	-	-	621,454	
-	-	-	264,500	
18,535	-	-	91,434	
-	-	77,693	171,466	
-	-	-	162,073	
-	-	-	177,648	
-	-	-	40,742	
1,382	-	244	96,277	
12,383	4,607	6,643	66,474	
<u>1,055,007</u>	<u>951,941</u>	<u>264,402</u>	<u>9,381,554</u>	
-	-	-	122,144	
-	-	-	255,324	
-	-	-	56,433	
-	-	-	262,242	
-	-	-	382,598	
-	-	-	669,491	
708,295	10,414	25,221	3,441,619	
-	-	132,105	269,195	
-	-	64,717	1,427,162	
-	-	15,177	1,617,860	
-	-	265,000	265,000	
-	-	42,774	42,774	
<u>708,295</u>	<u>10,414</u>	<u>544,994</u>	<u>8,811,842</u>	
<u>\$ 346,712</u>	<u>\$ 941,527</u>	<u>\$ (280,592)</u>	<u>\$ 569,712</u>	

(Continued)

JACKSON PARISH POLICE JURY

GOVERNMENTAL FUNDS
 Statement of Revenues, Expenditures,
 and Changes in Fund Balances
 For the Year Ended December 31, 2016

	<u>GENERAL</u>	<u>ROAD FUND</u>	<u>SOLID WASTE</u>	<u>LIBRARY</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 1,982	\$ 940,000	\$ -	\$ -
Transfers out	(150,000)	-	-	-
Insurance proceeds	-	-	-	29,691
Total Other Financing Sources (Uses)	<u>(148,018)</u>	<u>940,000</u>	<u>-</u>	<u>29,691</u>
Net Change in Fund Balances	42,846	(60,760)	(61,280)	462,932
FUND BALANCES - BEGINNING	<u>3,571,664</u>	<u>3,326,912</u>	<u>1,158,237</u>	<u>2,453,618</u>
FUND BALANCES - ENDING	<u>\$ 3,614,510</u>	<u>\$ 3,266,152</u>	<u>\$ 1,096,957</u>	<u>\$ 2,916,550</u>

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

			Statement E
ASPHALT FUND	ROAD SALES TAX	NONMAJOR GOVERNMENTAL	TOTAL
\$ -	\$ -	\$ 510,000	\$ 1,451,982
-	(1,300,000)	(1,982)	(1,451,982)
-	-	-	29,691
-	(1,300,000)	508,018	29,691
346,712	(358,473)	227,426	599,403
2,763,071	1,045,763	1,349,186	15,668,451
<u>\$ 3,109,783</u>	<u>\$ 687,290</u>	<u>\$ 1,576,612</u>	<u>\$ 16,267,854</u>

(Concluded)

JACKSON 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, 2016**

		Statement F
Total net change in fund balances - governmental funds	\$	599,403
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 capital outlays exceeds depreciation expense in the period:		
Capital outlay	\$ 1,856,839	
Depreciation expense	<u>(2,476,993)</u>	(620,154)
In the Statement of Activities, scrapping of capital assets are reported as a gain or lost net of book value. Whereas in the governmental funds, there is no recognition because there is no inflow/ outflow of current financial resources:		
Cost of assets scrapped	(251,798)	
Accumulated depreciation	<u>96,380</u>	
Net loss		(155,418)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(201,163)
The issuance of long-term debt provides current financial resources of governmental funds, while the repayment of the principal on long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.		265,000
The recognition of pension expense in the Statement of Activities is based on projected benefit payments discounted to actuarial present value and attributed to periods of employee service. Pension expenditures in the fund financial statements are the amounts actually paid.		(72,113)
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 used (\$180,560) exceeded the amounts earned (\$148,859) by \$31,701.		31,701
		<hr/>
Change in net position of governmental activities.	\$	<u><u>(152,744)</u></u>

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

Jackson Parish Police Jury
Notes to the Financial Statements
December 31, 2016

INDEX

Page

NOTE	1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	32
	A. REPORTING ENTITY	32
	B. FUNDS	33
	C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING	34
	D. ENCUMBRANCES.....	36
	E. CASH AND CASH EQUIVALENTS	36
	F. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES.....	36
	G. ELIMINATION AND RECLASSIFICATIONS	36
	H. PREPAID ITEMS.....	36
	I. CAPITAL ASSETS	37
	J. COMPENSATED ABSENCES.....	37
	K. LIABILITIES.....	38
	L. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES	38
	M. PENSION PLAN	39
	N. RESTRICTED NET POSITION	39
	O. FUND BALANCES OF FUND FINANCIAL STATEMENTS	39
	P. INTERFUND TRANSACTIONS.....	39
	Q. SALES TAXES	40
	R. USE OF ESTIMATES.....	40
NOTE	2 - LEVIED TAXES.....	40
NOTE	3 - CASH DEPOSITS.....	41
NOTE	4 - RECEIVABLES.....	42
NOTE	5 - CAPITAL ASSETS.....	42
NOTE	6 - PENSION PLAN.....	43
NOTE	7 - ACCOUNTS, SALARIES AND OTHER PAYABLES	48
NOTE	8 - COMPENSATED ABSENCES	48
NOTE	9 - LONG-TERM LIABILITIES	48
NOTE	10 - LEASES	49
NOTE	11 - SOLID WASTE LANDFILL COSTS	49
NOTE	12 - INTERFUND TRANSACTIONS	50
NOTE	13 - LITIGATION AND CLAIMS	50
NOTE	14 - RISK MANAGEMENT	50
NOTE	15 - FUND BALANCE CLASSIFICATION DETAILS	51
NOTE	16 - NEW GASB STANDARDS	51
NOTE	17 - CHANGE IN FINANCIAL STATEMENT PRESENTATION	52
NOTE	18 - SUBSEQUENT EVENTS.....	52

Jackson Parish Police Jury
Notes to the Financial Statements
December 31, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES The Jackson Parish Police Jury (the Police Jury) is the governing authority for Jackson Parish and is a political subdivision of the state of Louisiana. The Police Jury is governed by seven jurors representing the various districts within the parish. The jurors serve four-year terms which expire in January 2020.

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, library facilities, and health care facilities.

A. REPORTING ENTITY As the governing authority of the parish, for reporting purposes, the Jackson Parish Police Jury is the financial reporting entity for Jackson 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.

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

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

**Jackson Parish Police Jury
Notes to the Financial Statements
December 31, 2016**

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:			
Jackson Parish Library	Blended	December 31, 2016	1a
Not included within the reporting entity:			
Jackson Parish Hospital Service District #1	Not included	September 30, 2016	1a
Jackson Parish Recreation District	Not included	December 31, 2016	1a
Ward 2 Fire Protection District	Not included	December 31, 2016	1a
Ward 3 Fire Protection District	Not included	December 31, 2016	1a
Ward 4 Fire Protection District	Not included	December 31, 2016	1a
Quitman Fire Protection District No. 1	Not included	December 31, 2016	1a
Jonesboro Fire Protection District No. 1	Not included	June 30, 2016	1a
Jackson Parish Ambulance Service District	Not included	December 31, 2016	1a
Jackson Parish Watershed District	Not included	December 31, 2016	1a
Jackson Parish Assessor	Not included	December 31, 2016	2
Jackson Parish Clerk of Court	Not included	June 30, 2016	2

The Police Jury has chosen not to include the component units listed above in its basic financial statements. The financial statements only present data of the primary government; however, the data of the component units is necessary in order for the Police Jury to report in conformity with GAAP. If these component units were included, it would be through discrete presentation. Separate financial statements may be obtained from the respective governments.

Considered in the determination of component units of the reporting entity were the Jackson Parish School Board, Jackson Parish Communications District, Jackson Parish Sales Tax Agency, Jackson Parish Council on Aging, Jackson Parish Sheriff, the District Attorney and Judges for the Second Judicial District, and the various municipalities in the parish. It was determined that these governmental entities are not component units of the Jackson Parish Police Jury reporting entity because they have separately elected governing bodies, are legally separate, and are fiscally independent of the Jackson Parish Police Jury.

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.

Funds of the Police Jury are classified into two categories: governmental and fiduciary:

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 the recovering the cost of providing services to the public or other agencies through service charges or user fees. The Police Jury's current operations require the use of governmental funds. The Police Jury reports the following major governmental funds:

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.

Jackson Parish Police Jury
Notes to the Financial Statements
December 31, 2016

Road Fund - The road fund accounts for maintenance of parish highways, streets and bridges. Funding is provided by a parish-wide ad valorem tax, parish transportation funds provided by the State, state revenue sharing funds, issuance of debt, operation transfers from the general fund, interest earned on investments, and miscellaneous revenues.

Solid Waste Fund - The solid waste fund accounts for the construction, maintenance and operation of the solid waste system. Funding is provided by a parish-wide sales tax, fees charged for services, interest on investments, and other miscellaneous revenues.

Library Fund - The library fund accounts for maintenance and operation of the parish library. Funding is provided by a parish-wide ad valorem tax, state revenue sharing funds, State Library of Louisiana funds, interest earned on investments, and fine and program revenues.

Asphalt Fund - The asphalt fund accounts for asphaltting parish roads. Financing is provided by a parish-wide ad valorem tax, state revenue sharing funds, miscellaneous revenues and interest earned on investments.

Road Sales Tax Fund - The road sales tax fund accounts for the blacktopping and sealing of parish roads financed by a parish-wide sales tax and interest earned on investments.

Fiduciary Funds Fiduciary funds account for assets held by the government in a trustee capacity or as an agent on behalf of outside parties, including other governments, or on behalf of other funds within the Police Jury.

Agency funds are custodial in nature (assets equal liabilities) and do not present results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting. This fund is used for assets that the government holds for others in an agency capacity. The agency fund was as follows:

Industrial District - accounted for the assets held by the Police Jury as an agent for the Industrial District of Jackson Parish.

The Police Jury and the Town of Jonesboro closed the Industrial District of Jackson Parish fund during 2016; therefore, the Police Jury did not have any agency funds to report at December 31, 2016.

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.

Jackson Parish Police Jury
Notes to the Financial Statements
December 31, 2016

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

Allocation of indirect expenses The Police Jury reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Depreciation expense is specifically identified by function and is included in the direct expense of each function. Interest on 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 and current liabilities 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.

Jackson Parish Police Jury
Notes to the Financial Statements
December 31, 2016

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.

Other Financing Sources (Uses) Sale of capital assets, issuance of debt, increases in capital lease purchases, insurance proceeds, 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.

Fiduciary Funds The agency fund is custodial in nature and does not present results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting.

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 (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. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES 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.

G. 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.

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

**Jackson Parish Police Jury
Notes to the Financial Statements
December 31, 2016**

I. CAPITAL ASSETS Capital assets are recorded at either historical cost or estimated historical cost and depreciated over their estimated useful lives (excluding salvage value) for items of \$5,000 or more. 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. The Police Jury elected not to retroactively report major general infrastructure assets. Interest during construction was not capitalized on capital assets. Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Vehicles and trailers are assigned a salvage value of 10% of historical costs. 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
Intangibles - software	4 to 10 years

J. COMPENSATED ABSENCES All full-time employees of the Police Jury earn annual leave at rates varying from ten to twenty-one days per year, depending on length of service. Employees may accumulate and carry forward no more than twenty days of annual leave. All full-time permanent employees earn five to twenty-one days of sick leave each year. Sick leave can be accumulated without limitation. Upon retirement, unused sick leave of up to 25 days is paid to employees. Upon retirement, resignation, termination or death, an employee (or beneficiary) will be paid for a maximum of 160 hours (20 days) of unused vacation leave that an employee has accrued on the date of his/her separation.

Full-time employees of the Jackson Parish Library earn from ten to 20 days of annual leave, depending on their length of service with the library. Part-time employees working 20 hours or more per week earn one-half of full-time employee leave each year. Vacation leave can be accumulated up to 25 days. All 12-month employees earn 12 days of sick leave each year. Sick leave can be accumulated up to 60 days. Sick leave lapses upon termination of employment.

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

Jackson Parish Police Jury
Notes to the Financial Statements
December 31, 2016

The Police Jury's recognition and measurement criteria for compensated absences are as follows:

GASB Statement No. 16 provides that vacation leave and other compensated absences with similar characteristics should be accrued as 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.

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.

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

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

L. 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 deferred 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.

Jackson Parish Police Jury
Notes to the Financial Statements
December 31, 2016

M. 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.

N. RESTRICTED NET POSITION For the government-wide statement of net position, net position is reported as restricted if either of the following conditions exist:

- Restrictions are externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments;
- Restrictions are imposed by law through constitutional provisions or enabling legislation.

It is the Police Jury's policy to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available. Restricted net position reported in the statement of net position for road maintenance, waste management, library and health unit are restricted by enabling legislation.

O. FUND BALANCES OF FUND FINANCIAL STATEMENTS GASB 54 requires the fund balance amounts to be 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. The Jury is the highest level of decision making authority of the Police Jury that can, by adoption of a resolution prior to fiscal year, commit fund balance. Committed amounts cannot be used for any other purpose unless the Jury removes or changes the specified use by taking the same type of action it employed to previously commit the funds.

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

Unassigned: Fund balance that is the residual classification for the general fund.

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 has been incurred for purposes for which both restricted and unrestricted fund balance is available.

P. 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.

**Jackson Parish Police Jury
Notes to the Financial Statements
December 31, 2016**

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.

Q. SALES TAXES The Police Jury has a 4/10% sales and use tax, which was passed by the voters on April 20, 1996, for a period of ten years. The net proceeds of the tax (after necessary costs of collection) are to be used to black top or seal parish roads and streets. The Policy Jury has a 6/10% sales and use tax, which was passed by the voters on April 20, 1996 for a period of 10 years. The net proceeds of the tax (after necessary costs of collection) are to be used for waste management. Both of these sales taxes were renewed in 2005 and again in 2015 for a period of 10 years.

R. USE OF ESTIMATES The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets 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 - LEVIED TAXES The Police Jury levies taxes on real and business personal property located within Jackson Parish's boundaries. Property taxes are levied by the Police Jury on property values assessed by the Jackson Parish Tax Assessor and approved by the State of Louisiana Tax Commission.

The Jackson 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	August 15, 2016
Tax bills mailed	On or about November 1, 2016
Due date	December 31, 2016
Lien date	January 1, 2017
Tax sale – 2016 delinquent property	May 17, 2017

Assessed values are established by the Jackson 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. Total assessed value was \$246,583,870 in calendar year 2016. Louisiana state law exempts the first \$75,000 of assessed value of a taxpayer's primary residence from parish property taxes. This homestead exemption was \$20,296,190 of the assessed value in calendar year 2016.

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.

**Jackson Parish Police Jury
Notes to the Financial Statements
December 31, 2016**

All property taxes are recorded in the general fund, road, library, asphalt, and nonmajor governmental (health unit) funds. 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 2016 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.

The following is a summary of the maximum millages allowed and the amounts levied for ad valorem taxes for the year ended December 31, 2016:

	Maximum Allowed <u>Millage</u>	Levied <u>Millage</u>	Expiration <u>Date</u>
Parish-wide taxes:			
General fund	5.39	4.87	-
Road maintenance	5.73	5.23	2019
Asphalt fund	4.98	4.55	2019
Library tax	10.11	7.49	2018
Health Unit	0.80	0.80	2022
Forest protection	8 cents/acre	8 cents/acre	-

NOTE 3 - CASH DEPOSITS At December 31, 2016, the Police Jury had cash and cash equivalents (book balances) of \$12,106,314:

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

Credit Risk: The Police Jury invests in certificates of deposit which do not have credit ratings. The Police Jury's policy does not address credit rate risk.

Custodial Credit Risk-Deposits: In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned to it. As of December 31, 2016 the Police Jury had a bank balance of \$12,574,036, in which \$12,074,036 was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Police Jury's name.

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

Jackson Parish Police Jury
Notes to the Financial Statements
December 31, 2016

NOTE 4 - RECEIVABLES The following is a summary of receivables at December 31, 2016:

	<u>Ad Valorem</u>	<u>Sales Tax</u>	<u>State</u>	<u>Other local</u>	<u>Total</u>
General Fund	\$ 793,641	\$ -	\$ 146,788	\$ 7,436	\$ 947,865
Road Fund	852,307	-	21,708	2,430	876,445
Solid Waste	-	287,112	-	1,266	288,378
Library	1,220,606	-	-	1,254	1,221,860
Asphalt Fund	741,492	-	-	-	741,492
Road Sales Tax Fund	-	191,408	-	-	191,408
Nonmajor Governmental	130,371	-	-	-	130,371
Total	<u>\$ 3,738,417</u>	<u>\$ 478,520</u>	<u>\$ 168,496</u>	<u>\$ 12,386</u>	<u>\$ 4,397,819</u>

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

NOTE 5 - CAPITAL ASSETS The following schedule presents changes in capital assets for the Police Jury:

	<u>Balance Beginning</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance Ending</u>
Governmental activities:				
Capital assets, not being depreciated				
Land	\$ 433,912	\$ -	\$ -	\$ 433,912
Total capital assets, not being depreciated	<u>433,912</u>	<u>-</u>	<u>-</u>	<u>433,912</u>
Capital assets, being depreciated				
Buildings & Improvements	9,425,348	15,177	-	9,440,525
Vehicles	2,690,078	261,091	219,413	2,731,756
Equipment/Machinery/Furniture	4,058,266	208,994	32,385	4,234,875
Infrastructure/Roads	21,050,685	1,371,577	-	22,422,262
Total capital assets, being depreciated	<u>37,224,377</u>	<u>1,856,839</u>	<u>251,798</u>	<u>38,829,418</u>
Less accumulated depreciation:				
Buildings & Improvements	2,961,141	257,165	-	3,218,306
Vehicles	1,933,088	161,189	63,995	2,030,282
Equipment/Machinery/Furniture	2,554,492	467,438	32,385	2,989,545
Infrastructure/Roads	12,976,815	1,591,201	-	14,568,016
Total	<u>20,425,536</u>	<u>2,476,993</u>	<u>96,380</u>	<u>22,806,149</u>
Total capital assets, being depreciated, net	<u>16,798,841</u>	<u>(620,154)</u>	<u>155,418</u>	<u>16,023,269</u>
Governmental activities capital assets net	<u>\$17,232,753</u>	<u>\$ (620,154)</u>	<u>\$ 155,418</u>	<u>\$16,457,181</u>

**Jackson Parish Police Jury
Notes to the Financial Statements
December 31, 2016**

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

Legislative	\$ 6,725
Judicial	16,714
Elections	2,114
Finance and administrative	15,107
Other general government	39,471
Public safety	53,794
Public works	2,033,013
Health and welfare	18,431
Culture and recreation	291,624
Total	\$ 2,476,993

NOTE 6 - 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.

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.

Jackson Parish Police Jury
Notes to the Financial Statements
December 31, 2016

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.

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, 2016, the actuarially determined contribution rate was 10.52% of member's compensation. However, the actual rate for fiscal year ending December 31, 2016 was 13.0% or \$227,830. 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 \$22,011 and was recognized as revenue by the Police Jury.

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

At December 31, 2016, the Police Jury reported a liability of \$796,267 for its proportionate share of the Net Pension Liability (NPL). The NPL was measured as of December 31, 2015, 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, 2015, the most recent measurement date, the Police Jury's proportions and the changes in proportion from the prior measurement date were 0.302500%, or a decrease of 0.004234%.

Jackson Parish Police Jury
Notes to the Financial Statements
December 31, 2016

For the year ended December 31, 2016, the Police Jury recognized a total pension expense of \$321,954. The Police Jury reported deferred outflows of resources and deferred inflows of resources related to pensions as components of unrestricted net position from the following sources:

	Deferred Outflows	Deferred Inflows
Differences between expected and actual experience	\$ -	\$ 126,548
Changes in assumptions	177,421	-
Net difference between projected and actual earnings on pension plan investments	728,606	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	968	9,096
Employer contributions subsequent to the measurement date	227,830	-
Total	<u>\$ 1,134,825</u>	<u>\$ 135,644</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, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

2017	\$ 201,828
2018	201,828
2019	217,745
2020	149,950

**Jackson Parish Police Jury
Notes to the Financial Statements
December 31, 2016**

Actuarial Assumptions

The total pension liability for PERS in the December 31, 2015, actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurements:

Valuation Date	December 31, 2015
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 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 System'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 7.55% for the year ended December 31, 2015. 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, 2015 are summarized in the following table:

**Jackson Parish Police Jury
Notes to the Financial Statements
December 31, 2016**

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed income	34.00%	1.06%
Equity	51.00%	3.56%
Alternatives	12.00%	0.74%
Real assets	3.00%	0.19%
Total	100.00%	5.55%
Inflation		2.00%
Expected arithmetic nominal return		7.55%

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

	<u>December 31, 2015</u>	<u>December 31, 2014</u>
Investment Rate of Return (Discount Rate)	7.00%	7.25%
Inflation Rate	2.50%	3.00%
Mortality	RP-2000 Healthy Annuitant Sex Distinct Tables projected to 2031 using Scale AA were selected for annuitant and beneficiary mortality. For employees, the RP-2000 Employees Sex Distinct Tables set back 4 years for males and 3 years for females was selected. The RP-2000 Disabled Lives Mortality Table set back 5 years for males and set back 3 years for females was selected for disabled annuitants.	RP-2000 Combined Healthy Tables set back 1 year for males and RP2000 Combined Healthy Female Table for females were selected for annuitant, beneficiary and employee mortality. RP-2000 Disabled Lives Mortality Tables for Males and Females was selected for disabled annuitants.
Termination, Disability, Retirement	Projected based on a 5 year (January 1, 2010 - December 31, 2014) experience study	Projected based on a 5 year (January 1, 2006 - December 31, 2010) experience study
Projected Salary Increases	5.25% (2.75% Merit/2.50% Inflation)	5.75% (2.75% Merit/3.00% Inflation)
Expected arithmetic nominal return	7.55%	8.11%

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:

<u>1.0% Decrease</u>	<u>Current Discount Rate</u>	<u>1.0% Increase</u>
\$1,994,938	\$796,267	(\$216,755)

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

Jackson Parish Police Jury
Notes to the Financial Statements
December 31, 2016

Payables to the Pension Plan. At December 31, 2016, the Police Jury had \$7,345 in payables for the December 2016 employee and employer legally required contributions.

NOTE 7 - ACCOUNTS, SALARIES AND OTHER PAYABLES The accounts payable for December 31, 2016 fiscal year end are as follows:

	General Fund	Road Fund	Solid Waste	Library Fund	Asphalt Fund	Nonmajor Governmental	Total
Vendor Payable	\$ 119,055	\$ 66,109	\$ 48,249	\$ 71,985	\$ 3,106	\$ 72	\$ 308,576
Salaries and Benefits Payable	5,129	-	19,444	8,207	10,174	1,669	44,623
	<u>\$ 124,184</u>	<u>\$ 66,109</u>	<u>\$ 67,693</u>	<u>\$ 80,192</u>	<u>\$ 13,280</u>	<u>\$ 1,741</u>	<u>\$ 353,199</u>

NOTE 8 - COMPENSATED ABSENCES Employees of the Police Jury had accumulated and vested \$173,604 of employee leave benefits at December 31, 2016, which includes \$2,481 of employee related benefits. These benefits were computed in accordance with GASB Codification, Section C60. This amount has been recorded as a long-term obligation.

NOTE 9 - LONG-TERM LIABILITIES The following is a summary of the long-term liabilities transactions and balances for the year ended December 31, 2016:

	Beginning Balance	Additions	Deletions	Ending Balance	Amounts Due Within One Year
Governmental activities:					
Certificate of indebtedness	\$ 3,000,000	\$ -	\$ 265,000	\$ 2,735,000	\$ 270,000
Net pension liability	85,899	961,858	251,490	796,267	-
Compensated absences	205,305	148,859	180,560	173,604	173,604
Estimated liability for landfill closure	422,000	-	-	422,000	-
Total Long-term liabilities	<u>\$ 3,713,204</u>	<u>\$ 1,110,717</u>	<u>\$ 697,050</u>	<u>\$ 4,126,871</u>	<u>\$ 443,604</u>

Principal and interest payments on the certificate of indebtedness are paid by the Debt Service Fund which is funded through transfers from the Road Sales Tax Fund.

Compensated absences are liquidated by the General Fund, Road Fund, Solid Waste Fund, Library Fund, and Nonmajor Governmental (Health Unit). The net pension liabilities will be liquidated through contributions to the pension plan from the governmental fund in which the related salary was paid.

On June 22, 2015, the Police Jury issued \$3,000,000 in certificate of indebtedness, series 2015 for the purpose of constructing and improving the Police Jury's roads and bridges. The certificates mature serially beginning June 1, 2016 with final payment due June 1, 2025. Interest rates range from 0.729% for certificates due June 1, 2016 to 2.066% for certificates due June 1, 2025.

**Jackson Parish Police Jury
Notes to the Financial Statements
December 31, 2016**

Future debt service requirements for payment of principal and interest are due as follows:

<u>Year Ending December 31,</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total</u>
2017	\$ 270,000	\$ 40,624	\$ 310,624
2018	280,000	37,925	317,925
2019	285,000	34,685	319,685
2020	295,000	30,994	325,994
2021	305,000	26,787	331,787
2022-2025	1,300,000	52,114	1,352,114
	<u>\$ 2,735,000</u>	<u>\$ 223,129</u>	<u>\$ 2,958,129</u>

NOTE 10 - LEASES The Jackson Parish Police Jury had three outstanding operating leases at December 31, 2016, for equipment. The equipment is used by the Road Department and the monthly lease payments are paid out of the Road Fund. The following were the operating leases for fiscal year ended December 31, 2016:

<u>Asset</u>	<u>Contract Date</u>	<u>Term</u>	<u>Monthly Rental</u>	<u>Minimum Rental Payment for December 31, 2016</u>
Caterpillar Truck-type Tractor	December 5, 2012	48 months	\$ 1,298	\$ 14,278
Volvo Trackhoe	March 23, 2015	48 months	2,425	29,100
Volvo ECR Compact Excavator	October 21, 2015	36 months	2,200	26,400
Two Caterpillar 12M3 Roadgraders	January 4, 2016	36 months	1,900	22,800
Total				<u>\$ 92,578</u>

The future minimum rental payments are as follows:

	<u>Future Minimum Rental Payment</u>
2017	\$ 78,300
2018	71,700
2019	7,275
Total	<u>\$ 157,275</u>

NOTE 11 - SOLID WASTE LANDFILL COSTS State and federal laws and regulations require the Jackson Parish Police Jury to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure.

The Jackson Parish Landfill is a Type III facility that accepts only construction and demolition debris. The Jackson Parish Landfill has an estimated final closing during 2023. However, the current permit expires during 2019.

The estimated liability for landfill closure and post closure care costs has a balance of \$422,000 as of December 31, 2016, which is based on 80% usage of the landfill. The recognition of the liability for closure and post closure cost is based on landfill capacity used to date.

The estimated total cost of the landfill closure and post closure care is \$422,000. This is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfill were

**Jackson Parish Police Jury
Notes to the Financial Statements
December 31, 2016**

acquired as of December 31, 2016. However, the actual cost of closure and post closure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations.

The Jackson Parish Police Jury has established a special revenue fund to account for the contributions to finance closure costs and post closure care. The Jackson Parish Police Jury had fully funded the estimated closure costs as of December 31, 2016.

NOTE 12 - INTERFUND TRANSACTIONS

Transfers In/Out: Operating transfers for the year ended December 31, 2016, were as follows:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
General Fund	Nonmajor Governmental	\$ 1,982
Road Fund	Road Sales Tax Fund	940,000
Nonmajor Governmental	Road Sales Tax Fund	360,000
Nonmajor Governmental	General Fund	150,000
Totals		<u>\$ 1,451,982</u>

The purpose of the interfund transfers are as follows:

- General fund transferred \$150,000 to the Nonmajor Governmental (Capital Fund) to commit funds for current year and future capital projects.
- The Road Sales Tax Fund transferred \$940,000 to the Road Fund to fund current year road projects.
- The Road Sales Tax Fund transferred \$360,000 to Nonmajor Governmental (Debt Service Fund) for principal and interest payments.

NOTE 13 - LITIGATION AND CLAIMS

Litigation - Per legal counsel, the Police Jury was not involved in any lawsuits at December 31, 2016.

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 14 - RISK MANAGEMENT The Police Jury is at risk for property damage, liability and theft which are covered by insurance policies. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

**Jackson Parish Police Jury
Notes to the Financial Statements
December 31, 2016**

NOTE 15 - FUND BALANCE CLASSIFICATION DETAILS

	General	Road Fund	Solid Waste	Library	Asphalt Fund	Road Sales Tax Fund	Nonmajor Governmental	Total
Nonspendable:								
Prepaid items	\$ 209,170	\$ -	\$ -	\$ 24,270	\$ -	\$ -	\$ -	\$ 233,440
Restricted:								
Road maintenance	-	3,266,152	-	-	3,109,783	687,290	-	7,063,225
Solid waste	-	-	1,096,957	-	-	-	-	1,096,957
Library	-	-	-	2,892,280	-	-	-	2,892,280
Health unit	-	-	-	-	-	-	326,066	326,066
Landfill closure	-	-	-	-	-	-	558,394	558,394
Tourism	-	-	-	-	-	-	64,100	64,100
Pavilion/Riding Arena	-	-	-	-	-	-	252,293	252,293
Court and witness fees	17,729	-	-	-	-	-	-	17,729
Debt service	-	-	-	-	-	-	244,128	244,128
Committed:								
Contingencies	776,836	-	-	-	-	-	-	776,836
Facility improvements	-	-	-	-	-	-	131,631	131,631
Unassigned	2,610,775	-	-	-	-	-	-	2,610,775
Total	\$ 3,614,510	\$ 3,266,152	\$ 1,096,957	\$ 2,916,550	\$ 3,109,783	\$ 687,290	\$ 1,576,612	\$ 16,267,854

NOTE 16 - NEW GASB STANDARDS In fiscal year 2015, the Police Jury adopted three new statements of financial accounting standards issued by the Governmental Accounting Standards Board:

- *Statement No. 72 – Fair Value Measurement and Application:* This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.
- *Statement No. 73 – Accounting and Financial reporting for Pensions and Related Assets That Are Not Within the Scope of GASB 68, and Amendment to Certain Provision of GASB Statements 67 and 68:* This Statement establishes requirements for defined benefit pensions that are not within the scope of Statement 68, as well as for the assets accumulated for purposes of providing those pensions. It also amends certain provisions of Statement 67 and 68 that are within their respective scopes. This statement also clarifies the application of certain provisions of Statements 67 and 68.
- *Statement No. 77 – Tax Abatement Disclosures:* This Statement establishes standards of accounting and financial reporting for tax abatements. Financial statement users need information about certain limitations on a government’s ability to raise resources. This includes limitations on revenue-raising capacity resulting from government programs that use tax abatements to induce behavior by individuals and entities that is beneficial to the government or its citizens. Tax abatements are widely used by state and local governments, particularly to encourage economic development. This Statement requires disclosure of tax abatement information about (1) a reporting government’s own tax abatement agreements and (2) those that are entered into by other governments that reduce the reporting government’s tax revenues.

**Jackson Parish Police Jury
Notes to the Financial Statements
December 31, 2016**

The adoption of these standards had no impact on the government-wide or the governmental fund financial statements, but provide for guidance, clarification and/or additional disclosures in the notes to the financial statements and required supplementary information related to pensions. At December 31, 2016, the Police Jury did not have any tax abatements to disclose.

NOTE 17 - CHANGE IN FINANCIAL STATEMENT PRESENTATION The following funds were reported as major funds for the fiscal years ended December 31:

Governmental Fund:	<u>2016</u>	<u>2015</u>
General Fund	Yes	Yes
Road Fund	Yes	Yes
Solid Waste	Yes	Yes
Library	Yes	Yes
Asphalt Fund	Yes	Yes
Road Sales Tax	Yes	No

NOTE 18 - SUBSEQUENT EVENTS In January 2017, the Jury approved the Road Fund's to purchase the following equipment: a heavy duty tractor truck for \$116 thousand; a heavy duty equipment trailer for \$64 thousand; and a 4 yard dump truck for \$74 thousand. Also in January 2107 the Jury approved the Solid Waste Fund's to purchase a heavy duty boom truck for \$118 thousand.

REQUIRED SUPPLEMENTARY INFORMATION

Jackson Parish Police Jury

**Schedule of Employer's Proportionate Share of the Net Pension Liability
Last Two Years**

Exhibit 1-1

<u>Fiscal Year</u>	<u>Employer's Proportion of the Net Pension Liability</u>	<u>Employer's Proportionate Share of the Net Pension Liability</u>	<u>Employer's Covered Payroll</u>	<u>Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
2015	0.306734%	\$ 85,899	\$ 1,564,644	5%	99.15%
2016	0.302500%	796,267	1,734,414	46%	92.23%

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.

Jackson Parish Police Jury

**Schedule of Employer Contributions to Pension Plan
Last Two Years**

Exhibit 1-2

<u>Fiscal Year</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Payroll</u>	<u>Contributions as a Percentage of Covered Employee Payroll</u>
2015	\$ 251,490	\$ 251,490	\$ -	\$ 1,734,414	14.5%
2016	227,830	227,830	-	1,752,538	13.0%

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.

Jackson 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.

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

	<u>December 31, 2015</u>	<u>December 31, 2014</u>
Investment Rate of Return (Discount Rate)	7.00%	7.25%
Inflation Rate	2.50%	3.00%
Mortality	RP-2000 Healthy Annuitant Sex Distinct Tables projected to 2031 using Scale AA were selected for annuitant and beneficiary mortality. For employees, the RP-2000 Employees Sex Distinct Tables set back 4 years for males and 3 years for females was selected. The RP-2000 Disabled Lives Mortality Table set back 5 years for males and set back 3 years for females was selected for disabled annuitants.	RP-2000 Combined Healthy Tables set back 1 year for males and RP2000 Combined Healthy Female Table for females were selected for annuitant, beneficiary and employee mortality. RP-2000 Disabled Lives Mortality Tables for Males and Females was selected for disabled annuitants.
Termination, Disability, Retirement	Projected based on a 5 year (January 1, 2010 - December 31, 2014) experience study	Projected based on a 5 year (January 1, 2006 - December 31, 2010) experience study
Projected Salary Increases	5.25% (2.75% Merit/2.50% Inflation)	5.75% (2.75% Merit/3.00% Inflation)
Expected arithmetic nominal return	7.55%	8.11%

Jackson 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 FUND

The road fund accounts for maintenance of parish highways, streets and bridges. Funding is provided by a parish-wide ad valorem tax, parish transportation funds provided by the state, state revenue sharing funds, issuance of debt, operating transfers from the general fund, interest earned on investments and miscellaneous revenues.

SOLID WASTE

The solid waste fund accounts for the construction, maintenance and operation of solid waste system. Funding is provided by a parish-wide sales tax, fees charged for services, interest on investments, and other miscellaneous revenues.

LIBRARY FUND

The library fund accounts for maintenance and operation of the parish library. Funding is provided by a parish-wide ad valorem tax, state revenue sharing funds, State Library of Louisiana funds, interest earned on investments, and fine and program revenues.

ASPHALT FUND

The asphalt fund accounts for asphaltting parish roads. Financing is provided by a parish-wide ad valorem tax, state revenue sharing funds, miscellaneous revenues and interest earned on investments.

ROAD SALES TAX FUND

The road sales tax fund accounts for the blacktopping and sealing of parish roads financed by a parish-wide sales tax and interest earned on investments.

JACKSON PARISH POLICE JURY

GENERAL FUND
Budgetary Comparison Schedule
For the Year Ended December 31, 2016

Exhibit 2-1

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		POSITIVE (NEGATIVE)
BUDGETARY FUND BALANCES, BEGINNING	\$ 1,901,739	\$ 3,571,664	\$ 3,571,664	\$ -
Resources (inflows)				
Local sources:				
Taxes:				
Ad valorem	1,000,000	1,000,000	1,094,637	94,637
Other taxes, penalties and interest	151,000	151,000	153,201	2,201
Licenses and permits	28,700	4,300	11,687	7,387
Intergovernmental revenues:				
State funds:				
Severance taxes	700,000	600,000	621,454	21,454
State revenue sharing	22,000	22,000	20,034	(1,966)
State aid grants	63,000	123,300	93,773	(29,527)
Federal revenue	53,000	53,900	25,877	(28,023)
Fees, charges, and commissions for services	34,500	34,500	33,925	(575)
Fines and forfeitures	12,600	10,000	10,266	266
Miscellaneous revenues	31,300	31,380	31,846	466
Use of money and property	16,050	15,925	15,473	(452)
Transfers from other funds	-	1,946	1,982	36
Amounts available for appropriations	<u>4,013,889</u>	<u>5,619,915</u>	<u>5,685,819</u>	<u>65,904</u>
Charges to appropriations (outflows)				
Current:				
General government:				
Legislative	129,000	137,500	122,144	15,356
Judicial	284,400	292,900	255,324	37,576
Elections	58,200	68,200	56,433	11,767
Finance and administrative	412,500	412,500	262,242	150,258
Other general government	405,900	474,700	382,598	92,102
Public safety	860,350	810,400	669,491	140,909
Health and welfare	168,400	170,900	137,090	33,810
Culture and recreation	39,500	50,000	35,987	14,013
Transfers to other funds	-	150,000	150,000	-
Total charges to appropriations	<u>2,358,250</u>	<u>2,567,100</u>	<u>2,071,309</u>	<u>495,791</u>
BUDGETARY FUND BALANCES, ENDING	<u>\$ 1,655,639</u>	<u>\$ 3,052,815</u>	<u>\$ 3,614,510</u>	<u>\$ 561,695</u>

JACKSON PARISH POLICE JURY

ROAD FUND
Budgetary Comparison Schedule
For the Year Ended December 31, 2016

Exhibit 2-2

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
BUDGETARY FUND BALANCES, BEGINNING	\$ 1,753,269	\$ 3,326,912	\$ 3,326,912	\$ -
Resources (inflows)				
Local sources:				
Taxes:				
Ad valorem	1,000,000	1,000,000	1,175,562	175,562
Intergovernmental revenues:				
State funds:				
Parish transportation funds	175,000	200,000	264,500	64,500
State revenue sharing	22,000	22,000	21,309	(691)
Federal revenue	-	110,000	136,196	26,196
Miscellaneous revenues	4,000	11,100	13,507	2,407
Use of money and property	22,300	19,800	15,386	(4,414)
Transfers from other funds	490,000	940,000	940,000	-
Amounts available for appropriations	<u>3,466,569</u>	<u>5,629,812</u>	<u>5,893,372</u>	<u>263,560</u>
Charges to appropriations (outflows)				
Current:				
Public works	1,478,000	1,514,102	1,255,643	258,459
Capital outlay	<u>977,500</u>	<u>1,616,600</u>	<u>1,371,577</u>	<u>245,023</u>
Total charges to appropriations	<u>2,455,500</u>	<u>3,130,702</u>	<u>2,627,220</u>	<u>503,482</u>
BUDGETARY FUND BALANCES, ENDING	<u>\$ 1,011,069</u>	<u>\$ 2,499,110</u>	<u>\$ 3,266,152</u>	<u>\$ 767,042</u>

JACKSON PARISH POLICE JURY

SOLID WASTE FUND
 Budgetary Comparison Schedule
 For the Year Ended December 31, 2016

Exhibit 2-3

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
BUDGETARY FUND BALANCES, BEGINNING	\$ 724,386	\$ 1,158,237	\$ 1,158,237	\$ -
Resources (inflows)				
Local sources:				
Taxes:				
Sales and use	1,150,000	1,250,000	1,420,999	170,999
Fees, charges, and commissions for services	125,000	142,500	143,723	1,223
Miscellaneous revenues	59,000	40,000	42,217	2,217
Use of money and property	9,000	4,000	4,933	933
Insurance proceeds	6,400	-	-	-
Amounts available for appropriations	<u>2,073,786</u>	<u>2,594,737</u>	<u>2,770,109</u>	<u>175,372</u>
Charges to appropriations (outflows)				
Current:				
Public works	1,493,500	1,537,000	1,442,046	94,954
Capital outlay	25,000	227,000	231,106	(4,106)
Total charges to appropriations	<u>1,518,500</u>	<u>1,764,000</u>	<u>1,673,152</u>	<u>90,848</u>
BUDGETARY FUND BALANCES, ENDING	<u>\$ 555,286</u>	<u>\$ 830,737</u>	<u>\$ 1,096,957</u>	<u>\$ 266,220</u>

JACKSON PARISH POLICE JURY

LIBRARY FUND
 Budgetary Comparison Schedule
 For the Year Ended December 31, 2016

Exhibit 2-4

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		POSITIVE (NEGATIVE)
BUDGETARY FUND BALANCES, BEGINNING	\$ 1,374,564	\$ 2,453,618	\$ 2,453,618	\$ -
Resources (inflows)				
Local sources:				
Taxes:				
Ad valorem	1,600,000	1,700,000	1,683,537	(16,463)
Intergovernmental revenues:				
State funds:				
State revenue sharing	17,775	35,000	31,556	(3,444)
State aid grants	-	300	-	(300)
Fines and forfeitures	26,000	26,000	30,476	4,476
Miscellaneous revenues	3,000	4,477	7,081	2,604
Use of money and property	7,500	12,000	7,049	(4,951)
Insurance proceeds	-	-	29,691	29,691
	<u>3,028,839</u>	<u>4,231,395</u>	<u>4,243,008</u>	<u>11,613</u>
Amounts available for appropriations				
Charges to appropriations (outflows)				
Current:				
Culture and recreation	<u>1,522,100</u>	<u>1,488,200</u>	<u>1,326,458</u>	<u>161,742</u>
Total charges to appropriations	<u>1,522,100</u>	<u>1,488,200</u>	<u>1,326,458</u>	<u>161,742</u>
BUDGETARY FUND BALANCES, ENDING	<u>\$ 1,506,739</u>	<u>\$ 2,743,195</u>	<u>\$ 2,916,550</u>	<u>\$ 173,355</u>

JACKSON PARISH POLICE JURY

ASPHALT FUND
 Budgetary Comparison Schedule
 For the Year Ended December 31, 2016

Exhibit 2-5

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
BUDGETARY FUND BALANCES, BEGINNING	\$ 1,358,797	\$ 2,763,071	\$ 2,763,071	\$ -
Resources (inflows)				
Local sources:				
Taxes:				
Ad valorem	925,000	925,000	1,022,707	97,707
Intergovernmental revenues:				
State funds:				
State revenue sharing	17,500	17,500	18,535	1,035
Miscellaneous revenue	1,300	1,385	1,382	(3)
Use of money and property	10,000	10,000	12,383	2,383
Amounts available for appropriations	<u>2,312,597</u>	<u>3,716,956</u>	<u>3,818,078</u>	<u>101,122</u>
Charges to appropriations (outflows)				
Current:				
Public works	<u>1,160,500</u>	<u>1,160,500</u>	<u>708,295</u>	<u>452,205</u>
Total charges to appropriations	<u>1,160,500</u>	<u>1,160,500</u>	<u>708,295</u>	<u>452,205</u>
BUDGETARY FUND BALANCES, ENDING	<u>\$ 1,152,097</u>	<u>\$ 2,556,456</u>	<u>\$ 3,109,783</u>	<u>\$ 553,327</u>

JACKSON PARISH POLICE JURY

ROAD SALES TAX FUND
 Budgetary Comparison Schedule
 For the Year Ended December 31, 2016

Exhibit 2-6

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
BUDGETARY FUND BALANCES, BEGINNING	\$ 886,589	\$ 1,045,763	\$ 1,045,763	\$ -
Resources (inflows)				
Local sources:				
Taxes:				
Sales and use	850,000	875,000	947,334	72,334
Use of money and property	2,500	4,000	4,607	607
Amounts available for appropriations	1,739,089	1,924,763	1,997,704	72,941
Charges to appropriations (outflows)				
Current:				
Public Works	12,000	34,500	10,414	24,086
Transfers to other funds	1,300,000	1,300,000	1,300,000	-
Total charges to appropriations	1,312,000	1,334,500	1,310,414	24,086
BUDGETARY FUND BALANCES, ENDING	\$ 427,089	\$ 590,263	\$ 687,290	\$ 97,027

Jackson Parish Police Jury

Notes to Budgetary Comparison Schedules For the Year Ended December 31, 2016

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 his 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 he deems necessary for proper control. Unexpended appropriations lapse at year end and must be reappropriated 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, 2016, budgets were adopted for the general fund and all special revenue funds.

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

Budget Basis of Accounting All governmental funds' budgets are prepared on the modified accrual basis of accounting. Budgeted amounts are as originally adopted or as amended by the 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 5% or more and/or expenditures within a fund are expected to exceed budgeted expenditures by 5% or more.

JACKSON PARISH POLICE JURY

Notes to Budgetary Comparison Schedules
For the Year Ended December 31, 2016

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

	<u>General</u>	<u>Road</u>	<u>Solid Waste</u>	<u>Library</u>	<u>Asphalt</u>	<u>Road Sales Tax</u>
<u>Sources/inflows of resources:</u>						
Actual amounts (budgetary basis) "available for appropriation" from the Budgetary Comparison Schedule.	\$ 5,685,819	\$ 5,893,372	\$ 2,770,109	\$ 4,243,008	\$ 3,818,078	\$ 1,997,704
The fund balance at the beginning of the year is a budgetary resource but is not a current-year revenue for financial reporting purposes.	(3,571,664)	(3,326,912)	(1,158,237)	(2,453,618)	(2,763,071)	(1,045,763)
Transfers from other funds, issuance of debt and insurance proceeds are classified as revenue for budgetary purposes but are not revenues for financial reporting.	<u>(1,982)</u>	<u>(940,000)</u>	<u>-</u>	<u>(29,691)</u>	<u>-</u>	<u>-</u>
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds.	<u>\$ 2,112,173</u>	<u>\$ 1,626,460</u>	<u>\$ 1,611,872</u>	<u>\$ 1,759,699</u>	<u>\$ 1,055,007</u>	<u>\$ 951,941</u>
<u>Uses/Outflows of resources:</u>						
Actual amounts (budgetary basis) "Total charges to appropriations" from the Budgetary Comparison Schedule.	\$ 2,071,309	\$ 2,627,220	\$ 1,673,152	\$ 1,326,458	\$ 708,295	\$ 1,310,414
Transfers to other funds classified as expenditures for budgetary purposes and as an operating transfer for financial reporting.	<u>(150,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,300,000)</u>
Total expenditures as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 1,921,309</u>	<u>\$ 2,627,220</u>	<u>\$ 1,673,152</u>	<u>\$ 1,326,458</u>	<u>\$ 708,295</u>	<u>\$ 10,414</u>

SUPPLEMENTARY INFORMATION

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

JACKSON PARISH POLICE JURY

NONMAJOR GOVERNMENTAL FUNDS
 Combining Balance Sheet - By Fund Type
 December 31, 2016

Exhibit 3

	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	TOTAL
ASSETS				
Cash and cash equivalents	\$ 822,761	\$ 244,128	\$ 383,924	\$ 1,450,813
Receivables	130,371	-	-	130,371
TOTAL ASSETS	953,132	244,128	383,924	1,581,184
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts, salaries and other payables	1,741	-	-	1,741
Total Liabilities	1,741	-	-	1,741
Deferred Inflows of Resources:				
Unavailable revenue-property taxes	2,831	-	-	2,831
Total Deferred Inflows of Resources	2,831	-	-	2,831
Fund Balances:				
Restricted	948,560	244,128	252,293	1,444,981
Committed	-	-	131,631	131,631
Total Fund balances	948,560	244,128	383,924	1,576,612
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 953,132	\$ 244,128	\$ 383,924	\$ 1,581,184

JACKSON 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, 2016

Exhibit 4

	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	TOTAL
REVENUES				
Local sources:				
Taxes:				
Ad valorem	\$ 179,822	\$ -	\$ -	\$ 179,822
Intergovernmental revenues:				
State funds:				
State aid grants	22,100	-	55,593	77,693
Miscellaneous revenue	244	-	-	244
Use of money and property	4,179	989	1,475	6,643
Total Revenues	<u>206,345</u>	<u>989</u>	<u>57,068</u>	<u>264,402</u>
EXPENDITURES				
Current:				
Public works	-	-	25,221	25,221
Health and welfare	132,105	-	-	132,105
Culture and recreation	9,124	-	55,593	64,717
Capital outlay	-	-	15,177	15,177
Debt service:				
Principal retirement	-	265,000	-	265,000
Interest and bank charges	-	42,774	-	42,774
Total Expenditures	<u>141,229</u>	<u>307,774</u>	<u>95,991</u>	<u>544,994</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>65,116</u>	<u>(306,785)</u>	<u>(38,923)</u>	<u>(280,592)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	360,000	150,000	510,000
Transfers out	-	-	(1,982)	(1,982)
Total Other Financing Sources (Uses)	<u>-</u>	<u>360,000</u>	<u>148,018</u>	<u>508,018</u>
Net Change in Fund Balances	65,116	53,215	109,095	227,426
FUND BALANCES - BEGINNING	<u>883,444</u>	<u>190,913</u>	<u>274,829</u>	<u>1,349,186</u>
FUND BALANCES - ENDING	<u>\$ 948,560</u>	<u>\$ 244,128</u>	<u>\$ 383,924</u>	<u>\$ 1,576,612</u>

Jackson Parish Police Jury

NONMAJOR SPECIAL REVENUE FUNDS

HEALTH UNIT

The health unit fund accounts for a portion of the maintenance and operation of the parish health unit. Financing is provided by a parish-wide ad valorem tax, miscellaneous revenues, and interest earned on investments.

LANDFILL CLOSURE

The landfill closure fund accounts for estimated closure cost and post-closure care expenses of the parish landfill site. Financing is provided by contributions and interest on investments.

TOURISM

The tourism fund accounts for promoting tourism in the parish. Financing is provided by a hotel/motel tax and interest earned on investments.

JACKSON PARISH POLICE JURY

NONMAJOR SPECIAL REVENUE FUNDS
 Combining Balance Sheet
 December 31, 2016

Exhibit 5

	HEALTH UNIT	LANDFILL CLOSURE	TOURISM	TOTAL
ASSETS:				
Cash and cash equivalents	\$ 200,267	\$ 558,394	\$ 64,100	\$ 822,761
Receivables	130,371	-	-	130,371
TOTAL ASSETS	330,638	558,394	64,100	953,132
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts, salaries and other payables	1,741	-	-	1,741
Total Liabilities	1,741	-	-	1,741
Deferred Inflows of Resources:				
Unavailable revenue-property taxes	2,831	-	-	2,831
Total Deferred Inflows of Resources	2,831	-	-	2,831
Fund Balances:				
Restricted	326,066	558,394	64,100	948,560
Total Fund balances	326,066	558,394	64,100	948,560
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 330,638	\$ 558,394	\$ 64,100	\$ 953,132

JACKSON PARISH POLICE JURY

NONMAJOR SPECIAL REVENUE FUNDS
 Combining Statement of Revenues, Expenditures,
 and Changes in Fund Balances
 For the Year Ended December 31, 2016

Exhibit 6

	HEALTH UNIT	LANDFILL CLOSURE	TOURISM	TOTAL
REVENUES				
Local sources:				
Taxes:				
Ad valorem	\$ 179,822	\$ -	\$ -	\$ 179,822
Intergovernmental revenues:				
State funds:				
State aid grants	-	-	22,100	22,100
Miscellaneous revenue	244	-	-	244
Use of money and property	1,115	2,800	264	4,179
Total Revenues	<u>181,181</u>	<u>2,800</u>	<u>22,364</u>	<u>206,345</u>
EXPENDITURES				
Current:				
Health and welfare	132,105	-	-	132,105
Culture and recreation	-	-	9,124	9,124
Total Expenditures	<u>132,105</u>	<u>-</u>	<u>9,124</u>	<u>141,229</u>
Net Change in Fund Balances	49,076	2,800	13,240	65,116
FUND BALANCES - BEGINNING	<u>276,990</u>	<u>555,594</u>	<u>50,860</u>	<u>883,444</u>
FUND BALANCES - ENDING	<u>\$ 326,066</u>	<u>\$ 558,394</u>	<u>\$ 64,100</u>	<u>\$ 948,560</u>

Jackson Parish Police Jury

NONMAJOR CAPITAL PROJECT FUNDS

CAPITAL FUND

This fund accounts for capital improvements as well as significant repairs and maintenance throughout Jackson Parish.

GATE CITY SEWER DISTRICT

The fund accounts for capital improvements for Gate City Sewer District.

LCDBG

The fund accounts for capital improvements that are funded by the Louisiana Community Development Block Grant (LCDBG) within Jackson Parish.

PAVILION / RIDING ARENA

The Pavilion/Riding area fund accounts for the Police Jury's commitment, as outlined in the Cooperative Endeavor Agreement with the Jackson Recreation District Board and Louisiana Division of Administration, to provide dirt work, clearing and grubbing and construction of the parking lot for the Jackson Parish Riding Arena and Livestock Pavilion.

JACKSON PARISH POLICE JURY

NONMAJOR CAPITAL PROJECT FUNDS

Combining Balance Sheet

December 31, 2016

Exhibit 7

	<u>CAPITAL FUND</u>	<u>GATE CITY SEWER DISTRICT</u>	<u>LCDBG</u>	<u>PAVLION / RIDING ARENA</u>	<u>TOTAL</u>
ASSETS:					
Cash and cash equivalents	\$ 131,621	\$ -	\$ 10	\$ 252,293	\$ 383,924
TOTAL ASSETS	131,621	-	10	252,293	383,924
FUND BALANCE:					
Restricted	-	-	-	252,293	252,293
Committed	131,621	-	10	-	131,631
Total fund balance	131,621	-	10	252,293	383,924
TOTAL FUND BALANCES	\$ 131,621	\$ -	\$ 10	\$ 252,293	\$ 383,924

JACKSON PARISH POLICE JURY

NONMAJOR CAPITAL PROJECT FUNDS
 Combining Statement of Revenues, Expenditures,
 and Changes in Fund Balances
 For the Year Ended December 31, 2016

Exhibit 8

	CAPITAL FUND	GATE CITY SEWER DISTRICT	LCDBG	PAVLION / RIDING ARENA	TOTAL
REVENUES					
Intergovernmental revenues:					
State funds:					
State aid grants	\$ -	\$ -	\$ -	\$ 55,593	\$ 55,593
Use of money and property	200	6	-	1,269	1,475
Total Revenues	200	6	-	56,862	57,068
EXPENDITURES					
Current:					
Public works	24,753	468	-	-	25,221
Culture and recreation	-	-	-	55,593	55,593
Capital outlay	15,177	-	-	-	15,177
Total Expenditures	39,930	468	-	55,593	95,991
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES					
	(39,730)	(462)	-	1,269	(38,923)
OTHER FINANCING SOURCES (USES)					
Transfers in	150,000	-	-	-	150,000
Transfers out	-	(1,982)	-	-	(1,982)
Total Other Financing Sources (Uses)	150,000	(1,982)	-	-	148,018
Net Change in Fund Balances	110,270	(2,444)	-	1,269	109,095
FUND BALANCES - BEGINNING	21,351	2,444	10	251,024	274,829
FUND BALANCES - ENDING	\$ 131,621	\$ -	\$ 10	\$ 252,293	\$ 383,924

Jackson Parish Police Jury

AGENCY FUND

INDUSTRIAL DISTRICT

This fund accounted for the assets held by the Police Jury as an agent for the Industrial District of Jackson Parish.

The Police Jury and the Town of Jonesboro closed the Industrial District of Jackson Parish fund during 2016; therefore, the Police Jury did not have any agency funds to report at December 31, 2016, only the changes in fiduciary assets and liabilities for the year ended December 31, 2016.

JACKSON PARISH POLICE JURY

FIDUCIARY FUND

Statement of Changes in Fiduciary Assets and Liabilities

For the Year Ended December 31, 2016

Exhibit 9

	<u>Balance Beginning</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance Ending</u>
***** INDUSTRIAL DISTRICT *****				
ASSETS				
Cash and cash equivalents	\$ 9,642	\$ 5	\$ 9,647	\$ -
TOTAL ASSETS	<u>9,642</u>	<u>5</u>	<u>9,647</u>	<u>-</u>
LIABILITIES				
Deposits due others	9,642	5	9,647	-
TOTAL LIABILITIES	<u>\$ 9,642</u>	<u>\$ 5</u>	<u>\$ 9,647</u>	<u>\$ -</u>

Jackson Parish Police Jury

Schedule of Compensation Paid Police Jurors For the Year Ended December 31, 2016

COMPENSATION PAID POLICE JURORS The schedule of compensation paid to police jurors is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Compensation of the Jackson Parish Police Jury members is included in the general administrative expenditures of the general fund. Members of the governing board receive compensation pursuant to Louisiana Revised Statute 33:1233.

Todd Culpepper, President	\$ 16,152
Lynn Treadway, Vice President	14,400
Eddie Langston	14,448
Amy Magee	14,400
Maxie F. Monroe	14,400
John McCarty	14,013
Regina Rowe	14,013
Billy Byrant	387
Charles Garrett	387
Total	<u>\$ 102,600</u>

Jackson Parish Police Jury

Schedule of Compensation, Benefits and Other Payments to Agency Head
For the Year Ended December 31, 2016

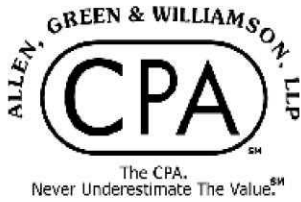
Agency Head Name: Kenneth Pardue, Secretary-Treasurer

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 78,853
Benefits-insurance	7,170
Benefits-retirement	10,251
Benefits-medicare	1,143
	<u>\$ 97,417</u>

Jackson Parish Police Jury

OTHER REPORTS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

The report following this page is a report on compliance and on internal control over financial reporting based on an audit of financial statements performed in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States of America. The section of the report on compliance is based solely on the audit of the financial statements and presents, where applicable, compliance matters that would be material to the financial statements. The section of the report on internal control over financial reporting is, likewise, based solely on the audit of the financial statements and includes, where appropriate, any significant deficiencies and/or material weaknesses.



ALLEN, GREEN & WILLIAMSON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

P. O. Box 6075

Monroe, LA 71211-6075

2441 Tower Drive
Monroe, LA 71201

Telephone: (318) 388-4422

Fax: (318) 388-4664

Toll-free: (888) 741-0205

Partners: Tim Green, CPA
Amy Tynes, CPA, CFE
Aimee Buchanan, CPA
Nicia Mercer, CPA, CFE
Principal: Cindy Thomason, CPA

Matt Carmichael, CPA
Eddi Hernandez, CPA
Audit Manager: Margie Williamson, CPA

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

Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Independent Auditor's Report

Police Jurors
Jackson Parish Police Jury
Jonesboro, Louisiana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Jackson Parish Police Jury, as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the Police Jury's basic financial statements, and have issued our report thereon dated June 28, 2017. We issued an adverse opinion on the aggregate discretely presented component units due to the omission of the discretely presented component units and an unmodified opinion on the governmental activities, each major fund, and the aggregate remaining fund information on the primary government.

Internal Control over Financial Reporting

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

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

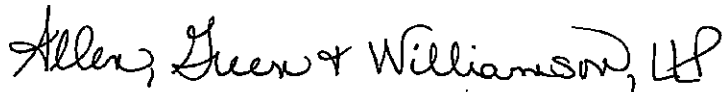
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Compliance and Other Matters

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

Purpose of this Report

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



ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
June 28, 2017

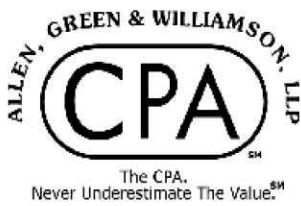
**Jackson Parish Police Jury
Schedule of Findings
For the Year ended December 31, 2016**

PART I - Summary of the Auditor's Results

Financial Statement Audit

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

OTHER INFORMATION



ALLEN, GREEN & WILLIAMSON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

P. O. Box 6075

Monroe, LA 71211-6075

2441 Tower Drive
Monroe, LA 71201

Telephone: (318) 388-4422

Fax: (318) 388-4664

Toll-free: (888) 741-0205

Partners: Tim Green, CPA
Amy Tynes, CPA, CFE
Aimee Buchanan, CPA
Nicia Mercer, CPA, CFE
Principal: Cindy Thomason, CPA

Matt Carmichael, CPA
Eddi Hernandez, CPA
Audit Manager: Margie Williamson, CPA

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

Management Letter

Police Jurors
Jackson Parish Police Jury
Jonesboro, Louisiana

In planning and performing our audit of the financial statements of the governmental activities, each major fund, and the aggregate fund information of the Jackson Parish Police Jury, for the year ended December 31, 2016, we considered the Police Juror's internal control to plan our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control.

However, during our audit, we noted a certain matter involving internal control that is presented for your consideration. This letter does not affect our report dated June 28, 2017, on the financial statements of the Police Jury. We will review the status of this comment during our next audit engagement. Our comment and recommendation, which has been discussed with appropriate members of management, is intended to improve the internal control or result in other operating efficiencies. We will be pleased to discuss this comment in further detail at your convenience, to perform any additional study of this matter, or to assist you in implementing the recommendation. Our comments and management's response are summarized as follows:

2016-M001 Parish Road Listing

Revised Statute 48:753 states "each parish and municipal governing authority shall make a determination of whether a road, or portion thereof, within their respective road systems, meets the definition of a public road for the purpose of the parish transportation system". The statute also defines a public road as "any road, or portion thereof, dedicated as a public road and/or accepted for maintenance by a parish or municipal governing authority, or constructed or maintained for an uninterrupted period of three years, by a parish or municipal governing authority, provided such road, or portion thereof, serves a public purpose that is in the best interest of the parish or municipality and their respective road systems".

Comment: Through road observations, review of Jury minutes and discussions with management the following issues were noted:

- Several roads that do not meet the definition of a public road have not been removed from the road listing.
- Roads that were deemed "nonpublic" were added back to the listing because of outside pressures.
- Requests for additions and/or changes to the Road Priority Listing were made directly to the parish engineer instead of the Road Department in accordance with the Jury's policy and procedures.

Recommendation: The Police Jury should follow its policies and procedures established for the Road Program. Roads not meeting the definition of a “public road” should be removed from the parish road listing. Requests for additions/deletions to the parish road listing should be evaluated by the Road Department for compliance with the Jury’s road program’s policies and procedures before seeking written approval from the parish road engineer.

Management’s response

The road superintendent shall present to the Jackson Parish Police Jury an updated list of roads currently in the parish road system that have been identified as not providing a benefit or serve the general public no later than September 1, 2017. The Jury shall conduct a public hearing on each named road prior to the end of the 2018 fiscal year for determination of whether the road serves a public purpose that is in the best interest of the parish.

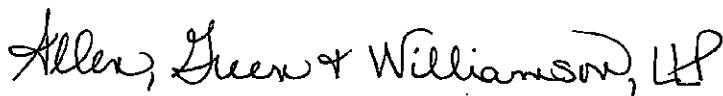
All issues and inquiries pertaining to parish roads shall first be directed to the road superintendent. No person, including individual jurors, shall be authorized to request action of the parish engineer, assistant district attorney or any other consultant that may result in chargeable services. All requests for action of the parish engineer or of any other consultant that may result in chargeable services, shall be approved by a vote of the jury.

Our audit procedures are designed primarily to enable us to form opinions on the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Police Jury, as of and for the year ended December 31, 2016, which collectively comprise the Police Jury primary government’s basic financial statements, and therefore, may not reveal all weaknesses in policies and procedures that may exist.

Also included are management’s response to our current year management letter item. We have performed no audit work to verify the content of the responses.

Included immediately following this letter is a Status of Prior Management Letter Item. This information has not been audited by Allen, Green & Williamson, LLP, and no opinion is expressed. However, we did follow-up on the prior management letter item and performed procedures to assess the reasonableness of the Status of Prior Management Letter Item prepared by Management, and we would report, as a current-year management letter item when Allen, Green & Williamson, LLP, concludes that the Status of Prior Management Letter Item materially misrepresents the status of any prior management letter item.

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



Allen, Green & Williamson, LLP

Monroe, Louisiana
June 28, 2017

**Jackson Parish Police Jury
Status of Prior Year Management Letter Item
December 31, 2016**

2015-M001 Internal Controls over Cooperative Endeavors

Comment: In reviewing the minutes and through discussions with management, it was noted that the Policy Jury appropriated funds to the Town of Jonesboro and to the Village of East Hodge before obtaining a cooperative endeavor agreement with the governmental entities.

Recommendation: The Police Jury should establish policies and procedures to ensure the Police Jury obtains a cooperative endeavor agreement with all entities before it appropriates funds to the entity. The agreement should state the public purpose for the appropriation, should not be gratuitous and have a reasonable expectation of receiving a benefit or value at least equivalent to the amount expended or transferred.

Management's response: The Police Jury has begun the process of adopting a policy and procedures requiring cooperative endeavor agreements with all entities before appropriating funds to entities. The cooperative endeavor agreement will require:

1. A certified copy of the minutes of the Board/Council requesting the Police Jury's assistance for capital projects with a detailed statement of the purpose for which the request is made.
2. A certified copy of a resolution adopted by the Board/Council of the requesting entity accepting the terms of the Police Jury's policy. A statement outlining the benefits or value that the appropriation will produce that is at least equal to the amount of the transfer.
3. Detailed estimate of the cost prepared by the entities engineer or architect for projects exceeding \$10,000.
4. No special appropriation will exceed \$50,000.
5. Agreement by the entity to provide the Police Jury with copies of cancelled checks and invoices for documentation to assure that the appropriations were utilized in accord with the original request.
6. No special appropriation will be made for prior debts of the entity.
7. The Police Jury has the right to deny any request for a cooperative endeavor agreement for a capital project that was started prior to the Police Jury's approval to enter into the cooperative endeavor agreement.
8. No entity will be eligible to receive any annual appropriation until the value of their special appropriation is less than the accumulated value of the regular annual appropriation made by the Police Jury.

This management letter item is considered cleared.

2015-M002 Road Program

Comment: In testing the road construction projects to ensure the 2015 road projects were performed in accordance with the Police Jury's annual road capital improvements policy and the prioritized listing, two exceptions were noted where two roads on the 2015 Gravel listing were hot mixed instead of following the engineer's recommendation of applying cracked fuel oil in accordance with Police Jury's capital improvement policy.

Recommendation: The Police Jury should follow its policies and procedures established for the Road Program.

Management's response: Any addition/deletion of roads after the original annual program as presented by the parish engineer is adopted by the Police Jury will require a written statement by the parish engineer stating the cause/need of the change, and will contain a confirmation that the requested change is in compliance with the parish's policy and procedures. The Police Jury's minutes will reflect the cause for the amendment from the original annual road program and the recommendation of the parish engineer.

This management letter item is considered cleared.