

AVOUELLES PARISH POLICE JURY

Marksville, Louisiana

Financial Report

Year Ended December 31, 2016

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INDEPENDENT AUDITOR'S REPORT

* A Professional Accounting Corporation

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Avoyelles Parish Police Jury (Police Jury), as of and for the year ended December 31, 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 *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Basis for Adverse Opinion on Aggregate Discretely Presented Component Units

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

Adverse Opinion on Discretely Presented Component Units

In our opinion, because of the significance of the matter described in the "Basis for Adverse Opinion on Aggregate Discretely Presented Component Units" paragraph, the financial statements referred to above do not present fairly the financial position of the aggregate discretely presented component units of the Avoyelles Parish Police Jury as of December 31, 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 above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Avoyelles Parish Police Jury as of December 31, 2016, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information, schedule of employer's share of net pension liability, and schedule of employer contributions on pages 42-51, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 13, 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, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Police Jury's internal control over financial reporting and compliance.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Marksville, Louisiana
June 13, 2017

BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS (GWFS)**

AVOYELLES PARISH POLICE JURY
Marksville, Louisiana

Statement of Net Position
December 31, 2016

	Governmental Activities
Assets:	
Cash and interest-bearing deposits	\$ 11,826,181
Receivables, net	1,817,945
Due from other governmental units	828,547
Prepaid items	113,099
Land and construction in progress	3,011,548
Capital assets, net	4,137,341
Total assets	21,734,661
Deferred outflows of resources related to pensions	416,927
Liabilities:	
Accounts and other payables	735,628
Unearned revenue	174,419
Due to other governmental units	62,708
Long-term liabilities:	
Due within on year	21,858
Due in more than one year	58,841
Net pension liability	326,270
Total liabilities	1,379,724
Deferred inflows of resources related to pensions	57,967
Net Position:	
Net investment in capital assets	7,148,889
Restricted -	
Public safety	11,754
Public works	7,018,293
Health and welfare	3,063,652
Culture and recreation	2,252,350
Economic development	204,050
Unrestricted	1,014,909
Total net position	\$ 20,713,897

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

AVOYELLES PARISH POLICE JURY
Marksville, Louisiana

Statement of Activities
For the Year Ended December 31, 2016

Activities	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
		Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Primary government:					
Governmental activities:					
General government	\$ 1,579,673	\$ 378,112	\$ -	\$ -	\$ (1,201,561)
Public safety	517,224	287,212	56,895	-	(173,117)
Public works	4,557,322	1,714	488,277	1,214,291	(2,853,040)
Health and welfare	905,866	-	647,437	-	(258,429)
Culture and recreation	642,294	15,121	5,000	-	(622,173)
Economic development	263,270	6,658	-	-	(256,612)
Total governmental activities	\$ 8,465,649	\$ 688,817	\$ 1,197,609	\$ 1,214,291	(5,364,932)
General revenues:					
Taxes -					
Property taxes, levied for general purposes					2,203,201
Sales and use taxes, levied for specific purposes					4,422,387
Grants and contributions not restricted to specific programs -					
State revenue sharing					198,725
Parish equalization					238,616
Other state grants					520,131
Nonemployer pension contribution					20,493
Interest and investment earnings					20,677
Miscellaneous					90,864
Total general revenues					7,715,094
Change in net position					2,350,162
Net position, as restated - January 1, 2016					18,363,735
Net position - December 31, 2016					\$ 20,713,897

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

FUND FINANCIAL STATEMENTS (FFS)

FUND DESCRIPTIONS

General Fund

General Fund

The General Fund is used to account for resources traditionally associated with governments which are not required to be accounted for in another fund.

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Road and Bridge Fund

To account for the construction and maintenance of roads and bridges on a parish wide basis. Major means of financing is provided by a sales tax of one-fourth of one percent (1/4%) and the State of Louisiana Parish Transportation Fund.

Solid Waste Fund

To account for the providing of garbage and waste collection and/or disposal for the Parish. Financing is provided by a sales tax of three fourths of one percent (3/4%).

Drainage Fund

To account for expenditures for maintaining the parish drainage system. Major means of financing is provided by ad valorem taxes and state revenue sharing.

Health Unit Fund

To account for the maintenance of a health unit, which provides health and welfare services to the citizens of the parish. Major means of financing is provided by ad valorem taxes and state revenue sharing.

Library Fund

To account for the operation and maintenance of the parish library. Major means of financing is provided by ad valorem taxes and state revenue sharing.

Section 8 HUD - Program Fund

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

Capital Projects Fund

Capital projects funds are used to account for all financial resources that are restricted, committed, or assigned to expenditure for capital outlays.

LCDBG Ike Gustav Fund

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

AVOYELLES PARISH POLICE JURY
Marksville, Louisiana

Balance Sheet
Governmental Funds
December 31, 2016

ASSETS	General	Road & Bridge	Solid Waste	Drainage	Health Unit	Library	Section 8	LCDBG Ike Gustav	Other Governmental Funds	Total
Cash and interest-bearing deposits	\$ 657,771	\$ 1,118,544	\$ 4,657,922	\$ 769,461	\$ 2,379,327	\$ 1,555,077	\$ 298,862	\$ 15	\$ 389,202	\$ 11,826,181
Receivables, net	260,632	-	-	395,559	452,000	700,599	-	-	9,155	1,817,945
Due from other governmental units	183,970	105,295	195,365	40,966	46,810	72,555	-	172,732	10,854	828,547
Due from other funds	-	-	-	-	-	-	-	-	3,010	3,010
Prepaid items	20,321	17,317	23,987	17,712	9,917	17,943	135	-	5,767	113,099
Total assets	<u>\$ 1,122,694</u>	<u>\$ 1,241,156</u>	<u>\$ 4,877,274</u>	<u>\$ 1,223,698</u>	<u>\$ 2,888,054</u>	<u>\$ 2,346,174</u>	<u>\$ 298,997</u>	<u>\$ 172,747</u>	<u>\$ 417,988</u>	<u>\$ 14,588,782</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES										
Liabilities:										
Accounts, salaries, and other payables	\$ 134,523	\$ 94,546	\$ 197,954	\$ 29,680	\$ 25,756	\$ 68,087	\$ 3,408	\$ 172,732	\$ 8,942	\$ 735,628
Unearned revenue	-	-	-	-	-	-	84,419	-	90,000	174,419
Due to other funds	1,180	-	-	-	-	-	-	-	1,830	3,010
Due to other governmental units	56,241	6,467	-	-	-	-	-	-	-	62,708
Total liabilities	<u>191,944</u>	<u>101,013</u>	<u>197,954</u>	<u>29,680</u>	<u>25,756</u>	<u>68,087</u>	<u>87,827</u>	<u>172,732</u>	<u>100,772</u>	<u>975,765</u>
Deferred inflows of resources:										
Unavailable revenue	75,934	-	-	73,794	84,321	130,697	-	-	-	364,746
Fund balances:										
Nonspendable	20,321	17,317	23,987	17,712	9,917	17,943	135	-	5,767	113,099
Restricted -										
Public safety	-	-	-	-	-	-	-	-	19,307	19,307
Public works	-	1,122,826	4,655,333	1,102,512	-	-	-	15	84,661	6,965,347
Health and welfare	-	-	-	-	2,768,060	-	211,035	-	-	2,979,095
Culture and recreation	-	-	-	-	-	2,129,447	-	-	-	2,129,447
Economic development	-	-	-	-	-	-	-	-	204,050	204,050
Unassigned	834,495	-	-	-	-	-	-	-	3,431	837,926
Total fund balances	<u>854,816</u>	<u>1,140,143</u>	<u>4,679,320</u>	<u>1,120,224</u>	<u>2,777,977</u>	<u>2,147,390</u>	<u>211,170</u>	<u>15</u>	<u>317,216</u>	<u>13,248,271</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,122,694</u>	<u>\$ 1,241,156</u>	<u>\$ 4,877,274</u>	<u>\$ 1,223,698</u>	<u>\$ 2,888,054</u>	<u>\$ 2,346,174</u>	<u>\$ 298,997</u>	<u>\$ 172,747</u>	<u>\$ 417,988</u>	<u>\$ 14,588,782</u>

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

AVOYELLES PARISH POLICE JURY
Marksville, Louisiana

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

Total fund balances for governmental funds at December 31, 2016		\$ 13,248,271
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds. Those assets consist of:		
Land and construction in progress	\$ 3,011,548	
Buildings and improvements, net of \$2,035,666 accumulated depreciation	3,395,623	
Equipment, furniture, and fixtures, net of \$592,714 accumulated depreciation	81,858	
Infrastructure, net of \$51,199 accumulated depreciation	26,941	
Heavy equipment, net of \$2,944,599 accumulated depreciation	<u>632,919</u>	7,148,889
Some of the Avoyelles Parish Police Jury's revenues will be collected after year-end, but are not available soon enough to pay for the current period's expenditures, and therefore are reported as deferred inflows of resources at the fund level.		
Delinquent ad valorem taxes	211,967	
State revenue sharing	125,120	
Cable franchise fees	7,797	
Other state funds	<u>19,862</u>	364,746
Long-term liabilities are not due and payable in the current period and therefore, are not reported in the funds. Long-term liabilities at year end consist of:		
Compensated absences payable		(80,699)
The deferred outflows of expenditures for the retirement systems are not available resources, and therefore are not reported in the funds.		
		416,927
Net pension liability		
		(326,270)
The deferred inflows of contributions for the retirement systems are not payable from current expendable resources and therefore, are not reported in the funds.		
		<u>(57,967)</u>
Net position at December 31, 2016		<u>\$ 20,713,897</u>

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

AVOYELLES PARISH POLICE JURY
Marksville, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balances -
Governmental Funds
For the Year Ended December 31, 2016

	<u>General</u>	<u>Road & Bridge</u>	<u>Solid Waste</u>	<u>Drainage</u>
Revenues:				
Taxes -				
Ad valorem	\$ 288,665	\$ -	\$ -	\$ 486,297
Sales	-	1,076,547	3,223,184	-
Licenses and permits	371,041	-	-	-
Intergovernmental revenues -				
Federal revenues	56,895	-	-	-
State funds -				
Parish transportation funds	-	488,277	-	-
State revenue sharing	28,184	-	-	41,879
Parish equalization funds	238,616	-	-	-
Other	500,269	29,417	-	-
Fees, charges and commissions	276,169	-	-	-
Use of money and property	2,147	2,537	8,996	1,889
Other revenues	25,965	2,217	5,100	-
Total revenues	<u>1,787,951</u>	<u>1,598,995</u>	<u>3,237,280</u>	<u>530,065</u>
Expenditures:				
Current-				
General government:				
Legislative	109,242	-	-	-
Judicial	509,662	-	-	-
Elections	51,658	-	-	-
Finance and administration	677,750	-	-	-
Other	223,468	-	-	-
Public safety	388,261	-	-	-
Public works	-	1,479,294	2,775,239	353,598
Health and welfare	-	-	-	-
Culture and recreation	23,929	-	-	-
Economic development and assistance	56,776	-	-	-
Total expenditures	<u>2,040,746</u>	<u>1,479,294</u>	<u>2,775,239</u>	<u>353,598</u>
Excess (deficiency) of revenues over expenditures	<u>(252,795)</u>	<u>119,701</u>	<u>462,041</u>	<u>176,467</u>
Other financing sources (uses):				
Transfers in	60,012	-	-	-
Transfers out	-	(9,375)	-	(12,938)
Total other financing sources (uses)	<u>60,012</u>	<u>(9,375)</u>	<u>-</u>	<u>(12,938)</u>
Changes in fund balances	(192,783)	110,326	462,041	163,529
Fund balances, beginning - as restated	<u>1,047,599</u>	<u>1,029,817</u>	<u>4,217,279</u>	<u>956,695</u>
Fund balances, ending	<u>\$ 854,816</u>	<u>\$ 1,140,143</u>	<u>\$ 4,679,320</u>	<u>\$ 1,120,224</u>

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

<u>Health Unit</u>	<u>Library</u>	<u>Section 8</u>	<u>LCDBG Ike Gustav</u>	<u>Other Governmental Funds</u>	<u>Total</u>
\$ 555,663	\$ 861,276	\$ -	\$ -	\$ -	\$ 2,191,901
-	-	-	-	122,656	4,422,387
-	-	-	-	-	371,041
-	-	647,437	1,184,874	-	1,889,206
-	-	-	-	-	488,277
47,854	74,173	-	-	-	192,090
-	-	-	-	-	238,616
-	5,000	-	-	-	534,686
-	15,121	-	-	166,384	457,674
2,546	1,473	424	-	665	20,677
-	8,228	-	-	49,354	90,864
<u>606,063</u>	<u>965,271</u>	<u>647,861</u>	<u>1,184,874</u>	<u>339,059</u>	<u>10,897,419</u>
-	-	-	-	-	109,242
-	-	-	-	-	509,662
-	-	-	-	-	51,658
-	-	-	-	-	677,750
-	-	-	-	-	223,468
-	-	-	-	136,546	524,807
-	-	-	1,185,178	1,980	5,795,289
246,773	-	617,720	-	-	864,493
-	634,260	-	-	-	658,189
-	-	-	-	161,746	218,522
<u>246,773</u>	<u>634,260</u>	<u>617,720</u>	<u>1,185,178</u>	<u>300,272</u>	<u>9,633,080</u>
<u>359,290</u>	<u>331,011</u>	<u>30,141</u>	<u>(304)</u>	<u>38,787</u>	<u>1,264,339</u>
-	-	-	-	-	60,012
(14,784)	(22,915)	-	-	-	(60,012)
<u>(14,784)</u>	<u>(22,915)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
344,506	308,096	30,141	(304)	38,787	1,264,339
<u>2,433,471</u>	<u>1,839,294</u>	<u>181,029</u>	<u>319</u>	<u>278,429</u>	<u>11,983,932</u>
<u>\$ 2,777,977</u>	<u>\$ 2,147,390</u>	<u>\$ 211,170</u>	<u>\$ 15</u>	<u>\$ 317,216</u>	<u>\$ 13,248,271</u>

AVOYELLES PARISH POLICE JURY
Marksville, Louisiana

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended December 31, 2016

Total net change in fund balances for the year ended December 31, 2016 per the statement of revenues, expenditures and changes in fund balances		\$ 1,264,339
The change in net position reported for governmental activities in the statement of activities is different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay which is considered expenditures on the statement of revenues, expenditures and changes in fund balance	\$ 1,423,695	
Depreciation expense	<u>(369,264)</u>	1,054,431
Some of the Avoyelles Parish Police Jury's revenues will be collected after year-end, but are not available soon enough to pay for the current period's expenditures, and therefore, are reported as deferred inflows of resources at the fund level		
Net change in unavailable revenues -		
Delinquent ad valorem taxes	11,300	
State revenue sharing	6,635	
Franchise fees	7,797	
Other state revenue	<u>19,862</u>	45,594
Decrease in long-term compensated absences		14,222
Nonemployer contributions to the retirement systems		20,493
Net pension (expense) benefit not requiring the use of current economic resources, and therefore, not recorded as a fund expenditure		<u>(48,917)</u>
Change in net position for the year ended December 31, 2016 per statement of activities		<u>\$ 2,350,162</u>

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

AVOYELLES PARISH POLICE JURY
Marksville, Louisiana

Statement of Fiduciary Assets and Liabilities
Agency Fund
December 31, 2016

ASSETS

Cash	\$ 16,943
Receivables	<u>2,480</u>
Total assets	<u>\$ 19,423</u>

LIABILITIES

Due to other governmental units	<u>\$ 19,423</u>
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The accompanying notes are an integral part of the basic financial statements.

AVOYELLES PARISH POLICE JURY
Marksville, Louisiana

Notes to Basic Financial Statements

(1) Summary of Significant Accounting Policies

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

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

A. Financial Reporting Entity

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

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

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

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

AVOYELLES PARISH POLICE JURY
Marksville, Louisiana

Notes to Basic Financial Statements (Continued)

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

The following component units are not presented in the accompanying financial statements:

District Attorney of the Twelfth Judicial District
Avoyelles Parish Airport Authority

Financial statements of the individual component units may be obtained from the respective administrative offices.

These primary government financial statements of the Avoyelles Parish Police Jury do not include the financial data of the component units described above. This component unit financial data is necessary for reporting in conformity with generally accepted accounting principles.

Related Organizations

The Avoyelles Parish Police Jury appoints a portion of the governing boards of each of the entities described below. However, the Police Jury is not financially accountable for these organizations and therefore they are not component units under Statement Nos. 14, 39, and 61 of the Governmental Accounting Standards Board.

Southwest Water District
Bunkie Hospital District
Ward 3 Water District

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

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

AVOYELLES PARISH POLICE JURY
Marksville, Louisiana

Notes to Basic Financial Statements (Continued)

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

Fund Financial Statements (FFS)

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

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

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

The major funds of the Police Jury are described below:

Governmental Funds -

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

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

AVOYELLES PARISH POLICE JURY
Marksville, Louisiana

Notes to Basic Financial Statements (Continued)

Special Revenue Funds

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

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

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

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

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

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

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

Capital Projects Funds

Capital Projects Funds are used to report resources that are restricted, committed or assigned to expenditures for major capital acquisition and construction separately from ongoing operational activities. The following is the Police Jury's major Capital Projects Fund.

The LCDBG Ike Gustav Fund is used to account for the revenues and expenditures related to a grant received from the State of Louisiana Division of Administration for parish-implemented recovery programs designed to address the needs of the most heavily impacted parishes of the state from Hurricanes Ike and Gustav relating to housing, infrastructure and/or economic recovery and revitalization.

AVOYELLES PARISH POLICE JURY
Marksville, Louisiana

Notes to Basic Financial Statements (Continued)

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

Fiduciary Funds -

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

C. Measurement Focus/Basis of Accounting

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

Measurement Focus

On the government-wide statement of net position and the statement of activities, governmental activities are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery) and financial position. All assets and liabilities (whether current or noncurrent) associated with its activities are reported. Government-wide fund equity is classified as net position. In the fund financial statements, the "current financial resources" measurement focus is used. Only current financial assets and liabilities are generally included on its balance sheet. Their operating statement presents sources and uses of available spendable financial resources during a given period. This fund uses fund balance as its measure of available spendable financial resources at the end of the period.

Basis of Accounting

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

AVOYELLES PARISH POLICE JURY
Marksville, Louisiana

Notes to Basic Financial Statements (Continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Revenues are classified by source and expenditures are classified by function and character. Expenditures (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Program revenues

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

Use of Restricted Resources

When both restricted and unrestricted resources are available for use, it is the Police Jury's policy to use restricted resources first, then unrestricted resources as they are needed.

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

Cash and interest-bearing deposits

For purposes of the statement of net position, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposits of the Police Jury. Under state law, the Police Jury may invest in United States bonds, treasury notes, or certificates.

Interfund receivables and payables

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

AVOYELLES PARISH POLICE JURY
Marksville, Louisiana

Notes to Basic Financial Statements (Continued)

Receivables

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

Interfund receivables and payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as “due to and from other funds.” Short-term interfund loans are reported as ‘interfund receivables and payables.’ Interfund receivables and payables as well as due to and from other funds are eliminated in the statement of net position.

Prepaid Items

Payments made to vendors for services that will benefit period beyond December 31, 2016, are recorded as prepaid items.

Capital Assets

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

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

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

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

AVOYELLES PARISH POLICE JURY
Marksville, Louisiana

Notes to Basic Financial Statements (Continued)

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

Long-term debt

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental resources would be reported as liabilities in the government-wide statements. At December 31, 2016, the Police Jury had no long-term debt.

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

Compensated Absences

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

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

At December 31, 2016, employees of the Police Jury had accumulated and vested leave benefits totaling \$80,699.

Deferred Outflows of Resources and Deferred Inflows of Resources

In some instances, the GASB requires a government to delay recognition of decreases in net position as expenditures until a future period. In other instances, governments are required to delay recognition of increases in net position as revenues until a future period. In these circumstances, deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively. The Police Jury's deferred outflows and deferred inflows are related to its pension plans.

AVOYELLES PARISH POLICE JURY
Marksville, Louisiana

Notes to Basic Financial Statements (Continued)

Equity Classifications

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

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

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

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

AVOYELLES PARISH POLICE JURY
Marksville, Louisiana

Notes to Basic Financial Statements (Continued)

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

E. Revenues, Expenditures, and Expenses

Revenues

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

Expenditures/Expenses

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

Interfund Transfers

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

F. Revenue Restrictions

The Police Jury has various restrictions placed over certain revenue sources from state or local requirements. The primary restricted revenue sources include:

<u>Revenue Source</u>	<u>Legal Restriction on Use</u>
Sales Tax	See Note 10

AVOYELLES PARISH POLICE JURY
Marksville, Louisiana

Notes to Basic Financial Statements (Continued)

G. Use of Estimates

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

(2) Cash and Interest-Bearing Deposits

Under state law, the Police Jury may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Police Jury may invest in certificates and time deposits of the state banks organized under Louisiana law and national banks having principal offices in Louisiana. At December 31, 2016, the Police Jury had cash and interest-bearing deposits (book balances) totaling \$11,843,124 as follows:

	Governmental Activities	Fiduciary Funds	Total
Demand	\$ 51,270	\$ 16,943	\$ 68,213
Time and savings deposits	11,774,911	-	11,774,911
Total	\$11,826,181	\$ 16,943	\$11,843,124

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the Police Jury's deposits may not be recovered or the Police Jury will not be able to recover the collateral securities that are in the possession of an outside party. These deposits are stated at cost, which approximates market. Under state law these deposits, (or the resulting bank balances) must be secured by federal deposit insurance or similar federal security of the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) at December 31, 2016 are secured as follows:

Bank balances	\$11,873,532
Insured	748,222
Uninsured and collateral held by pledging bank not in Police Jury's name	11,125,310
Total	\$11,873,532

AVOYELLES PARISH POLICE JURY
 Marksville, Louisiana

Notes to Basic Financial Statements (Continued)

Deposits in the amount of \$11,125,310 were exposed to custodial risk. These deposits are uninsured and collateralized with securities held by the pledging institution's trust department or agent, but not in the Police Jury's name. The Police Jury does not have a policy for custodial credit risk.

(3) Receivables

Receivables of \$1,817,945 at December 31, 2016 consisted of the following:

Ad valorem	\$1,789,123
Franchise fees	18,266
Hotel/motel tax	9,155
Royalties	401
Permits	<u>1,000</u>
Total	<u>\$1,817,945</u>

(4) Due from Other Governmental Units

Amounts due from other governmental units at December 31, 2016 consisted of the following:

State of Louisiana -	
Council on Aging - Transportation program	\$ 56,171
Video Poker	9,886
Visitor Enterprise	30,096
Parish equalization funds	54,878
Grant revenue	172,732
Avoyelles Sheriff's Office -	
State revenue sharing	187,680
Avoyelles Parish School Board -	
Sales and use tax collected but not remitted	260,487
Other	<u>56,617</u>
Totals	<u>\$ 828,547</u>

AVOYELLES PARISH POLICE JURY
Marksville, Louisiana

Notes to Basic Financial Statements (Continued)

(5) Capital Assets

Capital asset activity for the year ended December 31, 2016 was as follows:

	<u>Balance</u> 1/1/2016	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> 12/31/2016
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 590,548	\$ -	\$ -	\$ 590,548
Construction in progress	1,185,398	1,235,602	-	2,421,000
Other capital assets:				
Buildings and improvements	5,369,883	61,406	-	5,431,289
Equipment, furniture and fixtures	643,214	31,358	-	674,572
Infrastructure	78,140	-	-	78,140
Heavy equipment	<u>3,482,189</u>	<u>95,329</u>	-	<u>3,577,518</u>
Totals	<u>11,349,372</u>	<u>1,423,695</u>	-	<u>12,773,067</u>
Less accumulated depreciation				
Buildings and improvements	1,837,410	198,256	-	2,035,666
Equipment, furniture and fixtures	568,560	24,154	-	592,714
Infrastructure	46,911	4,288	-	51,199
Heavy equipment	<u>2,802,033</u>	<u>142,566</u>	-	<u>2,944,599</u>
Total accumulated depreciation	<u>5,254,914</u>	<u>369,264</u>	-	<u>5,624,178</u>
Governmental activities, capital assets, net	<u>\$6,094,458</u>	<u>\$1,054,431</u>	<u>\$ -</u>	<u>\$7,148,889</u>

Depreciation expense was charged to primary government activities as follows:

General government	\$ 57,827
Public works	171,077
Economic development	44,748
Health and welfare	45,279
Culture and recreation	24,877
Public safety	<u>25,456</u>
Total depreciation expense	<u>\$ 369,264</u>

(6) Unearned Revenue

Unearned revenue at December 31, 2016 consisted of rent revenue received in advance in the amount of \$174,419.

AVOYELLES PARISH POLICE JURY
Marksville, Louisiana

Notes to Basic Financial Statements (Continued)

(7) Changes in Compensated Absences

The following is a summary of compensated absences activity for the year ended December 31, 2016:

	Balance 1/1/2016	Additions	Deletions	Balance 12/31/2016	Amount due in one year
Governmental activities:					
Compensated absences	<u>\$94,921</u>	<u>\$ 21,858</u>	<u>\$36,080</u>	<u>\$80,699</u>	<u>\$21,858</u>

(8) Unavailable Revenues

Unavailable revenues are reported in the governmental funds and represent revenue received more than 60 days following year end (and, therefore, unavailable to pay liabilities of the current period). Unavailable revenue received after 60 days is fully recognized as revenue in the government-wide financial statements. At December 31, 2016, governmental funds' revenues that have been earned but are unavailable are as follows:

Delinquent ad valorem tax revenue	\$211,967
State revenue sharing	125,120
Franchise fees	7,797
Other state revenue	<u>19,862</u>
Total	<u>\$364,746</u>

(9) Ad Valorem Taxes

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

For the year ended December 31, 2016, taxes of 28.54 mills were levied as follows:

AVOYELLES PARISH POLICE JURY
Marksville, Louisiana

Notes to Basic Financial Statements (Continued)

Parish wide taxes:	
General alimony tax	4.84 mills
Drainage tax	3.50 mills
Library tax	6.20 mills
Health unit tax	4.00 mills
District taxes:	
Fire protection district No. 2	<u>10.00</u> mills
Total	<u>28.54</u> mills

Total taxes levied were \$2,203,201. Taxes receivable at December 31, 2016 were \$1,789,123.

(10) Sales and Use Tax

Proceeds from a 1% sales and use tax levied by the Police Jury are dedicated for the purpose of maintaining roads and bridges and expenses associated with solid waste collection and disposal. There is also a motel tax levied by the Police Jury that is dedicated for tourism inducement. Collections for the year ended December 31, 2016 were \$4,422,387.

(11) Pension Plans

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

Plan Descriptions

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

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

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

AVOYELLES PARISH POLICE JURY
Marksville, Louisiana

Notes to Basic Financial Statements (Continued)

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

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

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

¹ With actuarial reduced benefits

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

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

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

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

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

¹⁰ Benefit percent varies depending on hire date

Contributions

Article X, Section 29 (E)(2)(a) of the Louisiana Constitution of 1974 assigns the Legislature the authority to determine employee contributions. Employer contributions are actuarially determined using statutorily established methods on an annual basis and are constitutionally required to cover the employer's portion of the normal cost and provide for the amortization of the unfunded accrued liability. Employer contributions are adopted by the Legislature annually upon recommendation of the Public Retirement Systems' Actuarial Committee. In addition, PERS and ROVERS receive a percentage of ad valorem taxes collected by parish. These entities are not participating employers in the pension systems and are considered to be nonemployer contributing entities. Contributions of employers, and nonemployer contributing entities effective for the year ended December 31, 2016 for the defined benefit pension plans in which the Police Jury is a participating employer were as follows:

AVOYELLES PARISH POLICE JURY
Marksville, Louisiana

Notes to Basic Financial Statements (Continued)

Plan	Active Member Contribution Percentage	Employer Contribution Percentage	Amount from Nonemployer Contributing Entities	Amount of Government Contributions
PERS	3.00%	8.00%	\$ 16,604	\$ 97,332
LASERS	12.25%	38.70%	-	3,650
ROVERS	7.00%	22.50%	4,429	4,631

Net Pension Liability

The Police Jury's net pension liability at December 31, 2016 is comprised of its proportionate share of the net pension liability relating to each of the cost-sharing plans in which the Police Jury is a participating employer. The Police Jury's net pension liability for each plan was measured as of the plans' measurement date (June 30, 2016 for all plans except PERS and December 31, 2015 for PERS) and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Police Jury's proportionate share of the net pension liability for each of the plans in which it participates was based on the Police Jury's required contributions in proportion to total required contributions for all employers.

As of the most recent measurement date, the Police Jury's proportion for each plan and the change in proportion from the prior measurement date were as follows:

Plan	Proportionate Share of Net Pension Liability	Proportionate Share (%) of Net Pension Liability	Increase/(Decrease) from Prior Measurement Date
PERS	\$ 239,402	1.344612%	-0.076158%
LASERS	41,854	0.000530%	0.000000%
ROVERS	45,014	0.158640%	-0.002020%
Total	<u>\$ 326,270</u>		

Since the measurement date of the net pension liability was June 30, 2016 (December 31, 2015 for PERS), the net pension liability is based upon fiduciary net position for each of the plans as of those dates. Detailed information about each pension plan's assets, deferred outflows, deferred inflows, and fiduciary net position that was used in the measurement of the Police Jury's net pension liability is available in the separately issued plan financial reports for those fiscal years. The financial report for each plan may be accessed on their website as follows:

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

AVOYELLES PARISH POLICE JURY
Marksville, Louisiana

Notes to Basic Financial Statements (Continued)

Actuarial Assumptions

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

	<u>PERS</u>	<u>LASERS</u>	<u>ROVERS</u>
Date of experience study on which significant assumptions are based	1/1/2006 - 12/31/2010	7/1/2008 - 6/30/2013	7/1/2009 - 6/30/2014
Expected remaining service lives	4	3	5
Inflation Rate	2.50%	3.0%	2.5%
Projected salary increases	2.75%	5.5% - 14.5%	3.5%
Projected benefit changes including COLAs	None	None	None
Source of mortality assumptions	(1), (2), (3)	(4), (5)	(2), (6), (7)

- (1) RP-2000 Employee Sex Distinct Table for employees set back 4 years for males and 3 years for females
- (2) RP-2000 Disabled Lives Mortality Table for disabled annuitants set back 5 years for males and 3 years for females
- (3) RP-2000 Healthy Annuitant Sex Distinct Table Projected to 2031 using Scale AA for annuitants and beneficiaries
- (4) RP-2000 Combined Healthy Mortality Table with mortality improvement projected to 2015
- (5) RP-2000 Disabled Retiree Mortality Table with no projection for mortality improvement
- (6) RP-2000 Healthy Annuitant Table set forward 1 year and projected to 2030 using scale AA for males and projected to 2030 using scall AA
- (7) RP-2000 Employee Table for active members set back 4 years for males and set back 3 years for females

Cost of Living Adjustments

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

AVOYELLES PARISH POLICE JURY
Marksville, Louisiana

Notes to Basic Financial Statements (Continued)

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

Discount Rate

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

	<u>PERS</u>	<u>LASERS</u>	<u>ROVERS</u>
Discount rate	7.00%	7.75%	7.0%
Change in discount rate from prior valuation	(.25%)	-	-
Plan cash flow assumptions	(1)	(1)	(1)
Rates incorporated in the Discount Rate:			
Long-term Rate of Return	7.00%	7.75%	7.00%
Periods applied	All	All	All
Municipal Bond Rate	N/A	N/A	N/A

***Plan Cash Flow Assumptions:**

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

The discount rates used to measure the Police Jury's total pension liability for each plan is equal to the long-term expected rate of return on pension plan investments that are expected to be used to finance the payment of benefits. For LASERS and ROVERS, the long-term expected rate of return for each plan was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification. For PERS the rate was determined using a triangulation method which integrated the Capital Asset Pricing Model (CAPM), a treasury yield curve approach and an equity building block model. Risk return and correlation are projected on a forward looking basis in equilibrium, in which best-estimates of expected future real rates of return are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification.

AVOYELLES PARISH POLICE JURY
Marksville, Louisiana

Notes to Basic Financial Statements (Continued)

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

Asset Class	PERS*		LASERS**		ROVERS*	
	Target Allocation	Long-term Expected Rate of Return	Target Allocation	Long-term Expected Rate of Return	Target Allocation	Long-term Expected Rate of Return
Fixed Income	34%	1.06%	-	-	-	-
Domestic Fixed Income	-	-	7%	1.63%	40%	3.00%
International Fixed Income	-	-	10%	2.47%	15%	1.28%
Equities	51%	3.56%	-	-	-	-
Domestic Equity	-	-	18%	4.31%	20%	0.50%
International Equity	-	-	22%	5.48%	10%	0.35%
Global Tactical Asset Allocation	-	-	12%	2.92%	-	-
Alternative Investments	12%	0.74%	31%	7.42%	5%	0.29%
Real Estate	3%	0.19%	-	-	10%	0.45%
Total	<u>100%</u>		<u>100%</u>		<u>100%</u>	

*Arithmetic real rates of return

**Geometric real rates of return

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

Changes in the net pension liability may either be reported in pension expense in the year the change occurred or recognized as a deferred outflow of resources or a deferred inflow of resources in the year the change occurred and amortized into pension expense over a number of years. For the year ended December 31, 2016, the Police Jury recognized \$105,613 in pension expense related to all defined benefit plans in which it participates. PERS and ROVERS recognized revenues in the amount of \$20,493 in ad valorem taxes collected from nonemployer contributing entities.

AVOYELLES PARISH POLICE JURY
Marksville, Louisiana

Notes to Basic Financial Statements (Continued)

At December 31, 2016, the Police Jury reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 24	\$ 50,101
Changes of assumptions	32,765	1,688
Net difference between projected and actual earnings on pension plan investments	281,364	-
Change in proportion and differences between employer contributions and proportionate share of contributions	1,056	6,178
Employer contributions subsequent to the measurement date	<u>101,718</u>	<u>-</u>
Total	<u>\$ 416,927</u>	<u>\$ 57,967</u>

Deferred outflows of resources of \$101,718 resulting from the employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability during the year ending December 31, 2016. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions to be recognized in pension expense are as follows:

<u>Year Ended December 31</u>	<u>Net Amount Recognized in Pension Expense</u>
2017	\$ 60,805
2018	61,504
2019	77,519
2020	<u>57,414</u>
	<u>\$ 257,242</u>

AVOYELLES PARISH POLICE JURY
Marksville, Louisiana

Notes to Basic Financial Statements (Continued)

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

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

<u>Plan</u>	<u>Current Discount Rate</u>	<u>Net Pension Liability</u>		
		<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
PERS	7.00%	\$ 707,040	\$ 239,402	\$ (154,995)
LASERS	7.75%	51,132	41,854	33,535
ROVERS	7.00%	<u>62,583</u>	<u>45,014</u>	<u>29,879</u>
Total		<u>\$ 820,755</u>	<u>\$ 326,270</u>	<u>\$ (91,581)</u>

Payables to Pension Plans

At December 31, 2016, the Police Jury reported a payable of \$36,523 for the outstanding amount of contributions due to the Systems for the year.

(12) Federal Social Security System

Employees of the Police jury who are not eligible to participate in any other retirement system are members of the Federal Social Security System. The Police Jury and its employees contribute a percentage of each employee's salary to the System (7.65 percent contributed by the Police Jury; 7.65 percent contributed by the employee). The Police Jury's contribution during the year ended December 31, 2016 amounted to \$ 130,246.

(13) Litigation and Claims

As of December 31, 2016, the Police Jury was involved in various lawsuits. The Police Jury's legal counsel has reviewed the claims and lawsuits in order to evaluate the likelihood of an unfavorable outcome to the Police Jury and to arrive at an estimate, if any, of the amount of range of potential loss to the Police Jury. It is the opinion of the Police Jury that the liability, if any, which might arise from these lawsuits would not have a material adverse effect on the Police Jury's financial position.

AVOYELLES PARISH POLICE JURY
Marksville, Louisiana

Notes to Basic Financial Statements (Continued)

(14) Federal Compliance Contingencies

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

(15) Risk Management

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

(16) Deficit Fund Balance

The Tricia Park Sewer Fund, a nonmajor special revenue fund, had a deficit fund balance totaling \$5,009 at December 31, 2016. This deficit will be eliminated by increasing revenues and/or reducing expenditures.

(17) Compensation of Police Jurors

A summary of compensation paid to police jurors for the year ended December 31, 2016 is as follows:

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

AVOYELLES PARISH POLICE JURY
 Marksville, Louisiana

Notes to Basic Financial Statements (Continued)

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

A detail of compensation, benefits, and other payments paid to Charles Jones – Board President, for the year ended December 31, 2016 follows:

Purpose	Amount
Salary	\$ 11,556
Reimbursement - supplies	171
	\$ 11,727

(19) Interfund Transactions

A. A summary of interfund receivables and payables at December 31, 2016 follows:

	Interfund Receivable	Interfund Payable
Major Governmental Fund:		
General Fund	\$ -	\$ 1,180
Nonmajor Governmental Funds:		
Tourist Commission	3,010	-
Criminal Court	-	1,830
Total nonmajor governmental funds	3,010	1,830
Total	\$ 3,010	\$ 3,010

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

AVOYELLES PARISH POLICE JURY
Marksville, Louisiana

Notes to Basic Financial Statements (Continued)

B. Transfers consisted of the following at December 31, 2016:

	Transfers In	Transfers Out
Major governmental funds:		
General Fund	\$ 60,012	\$ -
Road and Bridge	-	9,375
Drainage	-	12,938
Health Unit	-	14,784
Library	-	22,915
	\$ 60,012	\$ 60,012

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

(20) Prior Period Adjustment

The Police Jury has determined that certain transactions were recorded incorrectly in a prior year. Certain errors resulting from an overstatement of receivables were discovered in the current year. The following schedule reconciles December 31, 2015 net position as previously reported to beginning net position, as restated, as a result of the correction of an error described above:

	Governmental Activities
Net position, previously reported	\$ 18,510,005
Prior period adjustment	
Correction of an error	(146,270)
Net position, as restated	\$ 18,363,735

**REQUIRED
SUPPLEMENTARY INFORMATION**

AVOYELLES PARISH POLICE JURY
 Marksville, Louisiana
 General Fund

Budgetary Comparison Schedule
 For the Year Ended December 31, 2016

	Budget		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Taxes - ad valorem	\$ 285,000	\$ 275,598	\$ 288,665	\$ 13,067
Licenses and permits	406,705	420,835	371,041	(49,794)
Intergovernmental revenues -				
Federal grants	73,619	39,876	56,895	17,019
State funds -				
State revenue sharing	61,500	33,008	28,184	(4,824)
Parish equalization funds	327,000	226,142	238,616	12,474
Other	460,800	511,429	500,269	(11,160)
Fees, charges and commissions	407,525	297,868	276,169	(21,699)
Use of money and property	1,851	1,902	2,147	245
Other	23,100	57,151	25,965	(31,186)
Total revenues	<u>2,047,100</u>	<u>1,863,809</u>	<u>1,787,951</u>	<u>(75,858)</u>
Expenditures:				
Current -				
General government:				
Legislative	120,300	117,302	109,242	8,060
Judicial	535,030	505,898	509,662	(3,764)
Elections	48,400	47,683	51,658	(3,975)
Finance and administration	588,690	592,266	677,750	(85,484)
Other	202,600	220,542	223,468	(2,926)
Public safety	465,379	384,045	388,261	(4,216)
Culture and recreation	24,880	23,849	23,929	(80)
Economic development and assistance	52,165	68,148	56,776	11,372
Total expenditures	<u>2,037,444</u>	<u>1,959,733</u>	<u>2,040,746</u>	<u>(81,013)</u>
Excess (deficiency) of revenues over expenditures	9,656	(95,924)	(252,795)	(156,871)
Other financing sources:				
Transfers in	-	58,764	60,012	1,248
Change in fund balance	9,656	(37,160)	(192,783)	(155,623)
Fund balance, beginning -as restated	<u>1,047,599</u>	<u>1,047,599</u>	<u>1,047,599</u>	<u>-</u>
Fund balance, ending	<u>\$1,057,255</u>	<u>\$1,010,439</u>	<u>\$ 854,816</u>	<u>\$(155,623)</u>

AVOYELLES PARISH POLICE JURY
 Marksville, Louisiana
 Road and Bridge Fund

Budgetary Comparison Schedule
 For the Year Ended December 31, 2016

	Budget		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenues:				
Sales taxes	\$ 1,100,000	\$ 1,060,697	\$ 1,076,547	\$ 15,850
Intergovernmental revenues -				
State funds -				
Parish transportation funds	425,000	420,000	488,277	68,277
Other	-	8,127	29,417	21,290
Use of money and property	1,500	2,058	2,537	479
Other	10,000	2,660	2,217	(443)
Total revenues	<u>1,536,500</u>	<u>1,493,542</u>	<u>1,598,995</u>	<u>105,453</u>
Expenditures:				
Current -				
Public works	<u>1,585,300</u>	<u>1,481,877</u>	<u>1,479,294</u>	<u>2,583</u>
Excess (deficiency) of				
revenues over expenditures	(48,800)	11,665	119,701	108,036
Other financing uses:				
Transfers out	<u>-</u>	<u>(8,127)</u>	<u>(9,375)</u>	<u>(1,248)</u>
Change in fund balance	(48,800)	3,538	110,326	106,788
Fund balance, beginning -as restated	<u>1,029,817</u>	<u>1,029,817</u>	<u>1,029,817</u>	<u>-</u>
Fund balance, ending	<u>\$ 981,017</u>	<u>\$ 1,033,355</u>	<u>\$ 1,140,143</u>	<u>\$106,788</u>

AVOYELLES PARISH POLICE JURY
 Marksville, Louisiana
 Solid Waste Fund

Budgetary Comparison Schedule
 For the Year Ended December 31, 2016

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Sales taxes	\$3,025,000	\$3,000,000	\$3,223,184	\$ 223,184
Use of money and property	7,000	3,854	8,996	5,142
Other revenues	<u>7,000</u>	<u>6,120</u>	<u>5,100</u>	<u>(1,020)</u>
Total revenues	<u>3,039,000</u>	<u>3,009,974</u>	<u>3,237,280</u>	<u>227,306</u>
Expenditures:				
Current -				
Public works	<u>3,021,195</u>	<u>2,948,225</u>	<u>2,775,239</u>	<u>172,986</u>
Total expenditures				
Excess of revenues over expenditures	17,805	61,749	462,041	400,292
Other financing uses:				
Transfers out	<u>(1,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing uses	<u>(1,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balance	16,805	61,749	462,041	400,292
Fund balance, beginning - as restated	<u>4,217,279</u>	<u>4,217,279</u>	<u>4,217,279</u>	<u>-</u>
Fund balance, ending	<u>\$4,234,084</u>	<u>\$4,279,028</u>	<u>\$4,679,320</u>	<u>\$ 400,292</u>

AVO YELLES PARISH POLICE JURY
 Marksville, Louisiana
 Drainage Fund

Budgetary Comparison Schedule
 For the Year Ended December 31, 2016

	Budget		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenues:				
Ad valorem taxes	\$ 400,000	\$ 400,000	\$ 486,297	\$ 86,297
Intergovernmental revenues -				
State funds -				
State revenue sharing	47,000	15,400	41,879	26,479
Use of money and property	1,000	1,507	1,889	382
Total revenues	<u>448,000</u>	<u>416,907</u>	<u>530,065</u>	<u>113,158</u>
Expenditures:				
Current -				
Public works	<u>399,445</u>	<u>373,904</u>	<u>353,598</u>	<u>20,306</u>
Excess of revenues over expenditures	48,555	43,003	176,467	133,464
Other financing uses:				
Transfers out	<u>-</u>	<u>-</u>	<u>(12,938)</u>	<u>(12,938)</u>
Change in fund balance	48,555	43,003	163,529	120,526
Fund balance, beginning	<u>804,934</u>	<u>804,934</u>	<u>956,695</u>	<u>151,761</u>
Fund balance, ending	<u>\$ 853,489</u>	<u>\$ 847,937</u>	<u>\$ 1,120,224</u>	<u>\$ 272,287</u>

AVOYELLES PARISH POLICE JURY
 Marksville, Louisiana
 Health Unit Fund

Budgetary Comparison Schedule
 For the Year Ended December 31, 2016

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Ad valorem taxes	\$ 475,000	\$ 444,205	\$ 555,663	\$111,458
Intergovernmental revenues - State funds -				
State revenue sharing	57,500	32,484	47,854	15,370
Use of money and property	3,200	1,800	2,546	746
Total revenues	<u>535,700</u>	<u>478,489</u>	<u>606,063</u>	<u>127,574</u>
Expenditures:				
Current -				
Health and welfare	<u>221,270</u>	<u>253,583</u>	<u>246,773</u>	<u>6,810</u>
Excess of revenues over expenditures	314,430	224,906	359,290	134,384
Other financing uses:				
Transfers out	<u>-</u>	<u>(14,784)</u>	<u>(14,784)</u>	<u>-</u>
Change in fund balance	314,430	210,122	344,506	134,384
Fund balance, beginning	<u>2,433,471</u>	<u>2,433,471</u>	<u>2,433,471</u>	<u>-</u>
Fund balance, ending	<u>\$2,747,901</u>	<u>\$2,643,593</u>	<u>\$2,777,977</u>	<u>\$134,384</u>

AVOYELLES PARISH POLICE JURY
 Marksville, Louisiana
 Library Fund

Budgetary Comparison Schedule
 For the Year Ended December 31, 2016

	Budget		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues:				
Ad valorem taxes	\$ 700,000	\$ 689,767	\$ 861,276	\$171,509
Intergovernmental revenues -				
State funds -				
State revenue sharing	79,100	50,115	74,173	24,058
Other	-	-	5,000	5,000
Fees, charges and commissions	7,500	13,000	15,121	2,121
Use of money and property	2,000	1,200	1,473	273
Other	11,000	10,800	8,228	(2,572)
Total revenues	<u>799,600</u>	<u>764,882</u>	<u>965,271</u>	<u>200,389</u>
Expenditures:				
Current -				
Culture and recreation	<u>553,825</u>	<u>559,054</u>	<u>634,260</u>	<u>(75,206)</u>
Excess of revenues over expenditures	245,775	205,828	331,011	125,183
Other financing uses:				
Transfers out	<u>-</u>	<u>(22,915)</u>	<u>(22,915)</u>	<u>-</u>
Change in fund balance	245,775	182,913	308,096	125,183
Fund balance, beginning	<u>1,839,294</u>	<u>1,839,294</u>	<u>1,839,294</u>	<u>-</u>
Fund balance, ending	<u>\$2,085,069</u>	<u>\$2,022,207</u>	<u>\$2,147,390</u>	<u>\$125,183</u>

AVOYELLES PARISH POLICE JURY
 Marksville, Louisiana
 Section 8 HUD Fund

Budgetary Comparison Schedule
 For the Year Ended December 31, 2016

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental revenues -				
Federal grants	\$ 635,500	\$ 586,581	\$ 647,437	\$ 60,856
Use of money and property	313	330	424	94
Other	<u>2,100</u>	<u>2,002</u>	<u>-</u>	<u>(2,002)</u>
Total revenues	<u>637,913</u>	<u>588,913</u>	<u>647,861</u>	<u>58,948</u>
Expenditures:				
Current -				
Health and welfare	<u>708,570</u>	<u>596,474</u>	<u>617,720</u>	<u>(21,246)</u>
Change in fund balance	(70,658)	(7,561)	30,141	37,702
Fund balance, beginning	<u>181,029</u>	<u>181,029</u>	<u>181,029</u>	<u>-</u>
Fund balance, ending	<u>\$ 110,372</u>	<u>\$ 173,468</u>	<u>\$ 211,170</u>	<u>\$ 37,702</u>

AVOYELLES PARISH POLICE JURY
Marksville, Louisiana

Schedule of Employers' Share of Net Pension Liability
For the Year Ended December 31, 2016

Year ended December 31,	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Employee Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
Parochial Employees Retirement System - Plan B: *					
2015	1.420770%	\$ 3,946	\$1,292,378	0.3%	99.89%
2016	1.344612%	239,402	1,218,607	19.6%	93.48%
Louisiana State Employees' Retirement System: **					
2015	0.000530%	\$ 35,776	\$ 9,600	372.7%	62.70%
2016	0.000530%	41,854	9,600	436.0%	57.70%
Registrar of Voters Retirement System: **					
2015	0.160660%	\$ 39,346	\$ 21,792	180.6%	76.86%
2016	0.158640%	45,014	21,792	206.6%	73.98%

* The amounts presented have a measurement date of December 31, 2015.

** The amounts presented have a measurement date of June 30, 2016.

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

AVOYELLES PARISH POLICE JURY
Marksville, Louisiana

Schedule of Employer Contributions
For the Year Ended December 31, 2016

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

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

AVOYELLES PARISH POLICE JURY
Marksville, Louisiana

Notes to Required Supplementary Information
For the Year Ended December 31, 2016

(1) Budgets and Budgetary Accounting

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

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

(2) Excess of Expenditures over Appropriations

The following funds incurred expenditures in excess of appropriations as shown in the following table.

<u>Fund</u>	<u>Excess</u>
General Fund	\$ 81,013
Library Fund	75,206
Section 8 Fund	21,246

(3) Pension Plan

Changes of Assumptions – Changes of assumptions about future economic or demographic factors or of other inputs were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan. There were no changes of benefit terms for the year ended December 31, 2016.

OTHER FINANCIAL INFORMATION

AVOYELLES PARISH POLICE JURY
 Marksville, Louisiana
 Nonmajor Governmental Funds

Combining Balance Sheet
 December 31, 2016

	Special Revenue	Capital Projects	Total
ASSETS			
Cash and interest-bearing deposits	\$ 190,207	\$ 198,995	\$ 389,202
Receivables, net	9,155	-	9,155
Due from other governments	10,854	-	10,854
Due from other funds	3,010	-	3,010
Other assets	<u>5,767</u>	<u>-</u>	<u>5,767</u>
Total assets	<u>\$ 218,993</u>	<u>\$ 198,995</u>	<u>\$ 417,988</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 8,942	\$ -	\$ 8,942
Unearned revenue	-	90,000	90,000
Due to other funds	<u>1,830</u>	<u>-</u>	<u>1,830</u>
Total liabilities	<u>10,772</u>	<u>90,000</u>	<u>100,772</u>
Fund balances:			
Nonspendable	5,767	-	5,767
Restricted -			
Economic development	179,716	24,334	204,050
Public safety	19,307	-	19,307
Public works	-	84,661	84,661
Unassigned	<u>3,431</u>	<u>-</u>	<u>3,431</u>
Total fund balances	<u>208,221</u>	<u>108,995</u>	<u>317,216</u>
Total liabilities and fund balances	<u>\$ 218,993</u>	<u>\$ 198,995</u>	<u>\$ 417,988</u>

AVOYELLES PARISH POLICE JURY
 Marksville, Louisiana
 Nonmajor Governmental Funds

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

	Special Revenue	Capital Projects	Total
Revenues:			
Taxes -			
Sales taxes	\$ 122,656	\$ -	\$ 122,656
Fees, charges and commissions	156,384	10,000	166,384
Use of money and property	509	156	665
Other revenues	49,354	-	49,354
Total revenues	328,903	10,156	339,059
Expenditures:			
Current -			
Economic development	161,746	-	161,746
Public safety	136,546	-	136,546
Public works	1,980	-	1,980
Total expenditures	300,272	-	300,272
Change in fund balance	28,631	10,156	38,787
Fund balances, beginning	179,590	98,839	278,429
Fund balances, ending	\$ 208,221	\$ 108,995	\$ 317,216

NONMAJOR SPECIAL REVENUE FUNDS

Law Enforcement Fund

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

Tricia Park Sewer Fund

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

Off-Duty Witness Fees Fund

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

Tourist Commission Fund

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

Criminal Court Fund

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

AVOYELLES PARISH POLICE JURY
 Marksville, Louisiana
 Nonmajor Special Revenue Funds

Combining Balance Sheet
 December 31, 2016

	Law Enforcement	Tricia Park Sewer	Off-Duty Witness Fees	Tourist Commission	Criminal Court	Total
ASSETS						
Cash and interest-bearing deposits	\$ 16,586	\$ -	\$ 1,491	\$ 171,085	\$ 1,045	\$ 190,207
Receivables, net	-	-	-	9,155	-	9,155
Due from other governments	615	-	615	-	9,624	10,854
Due from other funds	-	-	-	3,010	-	3,010
Other assets	-	-	-	5,767	-	5,767
Total assets	<u>\$ 17,201</u>	<u>\$ -</u>	<u>\$ 2,106</u>	<u>\$ 189,017</u>	<u>\$ 10,669</u>	<u>\$ 218,993</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payables	\$ -	\$ 5,009	\$ -	\$ 3,534	\$ 399	\$ 8,942
Due to other funds	-	-	-	-	1,830	1,830
Total liabilities	<u>-</u>	<u>5,009</u>	<u>-</u>	<u>3,534</u>	<u>2,229</u>	<u>10,772</u>
Fund balances:						
Nonspendable	-	-	-	5,767	-	5,767
Restricted -						
Economic development	-	-	-	179,716	-	179,716
Public safety	17,201	-	2,106	-	-	19,307
Unassigned (deficit)	<u>-</u>	<u>(5,009)</u>	<u>-</u>	<u>-</u>	<u>8,440</u>	<u>3,431</u>
Total fund balances	<u>17,201</u>	<u>(5,009)</u>	<u>2,106</u>	<u>185,483</u>	<u>8,440</u>	<u>208,221</u>
Total liabilities and fund balances	<u>\$ 17,201</u>	<u>\$ -</u>	<u>\$ 2,106</u>	<u>\$ 189,017</u>	<u>\$ 10,669</u>	<u>\$ 218,993</u>

AVOYELLES PARISH POLICE JURY
 Marksville, Louisiana
 Nonmajor Special Revenue Funds

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

	Law Enforcement	Tricia Park Sewer	Off-Duty Witness Fees	Tourist Commission	Criminal Court	Total
Revenues:						
Sales taxes	\$ -	\$ -	\$ -	\$ 122,656	\$ -	\$ 122,656
Fees, charges and commissions	12,056	1,714	10,052	6,658	125,904	156,384
Use of money and property	27	-	14	452	16	509
Other revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>33,354</u>	<u>16,000</u>	<u>49,354</u>
Total revenues	<u>12,083</u>	<u>1,714</u>	<u>10,066</u>	<u>163,120</u>	<u>141,920</u>	<u>328,903</u>
Expenditures:						
Current -						
Economic development	-	-	-	161,746	-	161,746
Public safety	1,042	-	8,863	-	126,641	136,546
Public works	<u>-</u>	<u>1,980</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,980</u>
Total expenditures	<u>1,042</u>	<u>1,980</u>	<u>8,863</u>	<u>161,746</u>	<u>126,641</u>	<u>300,272</u>
Change in fund balance	11,041	(266)	1,203	1,374	15,279	28,631
Fund balances (deficit), beginning	<u>6,160</u>	<u>(4,743)</u>	<u>903</u>	<u>184,109</u>	<u>(6,839)</u>	<u>179,590</u>
Fund balances (deficit), ending	<u>\$ 17,201</u>	<u>\$ (5,009)</u>	<u>\$ 2,106</u>	<u>\$ 185,483</u>	<u>\$ 8,440</u>	<u>\$ 208,221</u>

NONMAJOR CAPITAL PROJECTS FUNDS

Bayou Lacombe Drainage Project

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

Casino Capital Improvements

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

Downtown Marksville Restoration Project

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

LSU Agriculture Center/ 4-H Museum

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

Bordelonville Volunteer Fire Department 2007 LCDBG

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

Industrial Park Grant

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

EECBG - Library

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

Courtoom Renovations

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

Street Project LCDBG

To account for revenues and expenditures related to a grant received from the State of Louisiana Division of Administration for street improvements.

Blair Road LCDBG

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

AVOYELLES PARISH POLICE JURY
 Marksville, Louisiana
 Nonmajor Capital Projects Funds

Balance Sheet
 December 31, 2016

	Bayou Lacombe Drainage Project	Casino Capital Improvements	Downtown Marksville Restoration Project	LSU Ag Center / 4-H Museum	Bordelonville V.F.D. 2007 LCDBG	Industrial Park Grant	EECBG Library	Courtroom Renovations	Street Project LCDBG	Blair Road LCDBG	Total
ASSETS											
Cash and interest-bearing deposits	<u>\$ 67,400</u>	<u>\$ 4,321</u>	<u>\$ 121</u>	<u>\$ 4,574</u>	<u>\$ 968</u>	<u>\$ 19,639</u>	<u>\$ 1,841</u>	<u>\$ 100,002</u>	<u>\$ 77</u>	<u>\$ 52</u>	<u>\$ 198,995</u>
LIABILITIES AND FUND BALANCES											
Liabilities:											
Unearned revenue	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 90,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 90,000</u>
Fund balances:											
Restricted for -											
Public works	67,400	4,321	-	-	968	-	1,841	10,002	77	52	84,661
Economic development	<u>-</u>	<u>-</u>	<u>121</u>	<u>4,574</u>	<u>-</u>	<u>19,639</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,334</u>
Total fund balances	<u>67,400</u>	<u>4,321</u>	<u>121</u>	<u>4,574</u>	<u>968</u>	<u>19,639</u>	<u>1,841</u>	<u>10,002</u>	<u>77</u>	<u>52</u>	<u>108,995</u>
Total liabilities and fund balances	<u>\$ 67,400</u>	<u>\$ 4,321</u>	<u>\$ 121</u>	<u>\$ 4,574</u>	<u>\$ 968</u>	<u>\$ 19,639</u>	<u>\$ 1,841</u>	<u>\$ 100,002</u>	<u>\$ 77</u>	<u>\$ 52</u>	<u>\$ 198,995</u>

AVOYELLES PARISH POLICE JURY
 Marksville, Louisiana
 Nonmajor Capital Projects Funds

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

	Bayou Lacombe Drainage	Casino Capital Improvements	Downtown Marksville Restoration Project	LSU Ag Center / 4-H Museum	Bordelonville V.F.D. 2007 LCDBG	Industrial Park Grant	EECBG Library	Courtroom Renovations	Street Project LCDBG	Blair Road LCDBG	Total
Revenues:											
Use of money and property	\$ 101	\$ 17	\$-	\$ 6	\$-	\$ 30	\$ -	\$ 2	\$-	\$-	\$ 156
Fees, Charges, and Commissions	-	-	-	-	-	-	-	10,000	-	-	10,000
Total revenues	<u>101</u>	<u>17</u>	<u>-</u>	<u>6</u>	<u>-</u>	<u>30</u>	<u>-</u>	<u>10,002</u>	<u>-</u>	<u>-</u>	<u>10,156</u>
Change in fund balance	101	17	-	6	-	30	-	10,002	-	-	10,156
Fund balances, beginning	<u>67,299</u>	<u>4,304</u>	<u>121</u>	<u>4,568</u>	<u>968</u>	<u>19,609</u>	<u>1,841</u>	<u>-</u>	<u>77</u>	<u>52</u>	<u>98,839</u>
Fund balances, ending	<u>\$ 67,400</u>	<u>\$ 4,321</u>	<u>\$ 121</u>	<u>\$ 4,574</u>	<u>\$ 968</u>	<u>\$ 19,639</u>	<u>\$ 1,841</u>	<u>\$ 10,002</u>	<u>\$ 77</u>	<u>\$ 52</u>	<u>\$ 108,995</u>

AVOYELLES PARISH POLICE JURY

Financial Data Schedule - Balance Sheet
 Section 8 Housing Program
 December 31, 2016

Line Item Number	Account Description	14.871 Housing Choice Vouchers	14.IKE DHAP- IKE	97.109 Housing Assistance Grant	Total
111	Cash - unrestricted	\$ 29,451	\$ 159,499	\$ 55,757	\$ 244,707
113	Cash - other restricted	14,488	-	-	14,488
115	Cash - restricted for payment of current liabilities	39,927	-	-	39,927
100	Total cash	<u>83,866</u>	<u>159,499</u>	<u>55,757</u>	<u>299,122</u>
122	Accounts receivable - HUD other projects	-	-	-	-
125	Accounts receivable - Miscellaneous	-	-	-	-
120	Total Receivables, Net of Allowance for Doubtful Accounts	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
142	Prepaid expenses and other assets	-	-	-	-
150	Total current assets	<u>83,866</u>	<u>159,499</u>	<u>55,757</u>	<u>299,122</u>
164	Furniture, equipment & machinery - administration	42,306	-	-	42,306
166	Accumulated depreciation	(34,169)	-	-	(34,169)
160	Total capital assets, net of accumulated depreciation	<u>8,137</u>	<u>-</u>	<u>-</u>	<u>8,137</u>
180	Total noncurrent assets	<u>8,137</u>	<u>-</u>	<u>-</u>	<u>8,137</u>
190	Total assets	<u>\$ 92,003</u>	<u>\$ 159,499</u>	<u>\$ 55,757</u>	<u>\$ 307,259</u>
312	Accounts Payable <= 90 Days	\$ -	\$ -	\$ -	\$ -
321	Accrued wage/payroll taxes payable	1,520	-	-	1,520
322	Accrued compensation absences - current portion	603	-	-	603
342	Unearned revenue	8,232	-	36,260	44,492
310	Total current liabilities	<u>10,355</u>	<u>-</u>	<u>36,260</u>	<u>46,615</u>
300	Total liabilities	<u>10,355</u>	<u>-</u>	<u>36,260</u>	<u>46,615</u>
400	Deferred Outflow of Resources	<u>39,927</u>	<u>-</u>	<u>-</u>	<u>39,927</u>
508.4	Net investment in capital assets	8,137	-	-	8,137
511.4	Restricted net position	12,730	-	-	12,730
512.4	Unrestricted net position	20,854	159,499	19,497	199,850
513	Total equity - net position	<u>41,721</u>	<u>159,499</u>	<u>19,497</u>	<u>220,717</u>
600	Total liabilities and net position	<u>\$ 92,003</u>	<u>\$ 159,499</u>	<u>\$ 55,757</u>	<u>\$ 307,259</u>

AVOYELLES PARISH POLICE JURY

Financial Data Schedule - Income Statement
 Section 8 Housing Program
 Year Ended December 31, 2016

Line Item Number	Account Description	14.871 Housing Choice Vouchers	14.IKE DHAP- IKE	97.109 Housing Assistance Grant	Total
70600	HUD PHA operating grants	\$ 562,019	\$ -	\$ -	\$ 562,019
71100	Investment income - unrestricted	424	-	-	424
71500	Other revenue	<u>34,430</u>	<u>-</u>	<u>-</u>	<u>34,430</u>
70000	Total revenue	<u>596,873</u>	<u>-</u>	<u>-</u>	<u>596,873</u>
91100	Administrative salaries	31,695	-	-	31,695
91200	Auditing fees	996	-	-	996
91500	Employee benefit contributions- administrative	12,046	-	-	12,046
91600	Office expenses	<u>16,596</u>	<u>-</u>	<u>-</u>	<u>16,596</u>
91900	Other	<u>1,110</u>	<u>-</u>	<u>-</u>	<u>1,110</u>
91000	Total operating - administrative	<u>62,443</u>	<u>-</u>	<u>-</u>	<u>62,443</u>
96130	Workmen's Compensation	<u>1,057</u>	<u>-</u>	<u>-</u>	<u>1,057</u>
96100	Total insurance premiums	<u>1,057</u>	<u>-</u>	<u>-</u>	<u>1,057</u>
96210	Compensated absences	<u>154</u>	<u>-</u>	<u>-</u>	<u>154</u>
96000	Total other general expenses	<u>154</u>	<u>-</u>	<u>-</u>	<u>154</u>
96900	Total operating expenses	<u>63,654</u>	<u>-</u>	<u>-</u>	<u>63,654</u>
97000	Excess operating revenue over operating expenses	<u>533,219</u>	<u>-</u>	<u>-</u>	<u>533,219</u>
97300	Housing assistance payments	474,496	-	-	474,496
97350	HAP Portability-In	27,475	-	-	27,475
97400	Depreciation expense	<u>2,285</u>	<u>-</u>	<u>-</u>	<u>2,285</u>
90000	Total expenses	<u>567,910</u>	<u>-</u>	<u>-</u>	<u>567,910</u>
10000	Excess (deficiency) of revenue over (under) expenses	<u>28,963</u>	<u>-</u>	<u>-</u>	<u>28,963</u>
11030	Beginning equity	<u>12,758</u>	<u>159,499</u>	<u>19,497</u>	<u>191,754</u>
11170	Administrative fee equity	<u>28,991</u>	<u>-</u>	<u>-</u>	<u>28,991</u>
11180	Housing assistance payments equity	<u>\$ 12,730</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,730</u>
11190	Unit months available	1,680	-	-	1,680
11210	Unit months leased	1,507	-	-	1,507

INTERNAL CONTROL, COMPLIANCE

AND

OTHER MATTERS

KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

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

* A Professional Accounting Corporation

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Avoyelles Parish Police Jury (Police Jury), as of and for the year ended December 31, 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 13, 2017. The opinion on the Police Jury's report entity was adverse because the financial statements do not include financial data of the component units of the Police Jury. The financial statements of the omitted component units were not audited in accordance with the *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with these omitted component units.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying summary schedule of current year and prior year audit findings and corrective action plan as items 2016-001, 2016-002, and 2016-003 to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Police Jury's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed two instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying summary schedule of current and prior year audit findings and corrective action plan as items 2016-004, 2016-005, and 2016-006.

Avoyelles Parish Police Jury's Response to Findings

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

Purpose of this Report

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

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Marksville, Louisiana
June 13, 2017

KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

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

* A Professional Accounting Corporation

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

Report on Compliance for Each Major Federal Program

We have audited the Avoyelles Parish Police Jury's (Police Jury) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Police Jury's major federal programs for the year ended December 31, 2016. The Police Jury's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the Police Jury complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2016.

Report on Internal Control over Compliance

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

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

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

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

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Marksville, Louisiana
June 13, 2017

AVOYELLES PARISH POLICE JURY
 Marksville, Louisiana

Schedule of Expenditures of Federal Awards
 For the Year Ended December 31, 2016

Federal Grantor/Pass-Through Grantor/Program Name	CFDA Number	Expenditures
U.S. Department of Housing and Urban Development -		
Direct Program -		
Section 8 Housing Choice Vouchers	14.871	647,437
Passed-through Louisiana Division of Administration, Office of Finance and Support Services:		
Community Development Block Grants *	14.228	<u>1,184,874</u>
Total U.S. Department of Housing and Urban Development		<u>1,832,311</u>
U.S. Department of Homeland Security -		
Passed-through State of Louisiana Military Department of Homeland Security and Emergency Preparedness:		
Emergency Management Performance Grant	97.042	29,364
Homeland Security Grant Program	97.067	<u>27,531</u>
Total U.S. Department of Homeland Security		<u>56,895</u>
Total Federal Awards		<u>\$1,889,206</u>

* Indicates major federal financial assistance program.

AVOYELLES PARISH POLICE JURY
Marksville, Louisiana

Notes to Schedule of Expenditures of Federal Awards
Year Ended December 31, 2016

(1) General

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

(2) Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note 1 to the Police Jury's financial statements for the year ended December 31, 2016.

(3) Relationship to Primary Government Financial Statements

Federal financial assistance revenues/expenditures are reported in the Police Jury's primary government financial statements as follows:

From federal sources:

Governmental Fund Types -	
General Fund	\$ 56,895
Special Revenue Funds	647,437
Capital Projects Funds	<u>1,184,874</u>
 Total federal expenditures reported in the Schedule of Expenditures of Federal Awards	 <u>\$ 1,889,206</u>

(4) Relationship to Federal Financial Reports

Amounts reported in the Schedule of Expenditures of Federal Awards agree with the amounts reported in the related financial reports.

AVOYELLES PARISH POLICE JURY
Marksville, Louisiana

Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2016

Part I. Summary of Auditor's Results:

1. The auditor's report expresses an adverse opinion on the financial statements of the Avoyelles Parish Police Jury's (Police Jury) reporting entity because the financial statements do not include financial data of all component units of the Police Jury. An unmodified opinion was issued on the basic financial statements of the Police Jury's primary government.
2. Three deficiencies in internal control were disclosed during the audit of the financial statements which were considered to be significant deficiencies.
3. Three instances on noncompliance material to the financial statements which would be required to be reported in accordance with *Government Auditing Standards* were disclosed during the audit.
4. There were no significant deficiencies or material weaknesses in internal control over the major federal award program disclosed.
5. The auditor's report on compliance for the U.S. Department of Housing and Urban Development Community Development Block Grant (CFDA 14.228) expressed an unmodified opinion.
6. The audit disclosed no findings required to be reported under 2 CFR section 200.516(a).
7. The major program was the U.S. Department of Housing and Urban Development Community Development Block Grant (CFDA 14.228).
8. The dollar threshold used to distinguish between Type A and Type B programs was \$750,000.
9. The Avoyelles Parish Police Jury did not qualify as a low-risk auditee.

Part II. Findings – Financial Statement Audit

A. **Internal Control Findings -**

See internal control findings 2016-001 through 2016-003 on the summary schedule of current and prior year audit findings and corrective action plan.

B. **Compliance Findings –**

See compliance findings 2016-004 through 2016-006 in the summary schedule of current and prior year audit findings and corrective action plan.

(continued)

AVOYELLES PARISH POLICE JURY
Marksville, Louisiana

Schedule of Findings and Questioned Costs (Continued)
For the Year Ended December 31, 2016

Part III. Findings and questioned costs – Federal Award Programs

A. **Internal Control Findings -**

There were no internal control findings to be reported.

B. **Compliance Findings -**

There were no compliance findings to be reported.

AVOYELLES PARISH POLICE JURY
Marksville, Louisiana

Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan
Year Ended December 31, 2016

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

A. Internal Control Over Financial Reporting

2016-001 Inadequate Segregation of Accounting Functions

Fiscal year finding initially occurred: Unknown

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

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

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

Additionally, Statements on Standards for Attestation Engagements (SSAE) AT§501.07 states:

“An entity's internal control over financial reporting includes those policies and procedures that pertain to an entity's ability to record, process, summarize, and report financial data consistent with the assertions embodied in either annual financial statements or interim financial statements, or both.”

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

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

AVOYELLES PARISH POLICE JURY
Marksville, Louisiana

Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan
Year Ended December 31, 2016 (Continued)

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

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

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

Fiscal year finding initially occurred: 2007

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

CRITERIA: AU-C §265.A37 identifies the following as a deficiency in the design of (internal) controls:

“... in an entity that prepares financial statements in accordance with generally accepted accounting principles, the person responsible for the accounting and reporting function lacks the skills and knowledge to apply generally accepted accounting principles in recording the entity's financial transactions or preparing its financial statements.”

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

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

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

AVOYELLES PARISH POLICE JURY
Marksville, Louisiana

Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan
Year Ended December 31, 2016 (Continued)

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

2016-003 Comp Time and Annual Leave Policy

Fiscal year finding initially occurred: 2015

CONDITION: The Police Jury violated its policies and procedures with regard to calculating comp time and annual leave. Comp time is being calculated based on hours paid rather than hours actually worked.

CRITERIA: Per section 5.4(D) of the Police Jury's policy manual, "Whenever service is rendered by an employee in excess of forty (40) hours, he may be given compensatory time. Compensatory time will be calculated at the rate of 1-1/2 hour of overtime worked."

CAUSE: The Policy Jury calculated comp time based on hours paid on a daily basis instead of hours worked.

EFFECT: The Policy Jury failed to follow their policy with regard to comp time and annual leave.

RECOMMENDATION: Management should ensure that comp time is being calculated in accordance with their policy manual.

MANAGEMENT'S CORRECTIVE ACTION PLAN: Management will ensure that policies and procedures regarding comp time and annual leave are followed.

B. Compliance

2016-004 Timeliness of Deposits

Fiscal year finding initially occurred: 2013

CONDITION: Deposits for permits were not made timely as required by LA-R.S. 39:1212 which states that all funds of local depositing authorities shall be deposited daily whenever practicable.

AVOYELLES PARISH POLICE JURY
Marksville, Louisiana

Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan
Year Ended December 31, 2016 (Continued)

CRITERIA: LA-R.S. 39:1212 requires that all funds of local depositing authorities shall be deposited daily whenever practicable, in the fiscal agency provided for.

CAUSE: Deposits for permits were not made timely as required by LA-R.S. 39:1212.

EFFECT: The Policy Jury failed to comply with LA-R.S. 39:1212.

RECOMMENDATION: Management should ensure that deposits are made in a timely manner, daily when practicable.

MANAGEMENT'S CORRECTIVE ACTION PLAN: All departments will ensure that funds are remitted for deposit to the administration department in a timely manner.

2016-005 Noncompliance with Parish Transportation Act

Fiscal year finding initially occurred: 2016

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

CRITERIA: LA-R.S.48:755 (A) requires "Unless otherwise provided by law, parishes shall adopt a system of road administration which shall require approval of the governing authority for any expenditures made out of this fund, and no member of the governing authority shall expend any funds in his ward or district without the approval of the parish governing authority. Each parish shall adopt a parishwide system of administration inclusive of parish roads within municipalities which shall include the development of a capital improvement program on a selective basis, centralized purchasing of equipment and supplies, centralized accounting, and selective maintenance and construction. All construction shall be based upon engineering plans and inspection."

CAUSE: Parish Transportation funds were comingled with other local funds. Further, the Police Jury failed to maintain a capital improvement program or selective maintenance program as required by LA-R.S. 48:755(A).

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

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

AVOYELLES PARISH POLICE JURY
Marksville, Louisiana

Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan
Year Ended December 31, 2016 (Continued)

MANAGEMENT'S CORRECTIVE ACTION PLAN: The Police Jury has hired a Public Works director who will ensure that Parish Transportation funds are spent in accordance with LA-R.S.48:755(A),

2016-006 Budget Noncompliance

Fiscal year finding initially occurred: 2015

CONDITION: Budget variance in excess of 5% was incurred in the Library Fund.

CRITERIA: LSA-RS39:1311 et seq, Budgetary Authority and Control, provides for the following:

“A. The adopted budget and any duly authorized adopted amendments shall form the framework from which the chief executive or administrative officers and members of the governing authority of the political subdivision shall monitor revenues and control expenditures.

The chief executive or administrative officer for a political subdivision subject to public participation shall advise the governing authority or independently elected official in writing when:

(1) Total revenue and other sources plus projected revenue and other sources for the remainder of the year, within a fund, are failing to meet total budgeted revenues and other sources by five percent or more.

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

(3) Actual beginning fund balance, within a fund, fails to meet estimated beginning fund balance by five percent of more and fund balance is being use to fund current year expenditures.”

AVOYELLES PARISH POLICE JURY
Marksville, Louisiana

Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan
Year Ended December 31, 2016 (Continued)

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

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

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

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

Part II: Prior Year Findings:

A. Internal Control Over Financial Reporting

2015-001 Inadequate Segregation of Functions

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

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

CURRENT STATUS: Unresolved. See item 2016-001.

2015-002 Application of Generally Accepted Accounting Principles (GAAP)

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

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

CURRENT STATUS: Unresolved. See item 2016-002.

AVOYELLES PARISH POLICE JURY
Marksville, Louisiana

Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan
Year Ended December 31, 2016 (Continued)

2015-003 Comp Time and Annual Leave Policy

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

RECOMMENDATION: Management should adhere to their comp time policy.

CURRENT STATUS: Unresolved. See item 2016-003.

2015-004 Library Policy

CONDITION: The Policy Jury violated its policies and procedures with regard to the Library. Board meetings are not taking place as required and board members are not being appointed and reappointed as required. Also, invoices are not being reviewed and approved by the Board prior to payment.

RECOMMENDATION: Management should adhere to their comp time policy.

CURRENT STATUS: Resolved.

B. Compliance

2015-005 Timeliness of Deposit

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

RECOMMENDATION: Deposits should be made in a timely manner.

CURRENT STATUS: Unresolved. See item 2016-004.

2015-006 Budget Noncompliance

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

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

CURRENT STATUS: Unresolved. See item 2016-006.