

**Webster Parish Police Jury
Minden, Louisiana**

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

Webster Parish Police Jury

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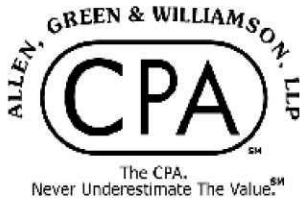
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ALLEN, GREEN & WILLIAMSON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

P. O. Box 6075

Monroe, LA 71211-6075

2441 Tower Drive
Monroe, LA 71201

Telephone: (318) 388-4422

Fax: (318) 388-4664

Toll-free: (888) 741-0205

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

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

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

Independent Auditor's Report

Police Jurors
Webster Parish Police Jury
Minden, Louisiana

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Basis for Adverse Opinion on the Aggregate Discretely Presented Component Units

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

Adverse Opinion

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

Unmodified Opinions

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

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

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



ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
June 29, 2017

**Webster Parish Police Jury
Minden, Louisiana**

REQUIRED SUPPLEMENTARY INFORMATION

**Management's Discussion
And Analysis (MD&A)**

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

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

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

- The assets and deferred outflows of resources of the Police Jury exceeded its liabilities and deferred inflows of resources at the close of 2016 by \$26,163,913. Of this amount, \$3,483,476 (unrestricted net position) maybe used to meet the ongoing obligations to citizens and creditors in accordance with the Police Jury's fund designation and fiscal policies.
- The Police Jury's net position increased by \$317,295, or 1.2% compared to 2015.
- The Police Jury's total general and program revenues were \$14,171,102 in 2016 which is a decrease of \$155,765 over 2015. The overall decrease can be attributed to reduction in sales tax revenue from prior year of \$372,682 along with bank building lease and various refunds decreased \$405,973 compared to prior year. In 2016, the Police Jury pass-through revenue to Office of Community Services of \$390,265, which increased \$7,491 from 2015.
- During the year ended December 31, 2016, the Police Jury had total expenses of \$13,853,807, which includes depreciation expense. Expenses for 2015 totaled \$13,094,608. Expenses increased in 2016 by \$759,199 due to flood related expense and construction/capital expenditure projects. Also the pass-through to Office of Community Services mentioned above in revenues of \$390,265.

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

- *Statement No. 72 – Fair Value Measurement and Application.* This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.
- *Statement No. 73 – Accounting and Financial reporting for Pensions and Related Assets That Are Not Within the Scope of GASB 68, and Amendment to Certain Provision of GASB Statements 67 and 68:* This Statement establishes requirements for defined benefit pensions that are not within the scope of Statement 68, as well as for the assets accumulated for purposes of providing those pensions. It also amends certain provisions of Statement 67 and 68 that are within their respective scopes. This statement also clarifies the application of certain provisions of Statements 67 and 68.

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

- *Statement No. 77 – Tax Abatement Disclosures* establishes standards of accounting and financial reporting for tax abatements. Financial statement users need information about certain limitations on a government's ability to raise resources. This includes limitations on revenue-raising capacity resulting from government programs that use tax abatements to induce behavior by individuals and entities that is beneficial to the government or its citizens. Tax abatements are widely used by state and local governments, particularly to encourage economic development. This Statement requires disclosure of tax abatement information about (1) a reporting government's own tax abatement agreements and (2) those that are entered into by other governments and that reduce the reporting government's tax revenues.

The adoption of these standards had no impact on the government-wide or the governmental fund financial statements, but provide for guidance, clarification and/or additional disclosures in the notes to the financial statements and required supplementary information related to pensions. See Note 20 for more information regarding the Police Jury's tax abatements.

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

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

Required Supplementary Information

Management's Discussion & Analysis (MD&A)

Basic Financial Statements

**Government-wide
Financial Statements**



**Fund
Financial Statements**

Notes to the Basic Financial Statements

Required Supplementary Information

**Schedule of Funding Progress for OPEB
Schedule of Employer's Proportionate Share of the Net Position Liability
Schedule of Employer Contributions to Pension Plans
Budgetary Information for Major Funds**

Supplementary Information

**Nonmajor Funds Combining Statements
Schedule of Compensation Paid Police Jurors
Schedule of Compensation, Benefits and Other Payments to Agency Head**

Other Reports Required By Government Auditing Standards

Other Information

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

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

Reporting the Police Jury as a Whole

The Statement of Net Position and the Statement of Activities Our analysis of the Police Jury as a whole begins on page 9. One of the most important questions asked about the Police Jury is, "Is the Police Jury as a whole better off or worse off financially as a result of the year's activities?" The Statement of Net Position and the Statement of Activities, which appear first in the Police Jury's financial statements, report information on the Police Jury as a whole and its activities in a way that helps you answer this question. We prepare these statements to include all assets, liabilities, and deferred inflows/outflows of resources, using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

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

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

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

Reporting the Police Jury's Most Significant Funds

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

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

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

THE POLICE JURY AS A WHOLE The Police Jury's net position was \$26,163,913 at December 31, 2016. Of this amount, \$3,483,476 was unrestricted. Restricted net position is reported separately to show legal constraints from debt covenants and enabling legislation that limit the Police Jury's ability to use that net position for day-to-day operations. Our analysis below of the primary government focuses on the net position (Table 1) and change in net position (Table 2) of the Police Jury's governmental activities.

Table 1
Net Position
December 31,

	Governmental Activities	
	<u>2016</u>	<u>2015</u>
Other assets	\$ 16,566,625	\$ 17,496,077
Capital assets	<u>14,517,220</u>	<u>12,511,813</u>
Total assets	<u>31,083,845</u>	<u>30,007,890</u>
Deferred outflows of resources	<u>2,008,590</u>	<u>732,297</u>
Other liabilities	1,183,071	659,656
Long-term liabilities	<u>5,513,200</u>	<u>4,140,287</u>
Total liabilities	<u>6,696,271</u>	<u>4,799,943</u>
Deferred inflows of resources	<u>232,251</u>	<u>93,626</u>
Net position		
Net investment in capital assets	13,810,259	12,291,749
Restricted	8,870,178	9,168,275
Unrestricted	<u>3,483,476</u>	<u>4,386,594</u>
Total net position	<u>\$ 26,163,913</u>	<u>\$ 25,846,618</u>

The \$3,483,476 in unrestricted net position of governmental activities represents the accumulated results of all past years' operations. It means that if we had to pay off all of our bills today including all of our noncapital liabilities (compensated absences for example) we would have \$3,483,476 left.

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

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

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

Revenues:	2016	2015	Increase (Decrease)
Program revenues:			
Charges for services	\$ 382,842	\$ 322,377	\$ 60,465
Operating grants & contributions	1,026,441	990,554	35,887
Capital grants & contributions	862,601	402,009	460,592
General Revenues:			
Ad valorem taxes	5,819,334	5,756,169	63,165
Sales taxes	2,752,218	3,124,900	(372,682)
Severance tax	1,068,271	1,350,156	(281,885)
Other revenues	2,259,395	2,380,702	(121,307)
Total revenues	<u>14,171,102</u>	<u>14,326,867</u>	<u>(155,765)</u>
Functions/Program Expenses:			
General government	3,855,574	3,665,504	190,070
Public safety	2,339,161	2,364,264	(25,103)
Public works	3,095,076	2,719,363	375,713
Health & welfare	1,193,939	1,166,388	27,551
Culture & recreation	3,289,861	3,084,790	205,071
Economic development	29,801	38,034	(8,233)
Interest on long-term debt	50,395	56,265	(5,870)
Total expenses	<u>13,853,807</u>	<u>13,094,608</u>	<u>759,199</u>
Increase (decrease) in net position	<u>\$ 317,295</u>	<u>\$ 1,232,259</u>	<u>\$ (914,964)</u>

Governmental Activities As reported in the Statement of Activities, the cost of all of our governmental activities this year was \$13,853,807. However, the amount that our taxpayers ultimately financed for these activities through Police Jury taxes was only \$11,581,923 because some of the cost was paid by those who benefited from the programs \$382,842 or by other governments and organizations who subsidized certain programs with grants and contributions \$1,889,042.

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

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

**Years Ended December 31,
Governmental Activities**

	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
	2016	2016	2015	2015
Judicial	\$ 1,814,955	\$ 1,465,794	\$ 1,764,251	\$ 1,473,640
Finance & administrative	1,276,808	527,299	1,136,390	1,136,390
Public safety	2,339,161	2,271,616	2,364,264	2,227,315
Public works	3,095,076	2,548,489	2,719,363	2,202,416
Health & welfare	1,193,939	803,674	1,166,388	783,614
Culture & recreation	3,289,861	3,143,088	3,084,790	2,721,954
All others	844,007	821,963	859,162	834,339
Totals	<u>\$13,853,807</u>	<u>\$11,581,923</u>	<u>\$13,094,608</u>	<u>\$11,379,668</u>

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

As the Police Jury completed this year, our governmental funds reported a combined fund balance of \$15,118,366 which is a decrease of \$1,505,193 from last year. The primary reasons for this difference is as follows:

Our General fund is our principal operating fund. The fund balance in the general fund decreased \$543,748 to \$3,451,675. This decrease is due mainly to transfers to the Criminal Court Fund to cover cost of the operation of the 26th JDC District Attorney Office and court cost, reduction in State Severance Tax revenue due to reduced oil/natural gas operations in the Parish, and also reduction in grant revenues.

The Sales Tax fund accounts for funds used for the purpose of blacktopping and sealing parish roads. This fund showed a decrease of \$480,521 to \$268,850. The decrease is due mainly to decrease in Sales Tax Revenue for the Parish and due to an increase in expenses mainly from additional maintenance and repairs resulting from the damage caused by the flood of March, 2016.

The Library fund accounts for funds used for maintenance and operation of the parish library. This fund showed an increase of \$234,566 to \$4,434,984. The increase is due mainly to in the prior year the library had debt service of \$249,075 which Police Jury did not have in 2016 and incurred more capital outlay in 2015 than in 2016, in addition to total revenue for 2016 was \$48,774 higher than in 2015.

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

The Special 2.5 Mill Tax fund accounts for the operation and maintenance of the parish courthouse and health unit financed by a special annual property tax levy. This fund showed a decrease of \$212,104 to \$1,317,101. The decrease is due mainly to expenses increased for the local match on the HVAC Renovation Project.

The Solid Waste fund accounts for the receipt of tipping fees for use of the landfill and the operation of the solid waste landfill. This fund showed an increase of \$186,004 to \$1,687,089. The increase is due mainly to increased revenue resulting from additional royalty payments on E & P Waste generated at the Landfill. The E&P Waste has a higher rate than for other solid waste.

The Nonmajor Governmental funds are comprised of the capital project fund, debt service fund and special revenue funds (Parish Road, Road District A, Road District B, Special Library, DA Asset Forfeiture, Criminal Court, and Court Reporter). The combined funds showed a decrease of \$689,390 to \$3,958,667. The decrease was mainly due to a decrease in revenue from fines and court cost in the Criminal Court Fund and a decrease in revenue from forfeitures in the DA Asset Forfeiture account. The Court Reporter Fund no longer has supplemental funds transferred in from the General Fund. The Road District A and B had an increase in expenses from road maintenance and repair resulting from the March 2016 flood.

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

General Fund There were quarterly revisions made to the 2016 General Fund original budget. The final budgeted amounts available for appropriations were increased from the original budgeted amount by \$1,132,955 mainly due to adjustment to beginning fund balance to agree with prior year ending. The final budgeted charges to appropriations were slightly decreased from the original budgeted amount by \$2,220.

The actual amounts available for appropriations were less than the final budget by \$239,402. This was due to transfers from other funds. The final budgeted charges to appropriations exceeded actual by \$2,560,302, because possible landfill costs of \$2,000,000 and also \$349,032 in contingency are budgeted but were not incurred. The Police Jury budgets this each year to cover potential landfill costs. In addition, transfers were more than actual transfers to other funds by \$191,000.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets At December 31, 2016, the Police Jury had \$14,517,220 invested in a broad range of capital assets, including land, buildings, furniture and equipment and infrastructure assets such as roads and bridges. This amount represents a net increase (including additions, deductions, and depreciation) of \$2,005,407, or 16% from last year. The major additions for 2016 were for Port O'Bistineau deep water access project, HVAC renovation at Courthouse, Library building projects, and road equipment and vehicles.

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

Capital Assets at Year-end

	Governmental Activities	
	2016	2015
Land	\$ 1,365,640	\$ 1,272,782
Construction in progress	1,881,656	447,150
Buildings and improvements	13,678,392	13,033,755
Infrastructure	2,715,830	2,715,830
Furniture, equipment & vehicles	6,214,635	6,213,902
Library books and information materials	1,459,895	1,467,841
Total cost of capital assets	<u>27,316,048</u>	<u>25,151,260</u>
Less: accumulated depreciation	<u>(12,798,828)</u>	<u>(12,639,447)</u>
Total Net capital assets	<u><u>\$ 14,517,220</u></u>	<u><u>\$ 12,511,813</u></u>

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

Outstanding Debt, at Year-end

	Governmental Activities	
	2016	2015
Limited tax certificate of indebtedness (backed by the Police Jury)	<u>\$ 2,005,000</u>	<u>\$ 2,200,000</u>
Total debt	<u><u>\$ 2,005,000</u></u>	<u><u>\$ 2,200,000</u></u>

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES Our elected and appointed officials and citizens consider many factors when setting the Police Jury's 2017 year budget and tax rates. One of the most important factors affecting the budget is our ad valorem and sales tax collections. We have budgeted no change in ad valorem and sales tax collections from 2016 to 2017. Approximately 60% of total revenue was from ad valorem and sales taxes for the fiscal year 2017.

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

BASIC FINANCIAL STATEMENTS

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

WEBSTER PARISH POLICE JURY

STATEMENT OF NET POSITION
December 31, 2016

	Statement A
	PRIMARY GOVERNMENT GOVERNMENTAL ACTIVITIES
ASSETS	
Cash and cash equivalents	\$ 4,545,922
Investments	5,424,936
Receivables	6,263,750
Prepaid items	332,017
Capital assets not being depreciated	3,247,296
Capital assets, net of accumulated depreciation	<u>11,269,924</u>
TOTAL ASSETS	<u>31,083,845</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	<u>2,008,590</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>2,008,590</u>
LIABILITIES	
Accounts payable vendors	786,896
Accrued payroll liabilities	208,219
Interest payable	15,104
Due to other governments	159,042
Taxes paid under protest	13,810
Long-term liabilities	
Due within one year	362,889
Due in more than one year	<u>5,150,311</u>
TOTAL LIABILITIES	<u>6,696,271</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred Inflows related to pensions	<u>232,251</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>232,251</u>
NET POSITION	
Net investment in capital assets	13,810,259
Restricted for:	
Solid waste collection, road and jail	268,850
Library	4,895,027
Road	2,290,129
Courthouse and health unit	1,359,627
DA salaries and benefits	6,945
Criminal court	33,222
Court reporter	16,378
Unrestricted	<u>3,483,476</u>
TOTAL NET POSITION	<u>\$ 26,163,913</u>

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

WEBSTER PARISH POLICE JURY

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2016

Statement B

FUNCTIONS/PROGRAMS	PROGRAM REVENUES				PRIMARY
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENT
					GOVERNMENTAL ACTIVITIES
					NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION
<i>Primary Government: Governmental Activities:</i>					
General government:					
Legislative	\$ 252,712	\$ -	\$ -	\$ -	\$ (252,712)
Judicial	1,814,955	349,161	-	-	(1,465,794)
Elections	47,676	-	-	-	(47,676)
Finance and administrative	1,276,808	-	-	749,509	(527,299)
Other general government	463,423	-	22,044	-	(441,379)
Public safety	2,339,161	-	67,545	-	(2,271,616)
Public works	3,095,076	-	546,587	-	(2,548,489)
Health and welfare	1,193,939	-	390,265	-	(803,674)
Culture and recreation	3,289,861	33,681	-	113,092	(3,143,088)
Economic development and assistance	29,801	-	-	-	(29,801)
Interest on long-term debt	50,395	-	-	-	(50,395)
Total Governmental Activities	<u>\$ 13,853,807</u>	<u>\$ 382,842</u>	<u>\$ 1,026,441</u>	<u>\$ 862,601</u>	<u>(11,581,923)</u>
General revenues:					
Taxes:					
Property taxes, levied					5,819,334
Sales taxes, levied for general purposes					2,752,218
State revenue sharing					271,759
Severance tax					1,068,271
Grants and contributions not restricted for a specific purpose					374,003
Fees, charges and commissions					150,378
Licenses and permits					400,562
Interest and investment earnings					428,171
Miscellaneous					634,522
Total general revenues					<u>11,899,218</u>
Changes in net position					317,295
Net position - beginning					<u>25,846,618</u>
Net position - ending					<u>\$ 26,163,913</u>

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

BASIC FINANCIAL STATEMENTS

Fund Financial Statements (FFS)

WEBSTER PARISH POLICE JURY

GOVERNMENTAL FUNDS

Balance Sheet

December 31, 2016

	GENERAL	SALES TAX	LIBRARY	SPECIAL 2.5 MILL TAX
ASSETS				
Cash and cash equivalents	\$ 294,757	\$ 15,998	\$ 737,338	\$ 791,566
Investments	2,218,810	-	1,000,000	-
Receivables	1,366,785	259,080	2,970,157	736,963
Interfund receivables	13,055	-	-	-
Prepaid items	239,661	-	92,356	-
TOTAL ASSETS	4,133,068	275,078	4,799,851	1,528,529
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable vendors	430,873	6,228	51,729	140,332
Accrued payroll liabilities	33,931	-	117,145	26,200
Interfund payables	-	-	-	-
Due to other governments	159,042	-	-	-
Taxes paid under protest	3,183	-	5,851	2,370
Total Liabilities	627,029	6,228	174,725	168,902
Deferred Inflows of Resources:				
Unavailable revenue-property taxes	54,364	-	190,142	42,526
Total Deferred Inflow of Resources	54,364	-	190,142	42,526
Fund Balances:				
Nonspendable - prepaid items	239,661	-	92,356	-
Restricted	-	268,850	4,342,628	1,317,101
Committed	2,000,000	-	-	-
Unassigned	1,212,014	-	-	-
Total Fund Balances	3,451,675	268,850	4,434,984	1,317,101
TOTAL LIABILITIES, DEFERRED INFLOWS RESOURCES, AND FUND BALANCES	\$ 4,133,068	\$ 275,078	\$ 4,799,851	\$ 1,528,529

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

Statement C

SOLID WASTE	NONMAJOR GOVERNMENTAL	TOTAL
\$ 681,040	\$ 2,025,223	\$ 4,545,922
1,004,011	1,202,115	5,424,936
10,098	920,667	6,263,750
-	-	13,055
-	-	332,017
<u>1,695,149</u>	<u>4,148,005</u>	<u>16,579,680</u>
8,060	94,590	731,812
-	30,943	208,219
-	13,055	13,055
-	-	159,042
-	2,406	13,810
<u>8,060</u>	<u>140,994</u>	<u>1,125,938</u>
-	48,344	335,376
-	48,344	335,376
-	-	332,017
-	3,958,667	9,887,246
1,687,089	-	3,687,089
-	-	1,212,014
<u>1,687,089</u>	<u>3,958,667</u>	<u>15,118,366</u>
<u>\$ 1,695,149</u>	<u>\$ 4,148,005</u>	<u>\$ 16,579,680</u>

Webster Parish Police Jury



WEBSTER PARISH POLICE JURY

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

Statement D

Total fund balances - governmental funds \$ 15,118,366

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

Costs of capital assets	\$ 27,316,048	
Accumulated depreciation	<u>(12,798,828)</u>	14,517,220

Other account payables are not due and payable in the current period and related to construction in progress and accordingly are not reported in the governmental funds. (55,084)

Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as deferred inflows of resources - unavailable revenue in the governmental funds. 335,376

Deferred outflows of resources are not available to pay current period expenditures and, therefore, are not reported in the governmental funds. 2,008,590

Deferred inflows of resources are not due and payable in the current period and accordingly are not reported in the governmental funds. (232,251)

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

Balances at December 31, 2016 are:

Long-term liabilities		
Accrued interest payable	(15,104)	
Limited tax debt payable	(2,005,000)	
Compensated absences payable	(276,823)	
Net pension liability	(1,405,555)	
OPEB liability	<u>(1,825,822)</u>	
		<u>(5,528,304)</u>

Net position of governmental activities \$ 26,163,913

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

WEBSTER PARISH POLICE JURY

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

	<u>GENERAL</u>	<u>SALES TAX</u>	<u>LIBRARY</u>	<u>SPECIAL 2.5 MILL TAX</u>
REVENUES				
Local sources:				
Taxes:				
Ad valorem	\$ 929,418	\$ -	\$ 3,208,457	\$ 722,165
Sales and use	-	2,752,218	-	-
Licenses and permits	400,562	-	-	-
Intergovernmental revenues:				
Federal grants	630,381	-	-	-
State funds:				
Parish transportation funds	-	-	-	-
State revenue sharing	93,004	-	67,150	54,920
Severance taxes	1,068,271	-	-	-
Other	388,052	-	-	749,509
Fees, charges, and commissions for services	15,000	-	-	3,906
Fines and forfeitures	-	-	33,681	-
Use of money and property	41,296	647	5,383	2,387
Other revenues	272,109	175,464	45,218	-
	<u>3,838,093</u>	<u>2,928,329</u>	<u>3,359,889</u>	<u>1,532,887</u>
Total Revenues				
EXPENDITURES				
Current:				
General government:				
Legislative	232,058	-	-	-
Judicial	641,555	-	-	-
Elections	43,211	-	-	-
Finance and administrative	1,107,853	-	-	-
Other general government	402,524	-	-	56,600
Public safety	408,682	1,739,659	-	-
Public works	241,193	1,112,158	-	-
Health and welfare	537,901	-	-	584,221
Culture and recreation	67,539	-	2,555,714	-
Economic development and assistance	29,801	-	-	-
Debt service:				
Principal retirement	-	97,057	-	-
Interest and bank charges	-	4,173	-	-
Capital outlay	160,524	455,803	327,129	1,104,170
	<u>3,872,841</u>	<u>3,408,850</u>	<u>2,882,843</u>	<u>1,744,991</u>
Total Expenditures				
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES				
	<u>\$ (34,748)</u>	<u>\$ (480,521)</u>	<u>\$ 477,046</u>	<u>\$ (212,104)</u>

Statement E

<u>SOLID WASTE</u>	<u>NONMAJOR GOVERNMENTAL</u>	<u>TOTAL</u>
\$ -	\$ 853,353	\$ 5,713,393
-	-	2,752,218
-	-	400,562
-	-	630,381
-	495,103	495,103
-	56,685	271,759
-	-	1,068,271
-	-	1,137,561
-	131,472	150,378
-	349,161	382,842
367,909	10,549	428,171
1,549	109,077	603,417
<u>369,458</u>	<u>2,005,400</u>	<u>14,034,056</u>
-	-	232,058
-	1,036,349	1,677,904
-	-	43,211
-	-	1,107,853
-	-	459,124
-	-	2,148,341
183,454	1,224,760	2,761,565
-	-	1,122,122
-	5,045	2,628,298
-	-	29,801
-	274,900	371,957
-	47,691	51,864
-	857,525	2,905,151
<u>183,454</u>	<u>3,446,270</u>	<u>15,539,249</u>
<u>\$ 186,004</u>	<u>\$ (1,440,870)</u>	<u>\$ (1,505,193)</u>

(CONTINUED)

WEBSTER PARISH POLICE JURY

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

	<u>GENERAL</u>	<u>SALES TAX</u>	<u>LIBRARY</u>	<u>SPECIAL 2.5 MILL TAX</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ -	\$ -	\$ -
Transfers out	(509,000)	-	(242,480)	-
Total Other Financing Sources (Uses)	<u>(509,000)</u>	<u>-</u>	<u>(242,480)</u>	<u>-</u>
Net Change in Fund Balances	(543,748)	(480,521)	234,566	(212,104)
FUND BALANCES - BEGINNING	<u>3,995,423</u>	<u>749,371</u>	<u>4,200,418</u>	<u>1,529,205</u>
FUND BALANCES - ENDING	<u>\$ 3,451,675</u>	<u>\$ 268,850</u>	<u>\$ 4,434,984</u>	<u>\$ 1,317,101</u>

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

Statement E

<u>SOLID WASTE</u>	<u>NONMAJOR GOVERNMENTAL</u>	<u>TOTAL</u>
\$ -	\$ 751,480	\$ 751,480
-	-	(751,480)
-	751,480	-
186,004	(689,390)	(1,505,193)
<u>1,501,085</u>	<u>4,648,057</u>	<u>16,623,559</u>
<u>\$ 1,687,089</u>	<u>\$ 3,958,667</u>	<u>\$ 15,118,366</u>

(CONCLUDED)

WEBSTER PARISH POLICE JURY

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

Statement F

Total net change in fund balances - governmental funds \$ (1,505,193)

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

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

Capital outlay	\$ 2,905,151	
Depreciation expense	<u>(947,080)</u>	1,958,071

Loss on sale of asset (7,748)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 105,941

In the Statement of Activities, certain operating expenses-compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This year, vacation used (\$162,889) exceeded vacation earned (\$155,143) by \$7,746. 7,746

The recognition of pension expense in the Statement of Activities is based on projected benefit payments discounted to actuarial present value and attributed to periods of employee service. Pension expenditures in the fund financial statements are the amounts actually paid. (125,630)

Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. 1,469

Repayment of certificate of indebtedness principal and capital lease payments are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. Additionally, the recording of the OPEB liability is an accrued expense for the Statement of Activities, but does not use current financial resources of the governmental funds.

Principal payments on certificate of indebtedness	195,000	
Capital lease	176,957	
OPEB liability	<u>(489,318)</u>	<u>(117,361)</u>

Change in net position of governmental activities. \$ 317,295

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

WEBSTER PARISH POLICE JURY
 FIDUCIARY FUND - AGENCY FUNDS
 STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
 December 31, 2016

Statement G

	DRUG SEIZURE AND FORFEITURE	MASTER BANK	TOTAL
ASSETS			
Cash and cash equivalents	\$ 143,440	\$ 184,686	\$ 328,126
Total assets	143,440	184,686	328,126
LIABILITIES			
Payroll withholdings	-	184,686	184,686
Amounts pending per court order	143,440	-	143,440
Total liabilities	\$ 143,440	\$ 184,686	\$ 328,126

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Governmental Funds

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

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

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

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

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

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

Fiduciary Funds

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

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

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

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

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

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

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

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

Fund Financial Statements (FFS)

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

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

Revenues Ad valorem taxes and the related state revenue sharing are recorded in the year they are assessed. Ad valorem taxes are assessed on a calendar-year basis and become due on the date November 15 of each year, and become delinquent on December 31. Ad valorem taxes become delinquent if not paid by December 31. The taxes are normally collected in December of the current year and January and February of the ensuing year. The ad valorem tax receivable at December 31, 2016 was \$5,285,753.

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

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

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

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

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

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

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

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

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

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

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

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

Definitions:

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

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

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

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA-R.S. 33.2955.

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

LAMP, Inc. is subject to the regulatory oversight of the State Treasurer and the Board of Directors. LAMP is not registered with the SEC as an investment company.

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

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

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

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

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

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

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

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

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

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Full-time employees of the Webster Parish Library earn from two to 5 weeks of vacation leave, depending on their job classification. Part-time employees earn vacation leave each year in proportion to the number of hours worked per week on a regular basis. Vacation leave can be accrued up to a maximum of six work weeks. Upon resignation or retirement, employees receive payment for unused vacation leave. Sick leave with pay is allowed for all full-time and part-time employees working on a regular basis in the amount of two work weeks per year. Sick leave can be accumulated up to a maximum of 12 work weeks. Sick leave lapses upon termination of employment.

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

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

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

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

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

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

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

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

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

- Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments;
- Imposed by law through constitutional provisions or enabling legislation. \$8,451,376 of the Police Jury's net position is restricted by enabling legislation.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Webster Parish Police Jury
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Property Tax Calendar

Millage rates adopted/levied	September 6, 2016
Tax bills mailed	On or about November 1, 2016
Due date	December 31, 2016
Collection dates	December 31, 2016 through April 2017
Penalty and interest accrues	January 1, 2017
Tax sale – 2016 property	May 16, 2017

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

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

A revaluation of all property is required after 1978 to be completed no less than every four years. The last revaluation was completed for the roll of January 1, 2016. Total assessed value was \$316,869,610 in calendar year 2016. Louisiana state law exempts the first \$75,000 of assessed value of a taxpayer's primary residence from parish property taxes. This homestead exemption was \$54,116,345 of the assessed value in calendar year 2016.

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

The calendar year tax roll is prepared by the parish tax assessor in November of each year. The amount of property taxes to be collected occurs in December 2016 and January and February 2017. All property taxes are recorded in the general, special revenue, debt service, and capital projects funds. The Police Jury considers the lien date (January 1, 2017) as the date an enforceable legal claim occurs for 2016 property taxes. Property tax revenue is recognized in the period for which the taxes are levied (budgeted).

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

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

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

In the December 10, 2016 election, the Road District B tax renewal did not pass; the Police Jury will propose this renewal to the citizens in the October 2017 election.

NOTE 3 - DEPOSITS At December 31, 2016, the Police Jury had cash and cash equivalents (book balances) as follows:

Demand deposits (cash and cash equivalents per Statement A)	\$ 4,545,697
Time deposits and money market (reported as investments per Statement A)	5,421,526
Demand deposits (cash and cash equivalents per Statement G – Agency funds)	328,126
Petty cash (cash and cash equivalents per Statement A)	<u>225</u>
Total	<u>\$ 10,295,574</u>

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

Custodial Credit Risk-Deposits: At year-end the bank balance for the Police Jury was \$10,821,534. Of the bank balance, \$2,196,787 was covered by federal depository insurance. The remaining balance, \$8,624,747 was collateralized with securities held by the pledging financial institution's trust department or agent but not in the Police Jury's name.

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

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

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

<u>Investment</u>	<u>Maturities</u>	<u>Credit Rating</u>	<u>Fair Value Carrying Amount</u>	<u>% of Investments</u>
External investment pool - LAMP	less than one year	AAAm	\$ 3,410	100%
Total Invesments			<u>\$ 3,410</u>	
Time deposits reported as investments			\$ 5,421,526	
Total investments reported as Statement A			<u>\$ 5,424,936</u>	

Investments held at December 31, 2016 consist of \$3,410 in the Louisiana Asset Management Pool (LAMP), a local government investment pool. LAMP is a 2a7-like investment pool. The following facts are relevant for 2a7-like investment pools:

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

Custodial Credit Risk-Investments: The money market fund is registered in the name of the Webster Parish Police Jury and is insured by the Securities Investor Corporations (SPIC) and is therefore not exposed to custodial credit risk.

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

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

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

NOTE 5 - RECEIVABLES The following is a summary of receivables at December 31, 2016:

<u>Class of Recievables</u>	<u>General</u>	<u>Sales Tax</u>	<u>Library</u>	<u>Special 2.5 Mill Tax</u>	<u>Solid Waste</u>	<u>Nonmajor Governmental</u>	<u>Total</u>
Ad Valorem taxes	\$ 864,460	\$ -	\$ 2,970,157	\$ 664,285	\$ -	\$ 786,851	\$ 5,285,753
Sales and use taxes	-	259,080	-	-	-	-	259,080
Intergovernmental	338,099	-	-	72,575	-	102,241	512,915
Grants	99,743	-	-	-	-	-	99,743
Fees, charges, and commissions for services	32,184	-	-	103	10,098	31,575	73,960
Other	32,299	-	-	-	-	-	32,299
Total	<u>\$ 1,366,785</u>	<u>\$ 259,080</u>	<u>\$ 2,970,157</u>	<u>\$ 736,963</u>	<u>\$ 10,098</u>	<u>\$ 920,667</u>	<u>\$ 6,263,750</u>

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

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

	Balance at Beginning	Additions	Deletions	Balance at Ending
Governmental activities				
Capital assets, not being depreciated				
Land	\$ 1,272,782	\$ 92,858	\$ -	\$ 1,365,640
Construction in progress	447,150	1,434,506	-	1,881,656
Total capital assets, not being depreciated	<u>1,719,932</u>	<u>1,527,364</u>	<u>-</u>	<u>3,247,296</u>
Capital assets, being depreciated				
Buildings and improvements	13,033,755	644,637	-	13,678,392
Infrastructure	2,715,830	-	-	2,715,830
Furniture, equipment & vehicles	6,213,902	508,755	508,022	6,214,635
Library books and information materials	1,467,841	279,479	287,425	1,459,895
Total capital assets, being depreciated	<u>23,431,328</u>	<u>1,432,871</u>	<u>795,447</u>	<u>24,068,752</u>
Less accumulated depreciation:				
Buildings and improvements	6,605,871	320,509	-	6,926,380
Infrastructure	337,281	67,896	-	405,177
Furniture, equipment & vehicles	5,014,703	261,748	508,022	4,768,429
Library books and information materials	681,592	296,927	279,677	698,842
Total accumulated depreciation	<u>12,639,447</u>	<u>947,080</u>	<u>787,699</u>	<u>12,798,828</u>
Total capital assets, being depreciated, net	<u>10,791,881</u>	<u>485,791</u>	<u>7,748</u>	<u>11,269,924</u>
Governmental activities capital assets, net	<u>\$ 12,511,813</u>	<u>\$ 2,013,155</u>	<u>\$ 7,748</u>	<u>\$ 14,517,220</u>

Depreciation expense was charged to the governmental activities as follows:

Judicial	\$ 5,717
Finance & administrative	128,400
Other general government	3,956
Public Safety	49,157
Public Works	281,219
Health & Welfare	42,433
Culture & Recreation	436,198
Total	<u>\$ 947,080</u>

Webster Parish Police Jury
Notes to the Basic Financial Statements
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NOTE 7 – ACCOUNTS PAYABLE VENDORS The accounts payable for December 31, 2016 fiscal year end are as follows:

	General Fund	Sales Tax	Library	Special 2.5 Mill Tax	Solid Waste	Nonmajor Governmental	Total
Vendors	\$ 386,703	\$ 6,228	\$ 51,729	\$ 140,332	\$ 8,060	\$ 94,590	\$ 687,642
Retainage	44,170	-	-	-	-	-	44,170
	<u>\$ 430,873</u>	<u>\$ 6,228</u>	<u>\$ 51,729</u>	<u>\$ 140,332</u>	<u>\$ 8,060</u>	<u>\$ 94,590</u>	<u>\$ 731,812</u>

The Police Jury has an additional amount of retainage payable recorded in the governmental activities of \$55,084.

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

General Information about the Pension Plan

Plan Description/Benefits Provided:

The System administers a plan to provide retirement, disability, and survivor's benefits to employees of taxing districts of a parish or any branch or section of a parish within the state which does not have their own retirement system and which elect to become members of the System. The age and years of creditable service (service) required in order for a member to receive retirement benefits are established by R.S. 11:1901 and vary depending on the member's hire date.

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

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

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

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

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Deferred Retirement Option Plan

In lieu of terminating employment and accepting a service retirement, any member who is eligible to retire may elect to participate in the Deferred Retirement Option Plan (DROP) in which they are enrolled for 3 years and defer the receipt of benefits. During participation in the plan, employer contributions are payable but employee contributions cease. The monthly retirement benefits that would be payable, had the person elected to cease employment and receive a service retirement allowance, are paid into the DROP fund. Upon termination of employment prior to or at the end of the specified period of participation, a participant in the DROP may receive, at the participant's option, a lump sum from the account equal to the payments into the account, a true annuity based upon the account balance in that fund, or roll over the fund to an individual retirement account.

Cost of Living Adjustments

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

Contributions

Contributions for all members are established by statute at 9.5% of compensation and are deducted from the member's salary and remitted by the participating employer. According to state statute, contributions for all employers are actuarially determined each year. For the year ended December 31, 2016, the actuarially determined contribution rate was 10.40%, based on the December 2015 report and the actual contribution rate was 14.50% or \$443,925. For fiscal year ended December 31, 2016, the actual contribution rate was 13.0% or \$409,289. According to state statute, the System also receives ¼ of 1% of ad valorem taxes collected within the respective parishes except for Orleans and East Baton Rouge parishes. The System also receives revenue sharing funds each year as appropriated by the Legislature. Tax monies and revenue sharing monies are apportioned between Plan A and Plan B in proportion to the member's compensation. These additional sources of income are used as additional employer contributions and are considered support from non-contributing entities. The Police Jury's proportionate share of nonemployer contributions was \$38,853 and was recognized as revenue by the Police Jury.

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

At December 31, 2016, the Police Jury reported a liability of \$1,405,555 for its proportionate share of the Net Pension Liability (NPL). The NPL was measured as of December 31, 2015, and the total pension liabilities used to calculate the NPL were determined by actuarial valuations as of that date. The Police Jury's proportions of the NPL were based on projections of the Police Jury's long-term share of contributions to the pension plan relative to the projected contribution of all participating employers, actuarially determined. As of December 31, 2015, the most recent measurement date, the Police Jury's proportions and the changes in proportion from the prior measurement date were .533967%, or a decrease of .025985%.

For the year ended December 31, 2016, the Police Jury recognized a total pension expense of \$573,772. The Police Jury reported deferred outflows of resources and deferred inflows of resources related to pensions as components of unrestricted net position from the following sources:

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Notes to the Basic Financial Statements
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	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Differences between expected and actual experience	\$ -	\$ 223,380
Change in assumptions	313,180	-
Net difference between projected and actual earnings on pension plan investments	1,286,121	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	8,871
Employer contributions subsequent to the measurement date	409,289	-
Total	<u>\$ 2,008,590</u>	<u>\$ 232,251</u>

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

2017	\$ 359,719
2018	359,719
2019	382,917
2020	264,695

Actuarial Assumptions

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

Valuation Date	December 31, 2015
Actuarial Cost Method	Entry Age Normal Cost
Expected Remaining Service Lives	4 years
Investment Rate of Return	7.00%
Inflation Rate	2.50%
Mortality - Non-disabled	RP-2000 Employee Sex Distinct Table set back 4 years for males and 3 years for females was selected for employees; RP-2000 Healthy Annuitant Sex Distinct Tables projected to 2031 using Scale AA were selected for annuitants and beneficiaries
Mortality - Disabled	RP-2000 Disabled Lives Mortality Table set back 5 years for males and set back 3 years for females
Salary Increases	5.25% (2.75% Merit/2.50% Inflation)
Cost of Living Adjustments	Not substantively automatic
Termination, Disability, Retirement	Projected based on a 5 year (January 1, 2010 - December 31, 2014) experience study

Webster Parish Police Jury
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The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the CAPM pricing model (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward looking basis in equilibrium, in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.00% and an adjustment for the effect of rebalancing/diversification. The resulting expected long term rate of return is 7.55% for the year ended December 31, 2015. Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of December 31, 2015 are summarized in the following table:

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

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

Webster Parish Police Jury
Notes to the Basic Financial Statements
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Change in Assumptions Changes in actuarial assumptions used in the December 31, 2015 valuation from the assumptions used in the December 31, 2014 actuarial valuation are as follows:

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

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

<u>1.0% Decrease</u>	<u>Current Discount Rate</u>	<u>1.0% Increase</u>
\$ 3,521,425	\$ 1,405,555	\$ (382,611)

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

Payables to the Pension Plan. At December 31, 2016, the Police Jury had \$155,839 in payables for the December 2016 employee and employer legally required contributions.

NOTE 9 - COMPENSATED ABSENCES At December 31, 2016, employees of the Police Jury, Library, and Criminal Court had accumulated and vested \$276,823 of employee leave benefits. The liability for compensated absences includes salary related benefits.

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

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

	Beginning Balance as Restated	Additions	Deletions	Ending Balance	Amounts Due Within One year
Governmental Activities					
Limited tax certificate of indebtedness	\$ 2,200,000	\$ -	\$ 195,000	\$ 2,005,000	\$ 200,000
Capital lease	176,957	-	176,957	-	-
Compensated absences	284,569	155,143	162,889	276,823	162,889
Net pension liability	142,257	1,707,223	443,925	1,405,555	-
OPEB Liability	1,336,504	638,196	148,878	1,825,822	-
Total	<u>\$ 4,140,287</u>	<u>\$ 2,500,562</u>	<u>\$ 1,127,649</u>	<u>\$ 5,513,200</u>	<u>\$ 362,889</u>

The compensated absence liability will be liquidated by General Fund 19%, Special Revenue Fund 47%, and Library Fund 34% with the remaining 18% being liquidated by various other funds. The OPEB liability will be funded by the Police Jury's General Fund. The net pension liability will be liquidated through contributions to the pension plan from the governmental fund in which the related salary is paid.

Limited tax debt at December 31 is as follows:

	<u>Amount</u>
2014 Limited Tax Certificates of Indebtedness:	
\$2,200,000 Certificate of Indebtedness, dated 8/5/14; due in annual principal installments of \$195,000 - \$250,000 through March 1, 2025; interest at 2.260%; secured by levy and collection of ad valorem taxes	\$ 2,005,000

The annual requirement to amortize long-term debt outstanding as of December 31, 2016, including interest payments are as follows:

	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total</u>
2017	\$ 200,000	\$ 43,053	\$ 243,053
2018	205,000	38,477	243,477
2019	210,000	33,787	243,787
2020	215,000	28,985	243,985
2021	220,000	24,069	244,069
2022-2025	955,000	43,901	998,901
	<u>\$ 2,005,000</u>	<u>\$ 212,272</u>	<u>\$ 2,217,272</u>

At December 31, 2016, \$41 was available in Debt Service Fund to service the limited tax certificate of indebtedness.

In accordance with Louisiana Revised Statute 39:562, the Police Jury and its component units are legally restricted from incurring long-term bonded general obligation debt in excess of ten percent of the assessed value of taxable property in the parish or district. At December 31, the statutory limit is \$31,686,961 and net outstanding bonded general obligation debt totaled \$0. The Police Jury is within limits required by statute.

In accordance with Louisiana Revised Statute 39:742.2, the principal and interest due on limited tax certificates of indebtedness in any year on the amount so borrowed for and on behalf of any political subdivision in anticipation of

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the revenues to be received from a special ad valorem tax shall not exceed seventy-five percent of the revenues estimated to be realized from the levy of such special tax in the year in which such bonds are issued.

Pledged Revenue: In October 2014, the Police Jury issued \$2,200,000 in limited tax certificates of indebtedness to finance the acquiring, constructing, improving, furnishing and equipping public libraries in Webster Parish. The Police Jury has pledged, as security, a portion of the 12.43 mills Library ad valorem tax. The certificates are payable solely from the library ad valorem tax collected and are payable through fiscal year end 2025. The principal and interest payments are estimated to be 7.7% over the next 9 years. The total principal and interest remaining to be paid is \$2,005,000 and \$212,272, respectively. For fiscal year ended December 31, 2016, the Police Jury received \$3,208,457 from the collection of the 12.43 mills and paid \$195,000 in principal and \$47,479 in interest obligations for the 2014 certificates of indebtedness.

Capital Lease: During the year ended December 31, 2016, the Police Jury paid off the capital lease of two 2016 International Dump Trucks purchased during fiscal year 2015. The purchase of the trucks was through a lease-purchase agreement financed with General Electric Capital with a cost of \$233,768 for 24 months at 3.750% interest. For December 31, 2016, the depreciation expense was \$23,377 and the total accumulated depreciation was \$37,013.

NOTE 11 - CRIMINAL COURT FUND Louisiana Revised Statute 15:571.11 requires that one-half of any balance remaining in the criminal court fund at year end-be transferred to the parish general fund. Criminal Court had a fund balance at the end of the year of \$33,222. Due to the General Fund transferring \$509,000 during the fiscal year to the criminal court fund to cover excess expenses, the General Fund chose not to transfer one-half of the remaining fund balance from the criminal court fund and decided to leave the fund balance in tact to assist in a reduction of future transfers from the general fund to the criminal court for excess expenses.

NOTE 12 - INTERFUND TRANSACTIONS (FFS LEVEL ONLY)

Transfers In/Out

<u>Transferred In</u>	<u>Transferred Out</u>	<u>Amount</u>
Nonmajor Governmental	General Fund	\$ 509,000
Nonmajor Governmental	Library	242,480
		<u>\$ 751,480</u>

Transfers were made to cover the deficit in the criminal court fund and assist with operating expenses. Additionally, the transfer from the Library fund was to the debt service due to the required sinking fund payment.

Interfund Receivables/Payables

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nonmajor Governmental	\$ 13,055

The purpose of the interfund transaction is to temporally cover the DA Asset Forfeiture fund's operating expenses until reimbursement is received.

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

NOTE 13 - LITIGATION AND CLAIMS

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

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

Construction Projects The Police Jury had the following construction projects underway at the close of the 2016 year: \$1,161,000 in a HVAC renovation project for the Courthouse, \$890,000 in a renovation project for the Willie and Mary Mack Branch Library at Springhill and \$441,696 in a construction project for the Port O'Bistineau boat launch. The total amount remaining outstanding on these projects at December 31, 2016 was \$1,122,832.

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

NOTE 15 - LANDFILL CLOSURE AND POST CLOSURE CARE COST State and federal laws and regulations requires the Police Jury to place a final cover on its landfill site when it stops waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. In August 1997, the Police Jury entered into a long term lease of the landfill. At this time the Police Jury had completed closure costs on the landfill cells it had used under the terms of the lease, the new operator will be responsible for closure of all landfill cells it utilizes and will also be responsible for all required post-closure activities related to such areas. The closure cost and post closure cost estimate completed in 2016 was \$8,843,735. The Police Jury is disputing the underlying data regarding the acreage of land used for the estimate calculation as well as the operator of the landfill is required to insure their portion of the liability. Therefore no long-term debt due to landfill closure and post closure costs as defined in Governmental Accounting Standard No. 18 has been accrued. The Police Jury has \$2,000,000 in investments in the General Fund which are committed for any future landfill closure or post closure costs.

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

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

Funding Policy - The insurance for retired individuals is provided through the Police Jury's group plan, which covers both active and retired members. Employees do not contribute to their post employment benefits cost until

Webster Parish Police Jury
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they become retirees and begin receiving those benefits. The Police Jury pays the total premium less \$50 for retiree healthcare coverage.

The plan is currently financed on a “pay as you go basis”, with the Police Jury contributing \$148,878 for 24 retirees for the year ended December 31, 2016.

Annual Other Post Employment Benefit Cost and Liability - The Police Jury’s Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, would cover normal cost each year and amortize any unfunded actuarial liabilities (UAL) over a period of thirty years. A 30 year amortization period (the maximum amortization period allowed by GASB 45) was used for post employment benefits. The total ARC for fiscal year 2016 is \$657,752 as set forth below:

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

The following table presents the Police Jury’s OPEB Obligation for fiscal years ending 2016, 2015, and 2014:

	2016	2015	2014
Beginning Net OPEB Obligation January 1,	\$1,336,504	\$ 999,105	\$ 747,364
Annual required contribution	657,752	375,966	375,966
Interest on prior year Net OPEB Obligation	33,413	24,979	18,684
Adjustment to ARC	(52,969)	(19,392)	(19,392)
Annual OPEB Cost	<u>638,196</u>	<u>381,553</u>	<u>375,258</u>
Less current year retiree premiums	148,878	44,154	123,517
Increase in Net OPEB Obligation	<u>489,318</u>	<u>337,399</u>	<u>251,741</u>
Ending Net OPEB Obligation at December 31,	<u>\$1,825,822</u>	<u>\$1,336,504</u>	<u>\$ 999,105</u>

Utilizing the pay as you go method, the Police Jury contributed 23% of the annual post employment benefits cost during 2016, 12% during 2015, and 33% during 2014, respectively.

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

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

Actuarial accrued liability (AAL)	\$ 6,962,071
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	<u>\$ 6,962,071</u>
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll	\$ 3,824,907
UAAL as a percentage of covered payroll	182%

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

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

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

The remaining amortization period at December 31, 2016 for other post-employment benefits (OPEB) was twenty-two years.

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

NOTE 17 - OPERATING LEASES The Police Jury leases postage machines and printers under noncancelable operating leases. Total costs paid for such leases were \$14,135 for the year ended December 31, 2016. The minimum lease payments for these leases are as follows:

Year Ending December 31,	<u>Amount</u>
2017	\$ 13,027
2018	9,217
2019	3,614
2020	1,278

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

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

	General Fund	Sales Tax	Library	Special 2.5 Mill Tax	Solid Waste	Nonmajor Governmental	Total
Non-spendable:							
Prepaid items	\$ 239,661	\$ -	\$ 92,356	\$ -	\$ -	\$ -	\$ 332,017
Restricted for:							
Solid waste collection, road and jail	-	268,850	-	-	-	-	268,850
Road	-	-	-	-	-	2,241,785	2,241,785
Library	-	-	4,342,628	-	-	1,660,296	6,002,924
Debt Service	-	-	-	-	-	41	41
Operations & Maintenance of Courthouse & Health Unit	-	-	-	1,317,101	-	-	1,317,101
DA salary and benefits	-	-	-	-	-	6,945	6,945
Criminal court	-	-	-	-	-	33,222	33,222
Court reporter	-	-	-	-	-	16,378	16,378
Committed to:							
Solid Waste	-	-	-	-	1,687,089	-	1,687,089
Landfill	2,000,000	-	-	-	-	-	2,000,000
Unassigned:							
General fund	1,212,014	-	-	-	-	-	1,212,014
Total	\$ 3,451,675	\$ 268,850	\$ 4,434,984	\$ 1,317,101	\$ 1,687,089	\$ 3,958,667	\$ 15,118,366

NOTE 19 - NEW GASB STANDARDS In fiscal year 2016, the Police Jury adopted three new statements of financial accounting standards issued by the Governmental Accounting Standards Board:

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

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

encourage economic development. This Statement requires disclosure of tax abatement information about (1) a reporting government's own tax abatement agreements and (2) those that are entered into by other governments and that reduce the reporting government's tax revenues.

The adoption of these standards had no impact on the government-wide or the governmental fund financial statements, but provide for guidance, clarification and/or additional disclosures in the notes to the financial statements and required supplementary information related to pensions. See Note 20 for more information regarding the Police Jury's tax abatements.

NOTE 20 - TAX ABATEMENTS The Police Jury is subject to tax abatements granted by the Louisiana Department of Economic Development, Office of Commerce and Industry. Louisiana has a ten-year industrial exemption law that provides any manufacturing establishment entering Louisiana, or any manufacturing establishment expanding its Louisiana facilities is eligible to receive exemption on buildings and equipment from state, parish and local property taxes for a period of ten years. The exemption is for the "contract" value of buildings or equipment used by the business. When the exemption expires, the property is to be placed on the tax roll at 15% of its current market value. The amount of tax abatement under this program during the fiscal year ended December 31, 2016 by authorized millage is as follows:

Tax Code	Taxable Value	Taxpayer Exemption
General maintenance	\$ 12,792,990	\$ 51,851
Library maintenance and operation	12,792,990	159,017
Courthouse, health unit, and agricultural extension service	12,792,990	35,564
Road District A construction and maintenance	8,400,700	22,682
Road District B construction and maintenance	4,392,290	18,360
		\$ 287,474

NOTE 21 - CHANGE IN PRESENTATION For fiscal year ended December 31, 2016, the Solid Waste fund was added as a major fund and the Capital fund was no longer required to be reported as a major fund. For fiscal year ended December 31, 2015, the Solid Waste fund was reported within the nonmajor governmental funds.

NOTE 22 - SUBSEQUENT EVENTS In March 2017, the Police Jury approved a contract of \$519,900 for the Courthouse Annex Renovation.

On May 20, 2017, the Courthouse had a sewer pipe that broke causing water damage to a number of offices and courtrooms. Although the Police Jury expects to receive insurance proceeds for the damage that has occurred, the costs of the damage nor the insurance proceeds has yet been fully determined.

REQUIRED SUPPLEMENTARY INFORMATION

Webster Parish Police Jury

**Schedule of Funding Progress For Other Post Employment Benefits
December 31, 2016**

Exhibit 1

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

**Webster Parish Police Jury
December 31, 2016**

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

Exhibit 2-1

<u>Fiscal Year</u>	<u>Employer's Proportion of the Net Pension Liability</u>	<u>Employer's Proportionate Share of the Net Pension Liability</u>	<u>Employer's Covered Payroll</u>	<u>Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
Parochial Employees' Retirement System of Louisiana					
2015	0.507982%	\$ 142,257	\$ 2,831,304	5%	99.15%
2016	0.533967%	1,405,555	3,061,552	46%	92.23%

Notes:

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

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

**Webster Parish Police Jury
December 31, 2016**

Schedule of Employer Contributions to Pension Plans

Exhibit 2-2

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

Notes:

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

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

**Webster Parish Police Jury
December 31, 2016**

Notes to the Required Supplementary Information for Pensions

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

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

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

Webster Parish Police Jury

Budgetary Comparison Schedules

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

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

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

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

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

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

WEBSTER PARISH POLICE JURY

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

Exhibit 3-1

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		POSITIVE (NEGATIVE)
BUDGETARY FUND BALANCES, BEGINNING	\$ 2,862,863	\$ 3,995,423	\$ 3,995,423	\$ -
Resources (inflows)				
Local sources:				
Taxes:				
Ad valorem	850,000	850,000	929,418	79,418
Licenses and permits	429,000	402,000	400,562	(1,438)
Intergovernmental revenues:				
Federal grants	560,000	801,400	630,381	(171,019)
State funds:				
State revenue sharing	90,000	43,000	93,004	50,004
Severance taxes	1,300,000	900,000	1,068,271	168,271
Other	437,500	429,800	388,052	(41,748)
Fees, charges and commissions	10,000	10,000	15,000	5,000
Use of money and property	28,550	35,985	41,296	5,311
Other revenues	292,050	275,310	272,109	(3,201)
Transfers from other funds	80,000	330,000	-	(330,000)
Amounts available for appropriations	6,939,963	8,072,918	7,833,516	(239,402)
Charges to appropriations (outflows)				
General government:				
Legislative	235,500	226,737	232,058	(5,321)
Judicial	608,000	654,500	641,555	12,945
Elections	56,600	54,330	43,211	11,119
Finance and administrative	1,160,700	1,193,516	1,107,853	85,663
Other general government	3,210,669	2,764,081	402,524	2,361,557
Public safety	457,674	527,259	408,682	118,577
Public works	-	2,615	241,193	(238,578)
Health and welfare	547,192	545,192	537,901	7,291
Culture and recreation	77,000	77,000	67,539	9,461
Economic development and assistance	40,113	41,113	29,801	11,312
Capital outlay	98,300	155,800	160,524	(4,724)
Transfers to other funds	450,000	700,000	509,000	191,000
Total charges to appropriations	6,941,748	6,942,143	4,381,841	2,560,302
BUDGETARY FUND BALANCES, ENDING	\$ (1,785)	\$ 1,130,775	\$ 3,451,675	\$ 2,320,900

WEBSTER PARISH POLICE JURY

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

Exhibit 3-2

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
BUDGETARY FUND BALANCES, BEGINNING	\$ 470,537	\$ 749,371	\$ 749,371	\$ -
Resources (inflows)				
Local sources:				
Taxes:				
Sales and use	3,150,000	2,760,000	2,752,218	(7,782)
Use of money and property	1,500	800	647	(153)
Other revenues	100,000	180,000	175,464	(4,536)
Amounts available for appropriations	<u>3,722,037</u>	<u>3,690,171</u>	<u>3,677,700</u>	<u>(12,471)</u>
Charges to appropriations (outflows)				
Public safety	1,780,000	1,741,350	1,739,659	1,691
Public works	1,620,537	1,108,757	1,112,158	(3,401)
Debt service:				
Princial retirement	-	-	97,057	(97,057)
Interest and bank charges	-	-	4,173	(4,173)
Capital outlay	321,500	561,230	455,803	105,427
Total charges to appropriations	<u>3,722,037</u>	<u>3,411,337</u>	<u>3,408,850</u>	<u>2,487</u>
BUDGETARY FUND BALANCES, ENDING	<u>\$ -</u>	<u>\$ 278,834</u>	<u>\$ 268,850</u>	<u>\$ (9,984)</u>

WEBSTER PARISH POLICE JURY

LIBRARY

Budgetary Comparison Schedule
For the Year Ended December 31, 2016

Exhibit 3-3

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
BUDGETARY FUND BALANCES, BEGINNING	\$ 1,445,405	\$ 4,200,418	\$ 4,200,418	\$ -
Resources (inflows)				
Local sources:				
Taxes:				
Ad valorem	3,064,938	2,841,036	3,208,457	367,421
Intergovernmental revenues:				
State funds:				
State revenue sharing	71,000	67,000	67,150	150
Fines and forfeitures	31,000	33,000	33,681	681
Use of money and property	4,100	3,500	5,383	1,883
Other revenues	7,800	43,910	45,218	1,308
Amounts available for appropriations	<u>4,624,243</u>	<u>7,188,864</u>	<u>7,560,307</u>	<u>371,443</u>
Charges to appropriations (outflows)				
Culture and recreation	3,516,220	3,325,828	2,555,714	770,114
Debt Service:				
Principal retirement	195,000	195,000	-	195,000
Interest and bank charges	47,517	47,517	-	47,517
Capital outlay	885,000	885,000	327,129	557,871
Transfers to other funds	-	-	242,480	(242,480)
Total charges to appropriations	<u>4,643,737</u>	<u>4,453,345</u>	<u>3,125,323</u>	<u>1,328,022</u>
BUDGETARY FUND BALANCES, ENDING	<u>\$ (19,494)</u>	<u>\$ 2,735,519</u>	<u>\$ 4,434,984</u>	<u>\$ 1,699,465</u>

WEBSTER PARISH POLICE JURY

SPECIAL 2.5 MILL TAX
 Budgetary Comparison Schedule
 For the Year Ended December 31, 2016

Exhibit 3-4

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		POSITIVE (NEGATIVE)
BUDGETARY FUND BALANCES, BEGINNING	\$ 930,339	\$ 930,339	\$ 1,529,205	\$ 598,866
Resources (inflows)				
Local sources:				
Taxes:				
Ad valorem	670,000	670,000	722,165	52,165
Intergovernmental revenues:				
State funds:				
State Revenue Sharing	42,000	42,000	54,920	12,920
Other	1,260,000	697,750	749,509	51,759
Fees, charges, and commissions for services	5,000	5,000	3,906	(1,094)
Use of money and property	2,000	2,000	2,387	387
Amounts available for appropriations	<u>2,909,339</u>	<u>2,347,089</u>	<u>3,062,092</u>	<u>715,003</u>
Charges to appropriations (outflows)				
General government:				
Other general government	49,500	50,550	56,600	(6,050)
Health and Welfare	1,057,878	1,281,328	584,221	697,107
Capital outlay	1,810,000	1,023,250	1,104,170	(80,920)
Total charges to appropriations	<u>2,917,378</u>	<u>2,355,128</u>	<u>1,744,991</u>	<u>610,137</u>
BUDGETARY FUND BALANCES, ENDING	<u>\$ (8,039)</u>	<u>\$ (8,039)</u>	<u>\$ 1,317,101</u>	<u>\$ 1,325,140</u>

WEBSTER PARISH POLICE JURY

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

Exhibit 3-5

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		POSITIVE (NEGATIVE)
BUDGETARY FUND BALANCES, BEGINNING	\$ 1,489,080	\$ 1,493,582	\$ 1,501,085	\$ 7,503
Resources (inflows)				
Use of money and property	181,000	361,000	367,909	6,909
Other revenues	-	1,600	1,549	(51)
Amounts available for appropriations	<u>1,670,080</u>	<u>1,856,182</u>	<u>1,870,543</u>	<u>14,361</u>
Charges to appropriations (outflows)				
Public works	<u>1,670,080</u>	<u>1,851,680</u>	<u>183,454</u>	<u>1,668,226</u>
Total charges to appropriations	<u>1,670,080</u>	<u>1,851,680</u>	<u>183,454</u>	<u>1,668,226</u>
BUDGETARY FUND BALANCES, ENDING	<u>\$ -</u>	<u>\$ 4,502</u>	<u>\$ 1,687,089</u>	<u>\$ 1,682,587</u>

Webster Parish Police Jury

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

A. BUDGETS

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

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

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

For the year ended December 31, 2016, modified accrual basis budgets were adopted for the general fund and all special revenue funds, except the criminal court special revenue fund, which is exempt from the requirements Louisiana Revised Statutes 30:1301-1314 (Local Government Budget Act).

The 2016 budget was amended quarterly. The Police Jury's final amended budget was approved January 3, 2017.

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

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

Webster Parish Police Jury

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

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

<u>Sources/inflows of resources:</u>	<u>General</u>	<u>Sales Tax</u>	<u>Library</u>	<u>Special 2.5 Mill Tax</u>	<u>Solid Waste</u>
Actual amounts (budgetary basis) "available for appropriation" from the Budgetary Comparison Schedule	\$ 7,833,516	\$ 3,677,700	\$ 7,560,307	\$ 3,062,092	\$ 1,870,543
The fund balance at the beginning of the year is a budgetary resource but is not a current-year revenue for financial reporting purposes	<u>(3,995,423)</u>	<u>(749,371)</u>	<u>(4,200,418)</u>	<u>(1,529,205)</u>	<u>(1,501,085)</u>
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 3,838,093</u>	<u>\$ 2,928,329</u>	<u>\$ 3,359,889</u>	<u>\$ 1,532,887</u>	<u>\$ 369,458</u>
 <u>Uses/Outflows of resources:</u>					
Actual amounts (budgetary basis) "Total charges to appropriations" from the Budgetary Comparison Schedule	\$ 4,381,841	\$ 3,408,850	\$ 3,125,323	\$ 1,744,991	\$ 183,454
Transfers to other funds classified as expenditures for budgetary purposes and as an operating transfer for financial reporting	<u>(509,000)</u>	<u>-</u>	<u>(242,480)</u>	<u>-</u>	<u>-</u>
Total expenditures as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 3,872,841</u>	<u>\$ 3,408,850</u>	<u>\$ 2,882,843</u>	<u>\$ 1,744,991</u>	<u>\$ 183,454</u>

SUPPLEMENTARY INFORMATION

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

WEBSTER PARISH POLICE JURY

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

Exhibit 4

	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	TOTAL
ASSETS				
Cash and cash equivalents	\$ 1,652,594	\$ 41	\$ 372,588	\$ 2,025,223
Investments	201,112	-	1,001,003	1,202,115
Receivables	920,667	-	-	920,667
TOTAL ASSETS	2,774,373	41	1,373,591	4,148,005
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable vendors	19,038	-	75,552	94,590
Accrued payroll liabilities	30,943	-	-	30,943
Interfund payables	13,055	-	-	13,055
Taxes paid under protest	2,406	-	-	2,406
Total Liabilities	65,442	-	75,552	140,994
Deferred Inflows of Resources:				
Unavailable revenue-property taxes	48,344	-	-	48,344
Total Deferred Inflows of Resources	48,344	-	-	48,344
Fund Balances:				
Restricted	2,660,587	41	1,298,039	3,958,667
Total Fund Balances	2,660,587	41	1,298,039	3,958,667
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 2,774,373	\$ 41	\$ 1,373,591	\$ 4,148,005

WEBSTER PARISH POLICE JURY

NONMAJOR GOVERNMENTAL FUNDS
 Combining Statement of Revenues, Expenditures,
 And Changes in Fund Balances - By Fund Type
 For the Year Ended December 31, 2016

Exhibit 5

	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	TOTAL
REVENUES				
Local sources:				
Taxes:				
Ad valorem	\$ 849,251	\$ 4,102	\$ -	\$ 853,353
Intergovernmental revenues:				
State funds:				
Parish transportation funds	495,103	-	-	495,103
State revenue sharing	56,685	-	-	56,685
Fees, charges, and commissions for services	131,472	-	-	131,472
Fines and forfeitures	349,161	-	-	349,161
Use of money and property	6,833	-	3,716	10,549
Other revenues	109,077	-	-	109,077
Total Revenues	1,997,582	4,102	3,716	2,005,400
EXPENDITURES				
Current:				
General government:				
Judicial	1,036,349	-	-	1,036,349
Public works	1,224,760	-	-	1,224,760
Culture and recreation	-	-	5,045	5,045
Debt service:				
Principal retirement	79,900	195,000	-	274,900
Interest and bank charges	212	47,479	-	47,691
Capital outlay	-	-	857,525	857,525
Total Expenditures	2,341,221	242,479	862,570	3,446,270
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(343,639)	(238,377)	(858,854)	(1,440,870)
OTHER FINANCING SOURCES (USES)				
Transfers in	509,000	242,480	-	751,480
Total Other Financing Sources (Uses)	509,000	242,480	-	751,480
Net Change in Fund Balances	165,361	4,103	(858,854)	(689,390)
FUND BALANCES - BEGINNING	2,495,226	(4,062)	2,156,893	4,648,057
FUND BALANCES - ENDING	\$ 2,660,587	\$ 41	\$ 1,298,039	\$ 3,958,667

Webster Parish Police Jury

NONMAJOR SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

WEBSTER PARISH POLICE JURY
NONMAJOR SPECIAL REVENUE FUNDS
Combining Balance Sheet
December 31, 2016

	<u>PARISH ROAD</u>	<u>ROAD DISTRICT A</u>	<u>ROAD DISTRICT B</u>	<u>SPECIAL LIBRARY</u>
ASSETS				
Cash and cash equivalents	\$ 535,446	\$ 426,660	\$ 508,875	\$ 161,145
Investments	-	-	-	201,112
Receivables	82,375	379,250	407,600	-
TOTAL ASSETS	<u>617,821</u>	<u>805,910</u>	<u>916,475</u>	<u>362,257</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable vendors	-	14,278	2,450	-
Accrued payroll liabilities	-	15,155	15,788	-
Interfund payable	-	-	-	-
Taxes paid under protest	-	1,670	736	-
Total Liabilities	<u>-</u>	<u>31,103</u>	<u>18,974</u>	<u>-</u>
Deferred Inflows of Resources:				
Unavailable revenue-property taxes	-	28,466	19,878	-
Total Deferred Inflows of Resources	<u>-</u>	<u>28,466</u>	<u>19,878</u>	<u>-</u>
Fund Balances:				
Restricted	617,821	746,341	877,623	362,257
Total Fund Balances	<u>617,821</u>	<u>746,341</u>	<u>877,623</u>	<u>362,257</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 617,821</u>	<u>\$ 805,910</u>	<u>\$ 916,475</u>	<u>\$ 362,257</u>

Exhibit 6

<u>DA ASSET FORFEITURE</u>	<u>CRIMINAL COURT</u>	<u>COURT REPORTER</u>	<u>TOTAL</u>
\$ -	\$ 4,090	\$ 16,378	\$ 1,652,594
-	-	-	201,112
20,000	31,442	-	920,667
<u>20,000</u>	<u>35,532</u>	<u>16,378</u>	<u>2,774,373</u>
-	2,310	-	19,038
-	-	-	30,943
13,055	-	-	13,055
-	-	-	2,406
<u>13,055</u>	<u>2,310</u>	<u>-</u>	<u>65,442</u>
-	-	-	48,344
-	-	-	48,344
<u>6,945</u>	<u>33,222</u>	<u>16,378</u>	<u>2,660,587</u>
<u>6,945</u>	<u>33,222</u>	<u>16,378</u>	<u>2,660,587</u>
<u>\$ 20,000</u>	<u>\$ 35,532</u>	<u>\$ 16,378</u>	<u>\$ 2,774,373</u>

WEBSTER PARISH POLICE JURY

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

	PARISH ROAD	ROAD DISTRICT A	ROAD DISTRICT B	SPECIAL LIBRARY
REVENUES				
Local sources:				
Taxes:				
Ad valorem	\$ -	\$ 416,086	\$ 433,165	\$ -
Intergovernmental revenues:				
State funds:				
Parish transportation funds	495,103	-	-	-
State revenue sharing	-	32,634	24,051	-
Fees, charges, and commissions for services	11,878	-	-	46,008
Fines and forfeitures	-	-	-	-
Use of money and property	2,482	1,423	1,532	1,394
Other revenues	127	-	-	-
Total Revenues	509,590	450,143	458,748	47,402
EXPENDITURES				
Current:				
General government:				
Judicial	-	-	-	-
Public Works	192,116	601,502	431,142	-
Debt service:				
Principal retirement	79,900	-	-	-
Interest and bank charges	212	-	-	-
Total Expenditures	272,228	601,502	431,142	-
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	237,362	(151,359)	27,606	47,402
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Net Change in Fund Balances	237,362	(151,359)	27,606	47,402
FUND BALANCES - BEGINNING	380,459	897,700	850,017	314,855
FUND BALANCES - ENDING	\$ 617,821	\$ 746,341	\$ 877,623	\$ 362,257

Exhibit 7

<u>DA ASSET FORFEITURE</u>	<u>CRIMINAL COURT</u>	<u>COURT REPORTER</u>	<u>TOTAL</u>
\$ -	\$ -	\$ -	\$ 849,251
-	-	-	495,103
-	-	-	56,685
-	59,906	13,680	131,472
52,887	296,274	-	349,161
-	-	2	6,833
-	108,950	-	109,077
<u>52,887</u>	<u>465,130</u>	<u>13,682</u>	<u>1,997,582</u>
47,702	979,619	9,028	1,036,349
-	-	-	1,224,760
-	-	-	79,900
-	-	-	212
<u>47,702</u>	<u>979,619</u>	<u>9,028</u>	<u>2,341,221</u>
5,185	(514,489)	4,654	(343,639)
-	509,000	-	509,000
5,185	(5,489)	4,654	165,361
1,760	38,711	11,724	2,495,226
<u>\$ 6,945</u>	<u>\$ 33,222</u>	<u>\$ 16,378</u>	<u>\$ 2,660,587</u>

**Webster Parish Police Jury
Schedule of Compensation Paid Police Jurors
For the Year Ended December 31, 2016**

Exhibit 8

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

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

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

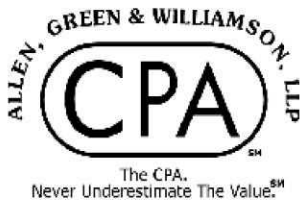
Exhibit 9

Agency Head Name: Ronda Carnahan, Secretary-Treasurer

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 85,592
Benefits-insurance	15,011
Benefits-retirement	11,127
Deferred compensation	-
Benefits - other deductible Ins.	700
Vehicle provided by government	-
Cell phone	1,021

Webster Parish Police Jury





ALLEN, GREEN & WILLIAMSON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

P. O. Box 6075
Monroe, LA 71211-6075

2441 Tower Drive
Monroe, LA 71201

Telephone: (318) 388-4422

Fax: (318) 388-4664

Toll-free: (888) 741-0205

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

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

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

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

Independent Auditor's Report

Police Jurors
Webster Parish Police Jury
Minden, Louisiana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Webster Parish Police Jury as of and for the year ended December 31, 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 29, 2017. We issued an adverse opinion on the aggregate discretely presented component units and an unmodified opinion on the governmental activities, each major fund, and the aggregate remaining fund information.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered 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 Police Jury's internal control. Accordingly, we do not express an opinion on the effectiveness of 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 a certain deficiency in internal control, described in the accompanying Schedule of Findings and Responses as item 2016-001, that we consider to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Police Jury's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings and Responses as item 2016-002.

Police Jury's Response to Findings

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

Purpose of this Report

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



ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
June 29, 2017

**Webster Parish Police Jury
Schedule of Findings and Responses
For the Year Ended December 31, 2016**

PART I - Summary of the Auditor's Results

Financial Statement Audit

- i. The type of audit report issued was an adverse opinion on the aggregate discretely presented component units and an unmodified opinion on the governmental activities, each major fund, and the aggregate remaining fund information.
- ii. There was one significant deficiency required to be disclosed by *Government Auditing Standards* issued by the Comptroller General of the United States of America. The significant deficiency is considered to be a material weakness.
- iii. There was one instance of noncompliance, as defined by the *Government Auditing Standards*, to the basic financial statements.

**Webster Parish Police Jury
Schedule of Findings and Responses
For the Year Ended December 31, 2016**

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

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

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

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

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

Possible asserted effect (cause and effect):

Cause: The auditor was unable to determine the cause.

Effect: The Police Jury’s controls over year-end financial reporting are weakened.

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

Recommendation to prevent future occurrences: The Police Jury should establish quality control procedures to ensure that year-end financial reporting is complete and accurate.

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

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

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

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

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

**Webster Parish Police Jury
Schedule of Findings and Responses
For the Year Ended December 31, 2016**

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

least ten days prior to the date of the first public hearing.

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

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

Possible asserted effect (cause and effect):

Cause: The auditor was unable to determine the cause.

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

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

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

View of responsible official: The flood in March 2016 was very hectic. The Secretary-Treasurer is aware of the official publication rules and emergency rules. While the public hearings were held the publishing must have been an oversight. She will ensure that the remaining staff are aware of the rules and request their assistance in ensuring the Police Jury publishes all notifications as required by state law.

OTHER INFORMATION

**Webster Parish Police Jury
Summary Schedule of Prior Year Audit Findings and Responses
For Year End December 31, 2016**

Reference # and title: **2015-001** **LA Budget Law**

Origination date: This finding originated fiscal year ended December 31, 2014.

Entity-wide or program/department specific: This finding is specific to the component unit - Webster Parish Communication District (E911).

Condition: Louisiana state law requires governmental entities with expenditures exceeding \$500,000 to hold a public budget hearing and to publish their budget in the official journal. The requirements of the budget act are covered in RS 39:1301-1309. RS 39:1305 requires governmental entities to show a side-by-side detailed comparison of the prior year actual income and expenses along with the proposed budgeted income and expenses for the upcoming year in the budget document.

The Communication District did not hold a public hearing nor publish the proposed 2015 budget which had expenditures in excess of \$500,000 nor did the budget document include a side-by-side comparison detailing the prior year actual and the proposed 2015 budget.

Corrective action taken: The E911 has issued a separate audit report for the fiscal year ended December 31, 2016; see that report for summary.

**Webster Parish Police Jury
Corrective Action Plan for Current Year Audit Findings and Responses
For Year End December 31, 2016**

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

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

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

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

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

Person responsible for corrective action:

Ronda Carnahan, Secretary-Treasurer
Webster Parish Police Jury
P. O. Box 389
Minden, LA 71058-0389

Telephone: 318-377-7564
Fax: 318-371-2366

Anticipated completion date: During the compiling of audit records in early 2018 for the 2017 audit.

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

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

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

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

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

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

**Webster Parish Police Jury
Corrective Action Plan for Current Year Audit Findings and Responses
For Year End December 31, 2016**

Corrective action planned: The flood in March 2016 was very hectic. The Secretary-Treasurer is aware of the official publication rules and emergency rules. While the public hearings were held the publishing must have been an oversight. She will ensure that the remaining staff are aware of the rules and request their assistance in ensuring the Police Jury publishes all notifications as required by state law.

Person responsible for corrective action:

Ronda Carnahan, Secretary-Treasurer
Webster Parish Police Jury
P. O. Box 389
Minden, LA 71058-0389

Telephone: 318-377-7564
Fax: 318-371-2366

Anticipated completion date: June 30, 2017 review of the laws with staff.

**Webster Parish Police Jury
Prior Year Management Letter Item
December 31, 2016**

2015-M001

Review of Policies and Procedures over Disbursements

Comment: When testing vendor and payroll disbursements, it was noted that the Police Jury is processing disbursements based on long-standing agreements and conditions/terms that have not been reviewed in a number of years. Additionally, the disbursements policy requires invoices to be approved by three juror members in addition to the approval of the Secretary-Treasurer which potentially causes time flow restrictions.

Recommendation: The Police Jury should re-evaluate the policies and procedures to ensure long-standing processes are still valid and updated, if necessary, as well as written documentation is maintained. These policies and procedures should maintain adequate internal controls, yet should not be too restrictive to hinder appropriate workflows.

Managements Response: The Police Jury has examined the policies in place concerning long standing agreements for vendors and for payroll to ensure that the agreements are up to date. This item is considered to be cleared.