

**CLAIBORNE PARISH POLICE JURY
HOMER, LOUISIANA**

**FINANCIAL STATEMENTS
AND SUPPLEMENTAL INFORMATION
AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2017**



**CLAIBORNE PARISH POLICE JURY
HOMER, LOUISIANA**

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Required Supplemental Information (Part I)
Management's Discussion and Analysis
Claiborne Parish Police Jury
Homer, Louisiana
Management's Discussion and Analysis
December 31, 2017

As management of the Claiborne Parish Police Jury, we offer readers of the Police Jury's financial statements this narrative overview and analysis of the financial activities of the police jury for the year ended December 31, 2017. We encourage readers to consider the information presented here, in conjunction with the basic financial statements, and the supplementary information provided in this report in assessing the efficiency and effectiveness of our stewardship of public resources.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Police Jury's basic financial statements. The Police Jury's basic financial statements comprise three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the Police Jury's finances, in a manner similar to a private-sector business. The statement of net position presents information on all of the Police Jury's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Police Jury is improving or deteriorating.

The statement of activities presents information showing how the Police Jury's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (for example, earned but not taken annual leave).

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Police Jury, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the current funds of the Police Jury are included in one category - governmental funds.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Claiborne Parish Police Jury
Homer, Louisiana
Management's Discussion and Analysis (Continued)
December 31, 2017

The Police Jury maintains nineteen individual governmental funds. Information is presented separately in the governmental funds' balance sheet and in the governmental funds' statement of revenues, expenditures, and changes in fund balances for the General Fund and the Parish Road, Police Jury Maintenance, Sales Tax, Criminal Court and Section 8 Housing special revenue funds which are considered to be major funds. Data from the other funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining schedules in the other supplemental information section of the report.

Government-wide Financial Analysis. As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The following tables focus on net position (Table 1) and changes in net position (Table 2) for the Police Jury's governmental activities.

Table 1
Net Position
Governmental Activities

	2017	2016
Current and other assets	\$ 11,330,171	\$ 11,739,963
Capital assets (net)	8,001,070	8,115,437
Total assets	19,331,241	19,855,400
Deferred outflows	687,113	783,210
Long-term obligations	1,328,208	1,471,317
Other liabilities	926,322	1,318,794
Total liabilities	2,254,530	2,790,111
Deferred inflows	84,687	93,780
Net position:		
Net investment in capital assets	6,771,070	6,739,153
Restricted	6,619,783	6,504,567
Unrestricted	4,288,284	4,510,999
Total net position	\$ 17,679,137	\$ 17,754,719

Table 2
Changes in Net Position
Governmental Activities

	<u>2017</u>	<u>2016</u>
Revenues		
Program revenues:		
Charges for services	\$ 816,538	\$ 691,646
Operating grants	936,946	1,223,183
General revenues:		
Property taxes	2,796,287	2,923,464
Sales taxes	659,432	596,362
Unrestricted grants and contributions	1,804,710	1,738,854
Other general revenues	174,408	173,388
Total revenues	<u>7,188,321</u>	<u>7,346,897</u>
Program expenses		
General government	2,255,975	1,811,426
Public safety	316,431	275,895
Public works	3,205,406	3,227,632
Health and welfare	674,820	575,654
Culture and recreation	720,956	713,847
Economic development and assistance	70,848	57,058
Conservation	5,000	6,200
Interest expense	35,768	36,969
Total expenses	<u>7,285,204</u>	<u>6,704,681</u>
Decrease in net position	<u>\$ (96,883)</u>	<u>\$ 642,216</u>

At the close of the fiscal year, assets of the Police Jury exceeded liabilities by \$17,076,711. Of net position, \$6,771,070 represents the Police Jury's investment in capital assets net of accumulated depreciation and related debt. These assets are not available for future spending. Net position restricted by tax propositions totals \$6,619,783. The remaining balance of \$4,288,284 is made up of bank balances, investments and receivables that are spendable and unrestricted.

Total net position decreased by (\$96,883) or less than 1% in 2017. Current and other assets decreased by (\$409,792) or 3.5%. The decrease is primarily due to the decrease in receivables of (\$613,857). Revenues from federal decreased significantly by (\$319,044) from 2016 mainly due to FEMA monies received by the Parish as a result of the spring floods were accounted for in 2016. Sales tax revenues increased 11% during 2017 by \$63,070 as a result of the slight increase of activity in the oil and gas industry within the parish. We expect oil & gas revenues to hold static in 2018 and we do not anticipate much growth in the oil and gas industry in the Parish into the 4th quarter of the year 2019. Program expenses associated with the line item General Government increased by \$444,549 which was a 25% increase mainly due to planned rehabilitation projects involving the East Main Street Buildings which include the Clerk of Court & Annex, the Tax Assessor and the Newell Building. Public Safety increased by \$40,536 was 15% primarily due to a decrease in pass-through grant monies associated with OEP grant monies. Public works expenses decreased (\$22,667) or 1% over the prior year primarily due the damage costs associated with the floods of 2016 had been absorbed and completed. The Health and Welfare function increased by \$99,166 which is directly tied to an increase in funding for OPCS Programs of \$83,016. Culture and Recreations decreased by \$7,109 due to the fact that the Library had several personnel changes which resulted in lower staff costs – however in 2017 the Library started the process of planning for the building a new building for the Haynesville Branch and these costs will directly affect 2018 and 2019 years. All Other Expenses increased by \$580,082 or 9%.

Claiborne Parish Police Jury
Homer, Louisiana
Management's Discussion and Analysis (Continued)
December 31, 2017

Table 3 presents the cost of each of the Police Jury's major functions as well as the net cost for each function (total cost less revenues generated by those functions). The net cost shows the financial burden placed on the parish's taxpayers for each of those functions.

	Governmental Activities			
	Total Cost of Services		Net Cost of Services	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
General government	\$ 2,255,975	\$ 1,811,426	\$ 1,470,235	\$ 1,158,356
Public safety	316,431	275,895	229,068	133,691
Public works	3,205,406	3,227,632	2,909,115	2,715,879
Health and welfare	674,820	575,654	121,528	6,428
Culture and recreation	720,956	713,847	690,158	675,271
All others	111,616	100,227	111,616	100,227
Totals	<u>\$ 7,285,204</u>	<u>\$ 6,704,681</u>	<u>\$ 5,531,720</u>	<u>\$ 4,789,852</u>

Financial Analysis of the Government's Funds. The Police Jury uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the governmental funds is to provide information on near-term revenue, expenditures, and balances of expendable resources. This information is used in assessing the financing requirements of the police jury. Unassigned fund balances may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of December 31, 2017, combined governmental fund balances of \$10,659,398 showed a decrease of \$62,145 from December 31, 2016. The increase in the General Fund's fund balance of \$357,012 from \$4,908,588 to \$5,265,600 is primarily due to a slight increase of revenues \$63,694 and a decrease in capital outlay expenditures of (\$87,042) and all other costs staying effectively the same for the 2017 year. The Library Maintenance Fund which increased \$1,485,137 to \$1,539,765 due leveling off of costs associated with the new Library, and to the Criminal Fund which increased \$144,368 to \$227,128 due to the continued improvement of the fiscal management of the DA's Office under current District Attorney Danney Newell. The decrease can be accounted for in two primary funds – the Building and Maintenance Fund decrease of (\$192,816) due to the extensive rehab and repair of the East Main Street properties which house the Clerk of Court and the Tax Assessor Offices and the Equipment Fund of (\$201,063) due to the fact the Parish was able to make the 2017 purchases of new equipment at a lower than anticipated cost and had saved in prior years with these cost in mind. The Parish expects both fund balances to rebound during the 2018 year.

Budgetary Highlights. Differences between the bottom line of the original budgets and the final budgets were - a net of (\$686,830) across all funds. The Police Jury's budgets were amended once during the year – on December 6, 2017. The only three significant changes made – 1) Sales Tax Fund with a net adjustment of \$73,900 which reflected a slight increase in sales tax revenue collections during the 2017 year. 2) General Fund with a net of (\$166,500) which reflected an increase in the GF Transfer to the Road Fund of \$50,000 and a (\$16,700) adjustment associated with decrease in grant revenues. 3) Equipment Fund with a net adjustment of (\$206,700) due to the fact the Jury decided to an additional piece of heavy equipment during the year. 4) Building Maintenance Fund with a net of (\$180,200) which is primarily the new roof system on the East Main Street (Clerk of Court, Tax Assessor and Sheriff's Office) properties that were discovered to have major issues and that insurance only covered a small portion of their replacement due to the age of the sub-surface of the roofs.

Claiborne Parish Police Jury
Homer, Louisiana
Management's Discussion and Analysis (Continued)
December 31, 2017

Actual numbers for Sales Tax revenues were slightly higher than expected. In the General Fund, severance tax revenues increased by \$15,563, use of money (interest earned) increased by \$15,246 and the fair market value of investments increased by \$9,493 in 2017. Expenditures were (\$72,199) less in Public Works due to the decrease of repair expenses associated with the spring flood that were not reimbursed by FEMA that were not anticipated in the original budgeted amount. General Fund expenditures increased slightly in 2017 by \$26,917 mainly due to the increase in cost associated with the public safety (prisoner costs). The Road Fund was supplemented by \$650,000 of transfers from the General Fund, there were no Sales Tax Fund transfers made during 2017 to the Road Fund and none are expected to be made in 2018.

Capital Asset and Debt Administration

Capital Assets. The Police Jury's investment in capital assets for its governmental activities as of December 31, 2017, amounts to \$8,001,070 (net of accumulated depreciation). This investment includes land, construction in progress, buildings and improvements, infrastructure roads and bridges, furniture, and equipment. The decrease in capital assets for the year was \$114,367 (net). There were several major items that directly affected capital assets during 2017. First, the Jury had \$40,019 in capital expenditures that were directly related to the architectural fees associated with the proposed new building for the branch library in Haynesville. The Parish also continued their purchase and upgrade of new equipment for the Claiborne Parish Highway Department which totaled \$ 460,476.

Long-Term Obligations. At the end of the year, the Police Jury had total long-term obligations of \$1,328,208. Compensated absences payable total \$98,208, which represents an increase of \$16,890 over the previous year. During 2017, the Jury had no long-term debt related to heavy equipment. As of December 31, the Police Jury had bonds payable outstanding of \$ 1,230,000 all of which were related to the Library Expansion Project.

Economic Factors and Next Year's Budgets. The Police Jury's financial plan for this upcoming 2018 year is well underway with the adoption of a realistic \$6,766,700 budget that meets the needs of the Parish while protecting the long-term financial stability of the Parish. At the end of 2017, the Parish has very little long-term debt, \$ 1,230,000 in General Obligation Bonds for the Library and \$ 98,208 in compensated absences for Parish Employees. The Police Jury, at December 31, 2017, had cash and investments totaling \$ 8,251,656 which represented an increase of \$ 207,849 over the period ended December 31, 2017, which totaled \$7,782,063.

During 2017, the Police Jury completed several projects that benefited the Parish - (1) completion of several LGAP & CWF Grants for numerous upgrades to several local water systems and we started the following two projects (1) rehab and sealing of the East Main Street group of buildings – Clerk of Court, Tax Assessor and Newell Building, and (2) started the process of designing and building a new branch of the Library in Haynesville.

Claiborne Parish Police Jury
Homer, Louisiana
Management's Discussion and Analysis (Continued)
December 31, 2017

During 2018, the Police Jury continues to work on the following grants and other projects – (1) completion of several CWEF Grants for numerous upgrades to several local water systems, (2) LGAP Grant for \$34,000 for the installation of emergency generator at the new CPPJ Highway Department Public Works Complex on Hwy 2, (3) the completion of the long awaited \$385,000 FEMA Road Project by the Claiborne Parish Highway Department, (4) the completion of the \$225,000 rehab of the exterior of the Claiborne Parish Clerk of Court, Tax Assessor and Newell Building block – complete with new roofs (5) the planning and design of the Joe Webb Memorial Library in Haynesville with an estimated construction cost of \$500,000, and (6) the \$50,000 proposed upgrade to the interior of the Court House and the Judge's Office.

Over the last several years we showed an upward trend in costs associated with Public Safety and Roads and Bridges and Building Maintenance. These are due to general inflationary trends as well as fuel related expenses and our aging infrastructure, respectively. This trend along with the continued slump in the oil and gas industry and timber industry in the Parish has raised some major concerns with the Jury on how to maintain the present level of services with the continued decrease in monies received and available, along with the devalued commercial/industrial tax base due to the O&G slump. Once again, the continued decrease in sales tax collections has reached a 20 year low and has placed the Police Jury in a very restrictive financial mode as it looks into the future. This continued decline has made the Jury take pause to plan and consider alternate means and methods of paying for certain services that we offer in the Parish and to consider increasing charges and fees for use of the Parish Road System by heavy haul vehicles in the O&G and timber industries. At this time, there are no plans to reduce services, but a concentrated effort is being used to scale back costs and introduce savings across the board. The Police Jury has made a permanent decision to place the proposed new Sheriff's Office and Female Detention Facility on hold until the local economy and tax base has a noticeable prolonged rebound or some other financial avenue for funding becomes available that is not in the form of a tax increase.

Requests for Information. This financial report is designed to be a summary of the Claiborne Parish Police Jury's finances. If there are any questions regarding any information, a request can be made in writing to –

Claiborne Parish Police Jury
Attn: Secretary-Treasurer
P.O. Box 270
Homer, Louisiana 71040

Our telephone number is (318) 927-2222 and we can also be reached via email at sec-treas.cppj@claiborneparish.org.

Visit our website at www.claiborneparish.org for update information concerning the day-to-day operations of the Police Jury. All agendas, minutes, budgets, public notices and announcements are archived and available for public view on our webpage.



Independent Auditor's Report

To the President and Members of the
Claiborne Parish Police Jury
Homer, 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 Claiborne Parish Police Jury, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the basic financial statements of the Parish'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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Louisiana Governmental Audit Guide*. Those standards and the guide 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.

Claiborne Parish Police Jury
Homer, Louisiana
Independent Auditor's Report,
December 31, 2017

Summary of Opinions

<u>Opinion Unit</u>	<u>Type of Opinion</u>
Governmental Activities	Unmodified
Aggregate Discretely Presented Component Units	Adverse
Governmental Fund General	Unmodified
Governmental Fund Parish Road	Unmodified
Governmental Fund Library Maintenance	Unmodified
Governmental Fund Sales Tax	Unmodified
Governmental Fund Criminal Court	Unmodified
Governmental Fund Section 8	Unmodified
Aggregate Remaining Fund Information	Qualified

Basis for Adverse Opinion on Aggregate Discretely Presented Component Units and Qualified Opinion on Aggregate Remaining Fund Information

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

Adverse Opinion

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

Qualified Opinion on Aggregate Remaining Fund Information

In our opinion, except for the effects of the matter described in the "Basis for Adverse Opinion on Aggregate Discretely Presented Component Units and Qualified Opinion on Aggregate Remaining Fund Information" paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the aggregate remaining fund information of the Claiborne Parish Police Jury as of December 31, 2017, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions

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

Claiborne Parish Police Jury
Homer, Louisiana
Independent Auditor's Report,
December 31, 2017

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 1-6 and 52-56 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Claiborne Parish Police Jury's basic financial statements. The combining nonmajor fund financial statements; the schedule of compensation paid police jurors; and the schedule of compensation, benefits, reimbursements and other payments to agency head are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining nonmajor fund financial statements; the schedule of compensation paid police jurors; and the schedule of compensation, reimbursements, benefits, and other payments to agency head are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements; the schedule of compensation paid police jurors; and the schedule of compensation, reimbursements, benefits, and other payments to agency head are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2018, on our consideration of the Claiborne Parish 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 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 Claiborne Parish Police Jury's internal control over financial reporting and compliance.

BOSCH & STATHAM, LLC



Ruston, Louisiana
June 27, 2018

Basic Financial Statements

**CLAIBORNE PARISH POLICE JURY
HOMER, LOUISIANA**

**GOVERNMENTAL ACTIVITIES
STATEMENT OF NET POSITION
AS OF DECEMBER 31, 2017**

ASSETS	
Cash and cash equivalents	\$ 7,344,308
Investments	907,348
Receivables	2,949,790
Due from other agencies	18,524
Deferred charges	110,201
Capital assets, net of accumulated depreciation	8,001,070
TOTAL ASSETS	<u>19,331,241</u>
 DEFERRED OUTFLOWS	
Deferred outflow - pension related	<u>687,113</u>
 LIABILITIES	
Accounts, salaries and other payables	429,494
Due to other agencies	14,025
Deferred revenue	15,627
Compensated absences payable	98,208
Bonds payable within one year	165,000
Bonds payable in more than one year	1,065,000
Net pension liability	467,176
TOTAL LIABILITIES	<u>2,254,530</u>
 DEFERRED INFLOWS	
Deferred inflows - pension related	<u>84,687</u>
 NET POSITION	
Net investment in capital assets	6,771,070
Retricted for:	
General government	778,326
General government - Judicial	347,753
Public works	3,035,370
Public safety	245,620
Health and welfare	489,385
Culture and recreation	1,723,329
Unrestricted	4,288,284
TOTAL NET POSITION	<u>\$ 17,679,137</u>

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

**CLAIBORNE PARISH POLICE JURY
HOMER, LOUISIANA**

**GOVERNMENTAL ACTIVITIES
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017**

FUNCTIONS	EXPENSES	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	
General government	\$ 2,255,975	\$ 785,740	\$ -	\$ -	\$ (1,470,235)
Public safety	316,431	-	87,363	-	(229,068)
Public works	3,205,406	-	296,291	-	(2,909,115)
Health and welfare	674,820	-	553,292	-	(121,528)
Culture and recreation	720,956	30,798	-	-	(690,158)
Economic development and assistance	70,848	-	-	-	(70,848)
Conservation	5,000	-	-	-	(5,000)
Interest expense	35,768	-	-	-	(35,768)
Total governmental activities	<u>\$ 7,285,204</u>	<u>\$ 816,538</u>	<u>\$ 936,946</u>	<u>\$ -</u>	<u>(5,531,720)</u>
General revenues:					
Property taxes					2,796,287
Sales and use taxes levied for public works					659,432
Other taxes, penalties and interest					8,383
Grants and contributions not restricted to specific programs					1,804,710
Net increase (decrease) in the fair value of investments					59,461
Gain on sale of capital assets					42,088
Contributions from private sources					500
Other					63,976
Total general revenues and transfers					<u>5,434,837</u>
Change in net position					<u>(96,883)</u>
Net position at beginning of year					<u>17,776,020</u>
Net position at end of year					<u>\$ 17,679,137</u>

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

CLAIBORNE PARISH POLICE JURY
HOMER, LOUISIANA

GOVERNMENTAL FUNDS - BALANCE SHEET
AS OF DECEMBER 31, 2017

ASSETS	GENERAL	PARISH	LIBRARY	SALES	CRIMINAL	SECTION 8	OTHER	TOTAL
		ROAD	MAINTENANCE	TAX	COURT		GOVERNMENTAL	GOVERNMENTAL
							FUNDS	FUNDS
Cash and cash equivalents	\$ 4,252,379	\$ 177,870	\$ 888,790	\$ 842,950	\$ 215,954	\$ 70,894	\$ 895,471	\$ 7,344,308
Investments	510,598	3,085	6,342	381,459	-	-	5,864	907,348
Receivables	591,022	921,453	735,741	59,730	11,401	-	630,443	2,949,790
Due from other funds	7,881	-	-	-	-	-	309,072	316,953
Due from other agencies	18,520	-	-	-	-	-	2	18,522
Deferred charges	110,201	-	-	-	-	-	-	110,201
TOTAL ASSETS	\$ 5,490,601	\$ 1,102,408	\$ 1,630,873	\$ 1,284,139	\$ 227,355	\$ 70,894	\$ 1,840,852	\$ 11,647,122
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES								
Liabilities:								
Accounts, salaries and other payables	\$ 189,708	\$ 95,108	\$ 37,974	\$ 55,004	\$ 227	\$ -	\$ 51,473	\$ 429,494
Due to other funds	-	7,325	456	-	-	-	309,170	316,951
Due to other agencies	-	-	-	-	-	14,025	-	14,025
Total liabilities	<u>189,708</u>	<u>102,433</u>	<u>38,430</u>	<u>55,004</u>	<u>227</u>	<u>14,025</u>	<u>360,643</u>	<u>760,470</u>
Deferred inflows:								
Unavailable ad valorem tax revenue	<u>35,293</u>	<u>74,336</u>	<u>52,678</u>	<u>-</u>	<u>-</u>	<u>15,626</u>	<u>49,321</u>	<u>227,254</u>
Fund balances:								
Restricted fund balances	357,011	925,639	1,539,765	1,229,135	227,128	41,243	1,591,188	5,911,109
Unassigned fund balances	4,908,589	-	-	-	-	-	(160,300)	4,748,289
Total fund balances	<u>5,265,600</u>	<u>925,639</u>	<u>1,539,765</u>	<u>1,229,135</u>	<u>227,128</u>	<u>41,243</u>	<u>1,430,888</u>	<u>10,659,398</u>
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES	\$ 5,490,601	\$ 1,102,408	\$ 1,630,873	\$ 1,284,139	\$ 227,355	\$ 70,894	\$ 1,840,852	\$ 11,647,122

**CLAIBORNE PARISH POLICE JURY
HOMER, LOUISIANA**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS' BALANCE SHEET
TO THE STATEMENT OF NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2017**

Total fund balance - governmental funds	\$ 10,659,398
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources.	8,001,070
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	211,628
Deferred items for pension related items are not reported in the fund statements:	
Deferred outflows	687,113
Deferred inflows	(84,687)
Some liabilities, such as bonds payable and compensated absences, are not due and payable in the current period and are therefore not reported in the funds.	
Compensated absences payable	(98,208)
Bonds payable	(1,230,000)
Net pension liability	(467,176)
Net position of governmental activities	<u>\$ 17,679,137</u>

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

CLAIBORNE PARISH POLICE JURY
HOMER, LOUISIANA

GOVERNMENTAL FUNDS - STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2017

	GENERAL	PARISH ROAD	LIBRARY MAINTENANCE	SALES TAX	CRIMINAL COURT	SECTION 8	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES								
Taxes:								
Ad valorem	\$ 478,694	\$ 963,337	\$ 811,473	\$ -	\$ -	\$ -	\$ 639,121	\$ 2,892,625
Sales and use	-	-	-	659,432	-	-	-	659,432
Other taxes, penalties and interest	7,222	-	-	-	1,161	-	-	8,383
Licenses and permits	91,100	3,500	-	-	-	-	-	94,600
Intergovernmental revenues:								
Federal funds	42,786	-	-	-	-	225,751	343,101	611,638
State funds:								
Severance taxes	1,519,336	-	-	-	-	-	-	1,519,336
State revenue sharing	17,703	38,662	17,643	-	-	-	25,649	99,657
Parish transportation	-	262,558	-	-	-	-	-	262,558
Fire insurance rebate	71,803	-	-	-	-	-	-	71,803
Other state funds	33,733	-	-	-	-	-	-	33,733
Fees, charges, and commissions	-	-	12,900	-	-	-	17,898	30,798
Fines and forfeitures	-	-	6,297	-	665,763	-	19,080	691,140
Use of money and property	46,580	75,394	4,733	5,543	-	543	11,131	143,924
Contributions from private sources	-	-	500	-	-	-	-	500
Other revenues	3,393	3,050	1,064	-	-	-	16,535	24,042
Total revenues	<u>2,312,350</u>	<u>1,346,501</u>	<u>854,610</u>	<u>664,975</u>	<u>666,924</u>	<u>226,294</u>	<u>1,072,515</u>	<u>7,144,169</u>
EXPENDITURES								
Current:								
General government:								
Legislative	118,108	-	-	-	-	-	-	118,108
Judicial	249,949	-	-	-	584,164	-	31,375	865,488
Elections	35,332	-	-	-	-	-	-	35,332
Finance and administrative	312,397	-	-	-	-	-	-	312,397

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

CLAIBORNE PARISH POLICE JURY
HOMER, LOUISIANA

GOVERNMENTAL FUNDS - STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2017

	GENERAL	PARISH ROAD	LIBRARY MAINTENANCE	SALES TAX	CRIMINAL COURT	SECTION 8	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
Other general government	\$ 228,089	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 642,774	\$ 870,863
Public safety	195,156	-	-	-	-	-	100,830	295,986
Public works	8,202	2,081,867	-	683,102	-	-	70,751	2,843,922
Health and welfare	49,779	-	-	-	-	243,302	356,338	649,419
Culture and recreation	-	-	564,195	-	-	-	-	564,195
Economic development and assistance	70,848	-	-	-	-	-	-	70,848
Conservation	5,000	-	-	-	-	-	-	5,000
Debt service	-	-	195,768	-	-	-	-	195,768
Capital outlay	-	-	40,019	-	-	-	460,479	500,498
Total expenditures	<u>1,272,860</u>	<u>2,081,867</u>	<u>799,982</u>	<u>683,102</u>	<u>584,164</u>	<u>243,302</u>	<u>1,662,547</u>	<u>7,327,824</u>
Excess (deficiency) of revenues over expenditures	<u>1,039,490</u>	<u>(735,366)</u>	<u>54,628</u>	<u>(18,127)</u>	<u>82,760</u>	<u>(17,008)</u>	<u>(590,032)</u>	<u>(183,655)</u>
OTHER FINANCING SOURCES (USES)								
Operating transfers in	-	650,000	-	-	-	-	75,391	725,391
Operating transfers out	(725,392)	-	-	-	-	-	-	(725,392)
Net increase (decrease) in the fair value of investments	42,914	-	-	16,547	-	-	-	59,461
Proceeds from insurance recovery	-	-	-	-	-	-	19,962	19,962
Sale of capital assets	-	-	-	-	-	-	42,088	42,088
Total other financing sources (uses)	<u>(682,478)</u>	<u>650,000</u>	<u>-</u>	<u>16,547</u>	<u>-</u>	<u>-</u>	<u>137,441</u>	<u>121,510</u>
Net change in fund balances	357,012	(85,366)	54,628	(1,580)	82,760	(17,008)	(452,591)	(62,145)
Fund balances at beginning of year	4,908,588	1,011,005	1,485,137	1,230,715	144,368	58,251	1,883,479	10,721,543
Fund balances at end of year	<u>\$ 5,265,600</u>	<u>\$ 925,639</u>	<u>\$ 1,539,765</u>	<u>\$ 1,229,135</u>	<u>\$ 227,128</u>	<u>\$ 41,243</u>	<u>\$ 1,430,888</u>	<u>\$ 10,659,398</u>

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

**CLAIBORNE PARISH POLICE JURY
HOMER, LOUISIANA**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017**

Net change in fund balances - total governmental funds	\$ (62,145)
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>	
Capital outlay	500,498
Depreciation	(614,865)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>	
Current year deferred inflows	211,628
Prior year deferred inflows	(308,959)
<p>Governmental funds report the retirement of long-term debt as an expenditure. However, in the government-wide financial statements, that amount representing principal on long-term debt is not treated as an expense but is instead applied against outstanding long-term debt on the Statement of Net Position</p>	
	160,000
<p>Some items reported in the statement of activities, such as a net decrease or increase in compensated absences, do not require the use of current financial resources, nor do they provide any, and therefore are not reported as expenditures or revenues in the governmental funds.</p>	
Change in compensated absences payable	(16,890)
Pension expense	13,877
Nonemployer contributions	19,973
Change in net position of governmental activities	\$ (96,883)

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

**CLAIBORNE PARISH POLICE JURY
HOMER, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2017**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Claiborne Parish Police Jury is the parish governing authority governed by an elected board referred to as the "police jury" (similar to county boards in other states) and is a political subdivision of the State of Louisiana. The police jury is governed by ten police jurors representing the various districts within the parish. The jurors are elected by the voters of their respective districts and serve four-year terms. The current terms of jurors expire in January 2020. Jurors receive compensation for their service on the police jury as provided by Louisiana Revised Statute 33:1233.

Claiborne Parish, established by act of the Louisiana Legislature in 1828, is located in the northwest part of the state and occupies 755 square miles of land with a population of 17,195 residents, based on the last census. State law gives the police jury various powers and functions in regulating and directing the affairs of the parish and its inhabitants. The more notable of those are the power to make regulations for their own government, the construction and maintenance of roads and bridges, drainage systems, sewerage, solid waste disposal, fire protection, recreation and parks, parish prison construction and maintenance, road lighting and marking, water works, health units, hospitals, provide for the health and welfare of the poor, disadvantaged, and unemployed, economic development, tourism and regulate the sale of alcoholic beverages in the parish. The police jury also houses and maintains the Courts and the offices of the Assessor, Clerk of Court, Registrar of Voters, District Attorney, and the Sheriff. Funding to accomplish these tasks is provided by ad valorem taxes, sales taxes, beer and alcoholic beverage permits, parish licenses, state revenue sharing, severance taxes and various other state and federal grants.

In accomplishing its objectives, the police jury has approximately 40 full-time and part-time employees (3 in the central office, 9 in the office of community services, 9 in the library, 2 in homeland security and emergency preparedness, and 20 in public works). In addition to maintaining drainage and bridges in the parish, the police jury currently maintains 727 miles of parish roads, comprised of 568 miles of asphalt and 159 miles of gravel.

Reporting Entity

The police jury also has the authority to create special districts (component units) within the parish to help in fulfilling its functions. The districts perform specialized functions, such as fire protection, water distribution, sewerage collection and disposal, drainage control, library facilities, and health care facilities.

As required by GASB Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, a legally separate entity is considered a component unit of the police jury if at least one of the following criteria is met:

- The police jury appoints a voting majority of the organization's governing body and is either able to impose its will on the organization or there is a potential financial benefit/burden to the police jury.
- The entity is fiscally dependent on the police jury.
- The nature and significance of the relationship between the police jury and the entity is such that exclusion would cause the financial statements of the police jury to be misleading or incomplete.

Under provisions of this Statement, the police jury is considered a primary government since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments.

**CLAIBORNE PARISH POLICE JURY
HOMER, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2017**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reporting Entity (Continued)

Based on the previous criteria, the police jury has determined that the following component units are part of the Claiborne Parish reporting entity:

Component Units:	<u>Fiscal Year End</u>	<u>Criteria Used</u>
Claiborne Parish:		
Assessor	December 31	2 & 3
Clerk of Court	June 30	2 & 3
Sheriff	June 30	2 & 3
Economic Development Board	December 31	1 & 3
Library	December 31	1 & 3
911 Emergency Communications District	June 30	1 & 3
Tourist Commission	December 31	1 & 3
Watershed District	December 31	1 & 3
Second Judicial District Criminal Court	December 31	3
North Claiborne Hospital Service District No. 1	June 30	1 & 3
Claiborne Parish Hospital Service District No. 3	June 30	1 & 3
Wards 2 and 3 Recreation Districts	June 30	1 & 3
Claiborne Parish Fire Protection District No. 3	December 31	1 & 3
Claiborne Parish Fire Protection District No. 4	December 31	1 & 3
South Claiborne Fire Protection District No. 5	December 31	1 & 3
Lisbon Fire Protection District No. 6	December 31	1 & 3
Evergreen Fire Protection District	December 31	1 & 3
Pinehill Water System	December 31	1 & 3

Considered in the determination of component units of the reporting entity was the Claiborne Parish School Board, the District Attorney for the Second Judicial District, the Second Judicial District Court, and the various municipalities in the parish. It was determined that these governmental entities are not component units of Claiborne Parish reporting entity because they have separately elected governing bodies, are legally separate, and are fiscally independent of Claiborne Parish Police Jury.

GASB Statement No. 14 provides for the issuance of primary government financial statements that are separate from those of the reporting entity. However, the primary government's (police jury's) financial statements are not a substitute for the reporting entity's financial statements. The accompanying primary government financial statements have been prepared in conformity with generally accepted accounting principles as applied to governmental units.

The police jury has chosen to issue financial statements of the primary government (police jury) only; therefore, none of the previously listed component units, except as discussed in the following paragraph, is included in the accompanying primary government financial statements. These financial statements are not intended to and do not report on the Claiborne Parish reporting entity but rather are intended to reflect only the financial statements of the primary government (police jury).

**CLAIBORNE PARISH POLICE JURY
HOMER, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2017**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reporting Entity (Continued)

The primary government financial statements include all funds, account groups, and organizations for which the police jury maintains the accounting records. The organizations for which the police jury maintains the accounting records are considered part of the primary government (police jury) and include the Claiborne Parish Library and the Second Judicial District Criminal Court.

Basis of Presentation

The government-wide financial statements consist of a Statement of Net Position and a Statement of Activities. These statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Major revenues such as ad valorem taxes and sales taxes are assessed, collected and susceptible to accrual. Assets, liabilities, revenues, and expenses of the government are reported in the financial statements. The statements distinguish between the governmental and business-type activities of the police jury by reporting each in a separate column. The police jury does not have any business-type activities at this time.

All capital (long-lived) assets, receivables, and long-term obligations are reported in the Statement of Net Position. The Statement of Activities reports revenues and expenses in a format that allows the reader to focus on the net cost of each function of the police jury. Both the gross and net cost per function, which is otherwise being supported by general government revenues, is compared to the revenues generated directly by the function. In the Statement of Activities, gross expenses, including depreciation, are reduced by related program revenues, which are comprised of charges for services, operating grants, and capital grants. Direct and indirect expenses are reported as program expenses for individual functions and activities. The program revenues must be directly associated with the function or a business-type activity. The types of transactions included in program revenues are licenses and permits, fines, lease income, court costs, charges for mowing, and charges for gravesites. The operating grants include operating-specific and discretionary (either operating or capital) grants, while the capital grants column reflects capital-specific grants.

The fund financial statements report the police jury as a collection of major and nonmajor funds presented on separate schedules by fund category – governmental, proprietary, and fiduciary funds.

- The governmental fund statements include a balance sheet and a statement of revenues, expenditures, and changes in fund balances, with one column for the general fund, one for each of the other major funds, and one column combining all the nonmajor governmental funds. The police jury does not have any nonmajor governmental funds. The statements are prepared using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized in the accounting period in which they become measurable and available to finance expenditures of the current period, generally considered sixty days after the end of the fiscal year. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest payments on general long-term liabilities which are recognized when due.

**CLAIBORNE PARISH POLICE JURY
HOMER, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2017**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

- The proprietary fund statements include a statement of net position; a statement of revenues, expenses, and changes in fund net position; and a statement of cash flows. Each statement has a column for each major enterprise fund. The police jury does not have any nonmajor proprietary funds or internal service funds. The proprietary fund statements are prepared using the economic resources measurement focus and the accrual basis of accounting in order to make a determination of net income, financial position, and cash flows. The police jury does not currently have any proprietary funds.

Although the financial statements presented in each of these three schedules contain “total” columns, they merely combine rather than consolidate the funds. Hence, interfund transactions that generate receivables and payables or transfers from one fund to another are not eliminated.

Major funds are those whose revenues, expenditures/expenses, assets, or liabilities are at least ten percent of the total for their fund category or type (governmental or enterprise) and at least five percent of the corresponding element total for all governmental and enterprise funds combined.

The data on the face of the three sets of financial statements must be accompanied by certain disclosures to ensure accurate information is presented in the form of a single set of notes to the basic financial statements.

The police jury's current year financial statements include the following major governmental funds:

The General Fund is the police jury's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Parish Road Fund accounts for the maintenance of parish highways, roads, bridges, and drainage systems. Financing is provided by the State of Louisiana Parish Transportation Fund, a specific parish wide ad valorem tax, state revenue sharing funds, and operating transfers from the General Fund.

The Library Maintenance Fund is funded by ad valorem taxes and state revenue sharing funds and is used for the general operations of the parish library system. The library was established by the parish governing authority under the provisions of Louisiana Revised Statute 25:211 to provide citizens of the parish access to library materials, books, magazines, reports, and films. The library is governed by a board of control, which is appointed by the parish police jury in accordance with the provisions of Louisiana Revised Statute 25:214. The members of the board of control serve without pay.

The Sales Tax Fund is funded by a one percent sales and use tax collected throughout the parish. The tax expired September 30, 2016 but was renewed by voters for ten years. The fund is used to construct, maintain, and operate facilities for the collection and disposal of solid waste. Any surplus remaining in the fund can be used for the purchase of materials for surfacing and maintaining roads within the parish.

**CLAIBORNE PARISH POLICE JURY
HOMER, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2017**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

The Criminal Court Fund accounts for Claiborne, Bienville, and Jackson Parishes' fines and forfeitures imposed by the Second Judicial District Court, as provided by Louisiana Revised Statute 15:571.11(c)(3). Expenditures are made from the fund on motion of the district attorney and approval of the district judges. The statute further provides that one-half of the surplus remaining in the fund at December 31 of each year be transferred to the general funds of the parishes of the district in the same proportion as the revenues in the single account or fund were produced from the parishes.

The Section 8 Fund accounts for the operations of the lower income housing assistance program whose purpose is to aid very low income families in obtaining decent, safe, and sanitary rental housing. Funding is provided by the United States Department of Housing and Urban Development.

Assets, Liabilities, and Net Position, Equity, or Net Fund Balances

Cash and Investments

The police jury's cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. State law allows the police jury to invest in collateralized certificates of deposits, government backed securities, commercial paper, the Louisiana Asset Management Pool (a state sponsored investment pool), and mutual funds consisting solely of government backed securities. Currently, all investments of the police jury consist of short term certificates of deposit with local banks and investments in the Louisiana Asset Management Pool. Investments for the police jury are reported at fair value.

Investments are reported at fair value in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. Cash and investment earnings are recorded in the Fund that holds the investment.

Receivables and Payables

Activity between funds that is outstanding at the end the fiscal year is referred to as either “due to or from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.” All internal balances are eliminated in the total primary government column. Receivables include all amounts susceptible to accrual that have not been collected at December 31, but will be collected soon enough after the end of the year to pay liabilities of that year. They include all amounts earned, but not collected at December 31. Receivables (net of any uncollectible amounts) and payables are reported on separate lines.

**CLAIBORNE PARISH POLICE JURY
HOMER, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2017**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, and Net Position, Equity, or Net Fund Balances (Continued)

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied by the police jury in September or October, are actually billed on October 1, and are mailed to the taxpayers in November. Billed taxes become delinquent on January 1 of the following year. Revenues from ad valorem taxes are budgeted in the year they are billed. The Claiborne Parish Sheriff bills and collects the police jury’s property taxes using the assessed value determined by the assessor of Claiborne Parish and approved by the State of Louisiana Tax Commission. For the year ended December 31, 2017, taxes of 23.85 mills were levied on property with assessed valuations totaling \$112,615,825, as follows:

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration</u>
Parishwide taxes:			
General alimony:			
Outside municipalities	4.35	3.83	Indefinite
Inside municipalities	2.17	1.91	Indefinite
Building maintenance	2.71	2.73	2024
Library maintenance	5.44	6.10	2035
Roads	7.00	7.22	2017
Equipment	2.00	2.06	2017

The difference between authorized and levied millage is the result of reassessments of taxable property within the parish as required by Article 7, Section 18 of the Louisiana Constitution of 1974.

On October 22, 2011, voters approved a renewal of the library tax for 6.10 mills beginning 2016 and ending in 2035. On October 19, 2013, voters approved a renewal of the building maintenance tax for 2.71 mills beginning 2015 and ending in 2024.

**CLAIBORNE PARISH POLICE JURY
HOMER, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2017**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, and Net Position, Equity, or Net Fund Balances (Continued)

The following are the principal taxpayers for the parish and their 2017 assessed valuation (amounts expressed in thousands):

	2017 Assessed Valuation	Percent of Total Assessed Valuation
Midcontinent Express	\$ 13,251	11.77%
Gulf Crossing Pipeline Co.	12,036	10.69%
Claiborne Electric Co-op	4,159	3.69%
Texas Gas Transmission	5,387	4.78%
Blackbeard Operating East LLC	3,509	3.12%
XTO Energy	3,499	3.11%
Mid-Valley Pipeline Company	3,370	2.99%
Hays, James Michael	2,117	1.88%
Entergy Louisiana, INC.	2,494	2.21%
DCP Midstream LP	2,737	2.43%
Total	\$ 52,559	46.67%

On July 25, 2006, voters of the parish renewed a one percent sales tax for the collection and disposal of solid waste and maintenance and acquisition of necessary land, facilities, and equipment related thereto and for materials for surfacing and maintaining roads within the parish. The tax was for a period of ten years, has been renewed, and will expire on September 30, 2026. By an agreement between the police jury and the Claiborne Parish School Board, the school board serves as the collection agent for the sales tax. The school board receives three percent of all taxes collected in return for its services as the police jury's collection agent.

Under current state law, the State is not allowed to add any new DOTD maintained roads to its road system without the parish accepting matching mileage of an existing DOTD road into its system. When the new truck by-pass was completed in the fall of 2010, the Claiborne Parish Police Jury was required to accept Highway 807 into the parish road system to meet this requirement since the bypass was a new DOTD maintained road.

Inventories and Prepaid Items

Inventories consisting of office supplies and water and sewer plant supplies held for consumption are valued using the average cost method. The consumption method is used for financial reporting. Certain payments reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Restricted Assets

Restricted assets represent primarily cash and investments held separately and restricted according to bond indenture agreements.

**CLAIBORNE PARISH POLICE JURY
HOMER, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2017**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, and Net Position, Equity, or Net Fund Balances (Continued)

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are recorded as expenditures in each fund and capitalized at the government-wide level; fixed assets of enterprise funds are reported in the respective funds. The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend assets' lives are not capitalized. The police jury's capitalization threshold for buildings and improvements is \$5,000. The library, office of community services, and office of homeland security and emergency preparedness maintain a threshold of \$500 or more for capitalizing assets. For reporting purposes, the police jury defines capital assets as follows:

- Land is an inexhaustible asset with no capitalization threshold and an unlimited useful life; therefore, it is not depreciated.
- Buildings are permanent structures erected above ground, while improvements are major repairs, renovations, or additions that increase the future service potential of the asset. Leasehold improvements are improvements made by the lessee to leased property. They are depreciated principally using the straight-line method with an estimated useful life typically of 40 years for structures and improvements and 10-40 years for depreciable land improvements. Leasehold improvements are depreciated using the straight-line method with an estimated useful life depending on the term of the lease. Construction-in-progress is not depreciated.
- Movable property (furniture, equipment, and vehicles) consists of assets that are not fixed or stationary in nature. The straight-line method of depreciation is used, which divides the historical cost by the estimated useful life of the asset, generally 5 to 10 years.
- Infrastructure assets include roads, bridges, tunnels, drainage systems, water and sewer systems, dams, and lighting systems. Infrastructure is depreciated using the straight-line method with an estimated useful life of 30 to 40 years.
- Purchased computer software is depreciated using the straight-line method over an estimated useful life of 3 years.
- Library books and videos are depreciated using the straight-line method over an estimated useful life of 10 years.
- Donated capital assets are recorded at their estimated fair value at the date of donation

Compensated absences

The following policies relating to vacation and sick leave are currently in effect:

Employees of the Claiborne Parish Police Jury earn from 5 to 11 days of vacation leave each year depending on length of service. All employees earn 10 days of sick leave each year. Employees may accumulate and carry forward a maximum of 26 days (208 hours) of vacation leave. Upon retirement or separation from employment, employees are paid for accrued and unused vacation leave at their then current rate of pay. Sick leave may be accumulated and carried forward without limitation. However, employees will not be paid for accumulated sick leave upon retirement or separation from employment.

**CLAIBORNE PARISH POLICE JURY
HOMER, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2017**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, and Net Position, Equity, or Net Fund Balances (Continued)

Employees of the Office of Community Services earn from 12 to 18 days of vacation leave each year, depending on length of service. Employees may accumulate and carry forward a maximum of 37.5 days (300 hours). Upon retirement or termination of employment, employees are paid for accumulated and unused vacation leave at their then current rate of pay. Employees also earn sick leave of 12 to 18 days per year, depending on length of service. Employees can accumulate and carry forward a maximum of 30 days (240 hours). Employees are not paid for accumulated sick leave upon retirement or termination of employment.

Employees of the Claiborne Parish Library earn from 14 to 28 days of vacation leave each year, depending upon length of service with the library. Vacation leave does not accumulate. Employees earn 13 days of sick leave each year, which may be accumulated and carried forward without limitation. Employees are not compensated for accumulated sick leave upon termination of employment. However, upon retirement any accumulated sick leave may be credited toward service time for determining retirement benefits.

The entire compensated absence liability, determined in accordance with the provisions of GASB Codification Section C60, is reported on the government-wide financial statements. For governmental fund financial statements, the current portion of unpaid compensated absences is the amount that is normally expected to be paid using expendable available financial resources. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated leave are paid. The noncurrent portion of the liability is not reported in the governmental funds.

Long-Term Obligations

In the government-wide financial statements, long-term obligations are reported as liabilities in the applicable governmental or business-type activities. In the fund financial statements, proprietary fund long-term obligations are reported as liabilities in the proprietary fund type statement of net position. Individual funds have been used to liquidate other long-term liabilities such as compensated absences, claims and litigation payable, etc. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds.

**CLAIBORNE PARISH POLICE JURY
HOMER, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2017**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance Classifications and Net Position

Fund balances are reported under the following fund balance classifications:

Non-spendable	Includes fund balance amounts that cannot be spent either because it is not in spendable form or are legally or contractually required to be maintained intact.
Restricted	Includes amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.
Committed	Includes amounts that can only be used for specific purposes pursuant to constraints that are internally imposed by the government through formal action of the police jury and does not lapse at year-end.
Assigned	Includes amounts that are constrained by the police jury's intent to be used for specific purposes that are neither considered restricted or committed.
Unassigned	Includes amounts that have not been assigned to other funds and that have not been restricted, committed or assigned to specific purposes within the General Fund. Negative fund balances in other governmental funds can also be classified as unassigned.

The police jury has a general policy to first use restricted resources for expenditures incurred for which both restricted and unrestricted (committed, assigned, and unassigned) resources are available. When expenditures are incurred for which only unrestricted resources are available, the general policy of the police jury is to use committed resources first, followed by assigned, and then unassigned. The use of restricted/committed resources may be deferred based on a review of the specific transaction.

The difference between assets and liabilities is "net position" on the government-wide, proprietary, and fiduciary fund statements. Net position is segregated into three categories on the government-wide statement of net position:

Net investment in capital assets - Consists of capital assets including restricted capital assets net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

Restricted net position - Consists of net position with constraints placed on the use either by (1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislations. The police jury first uses restricted net position for expenses incurred when both restricted and unrestricted net position are available for use. The use of restricted net position may be deferred based on a review of the specific transaction.

Unrestricted net position – The balance of net position that does not meet the definition of "restricted" or "net investment in capital assets."

**CLAIBORNE PARISH POLICE JURY
HOMER, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2017**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reconciliation of Government-wide and Fund Financial Statements

The governmental fund balance sheet includes a reconciliation of the government-wide statements to the governmental fund financial statements. This reconciliation is necessary to bring the financial statements from the current financial resources measurement focus and modified accrual basis of accounting to the economic measurement focus and full accrual basis of accounting. Major items included in the reconciliation are capital assets, inventories and prepaids, long-term debt, accrued interest, long-term liabilities, and deferred revenue, which are shown on the government-wide but not the governmental fund statements.

Use of estimates

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

NOTE 2 - BUDGET VARIANCES

The following presents a summary of major funds' budget variances for the year ended December 31, 2017:

Fund	Revenues and Other Sources			Expenditures and Other Uses		
	Budget	Actual	Favorable (Unfavorable) Variance	Budget	Actual	Favorable (Unfavorable) Variance
General	\$ 2,408,100	\$ 2,312,350	\$ (95,750)	\$ 2,057,200	\$ 1,998,253	\$ 58,947
Parish Road	2,130,000	1,996,501	(133,499)	2,102,700	2,081,866	20,834
Library	815,500	854,610	39,110	835,100	799,982	35,118
Sales Tax	670,500	664,975	(5,525)	686,300	683,101	3,199
Total	<u>\$ 6,024,100</u>	<u>\$ 5,828,436</u>	<u>\$ (195,664)</u>	<u>\$ 5,681,300</u>	<u>\$ 5,563,202</u>	<u>\$ 118,098</u>

NOTE 3 - CASH AND CASH EQUIVALENTS

Custodial credit risk is the risk that in the event of a bank failure, the police jury's deposits may not be returned to it. The police jury's policy (not a formal written policy) to ensure that there is no exposure to this risk is to require each financial institution to pledge its own securities to cover any amount in excess of Federal Depository Insurance Coverage. 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 bank has failed to pay deposited funds upon demand.

**CLAIBORNE PARISH POLICE JURY
HOMER, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2017**

NOTE 3 - CASH AND CASH EQUIVALENTS (CONTINUED)

At December 31, 2017, the police jury has cash and cash equivalents (book balances) totaling, \$7,344,308 as follows:

Demand deposits	\$ 4,720,532
Time deposits	2,623,726
Cash on hand	50
Total	<u>\$ 7,344,308</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. As of December 31, 2017, \$5,832,908 of the police jury's bank balances of \$7,371,825 were exposed to custodial credit risk as follows:

Insured by FDIC	<u>\$ 1,538,917</u>
Uninsured and uncollateralized	-
Collateralized by pledged securities not in the police jury's name	<u>5,832,908</u>
Total balances exposed to custodial credit risk	<u>5,832,908</u>
Total bank balances	<u>\$ 7,371,825</u>

NOTE 4 - INVESTMENTS

Louisiana Asset Management Pool

Investments held at December 31, 2017, include \$28,502 in the Louisiana Asset Management Pool (LAMP), a local government 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 LSA-R.S. 33:2955.

Effective August 1, 2001, LAMP'S investment guidelines were amended to permit the investment in government-only money market funds. In its 2001 Regular Session, the Louisiana Legislature (Senate Bill No. 512, Act 701) enacted LSA - R.S. 33:2955(A)(l)(h) which allows all municipalities, parishes, school boards, and any other political subdivisions of the State to invest in "investment grade (A-I/P-1) commercial paper of domestic United States corporations." Effective October 1, 2001, LAMP'S Investment Guidelines were amended to allow the limited investment in A-I or A-I + commercial paper.

**CLAIBORNE PARISH POLICE JURY
HOMER, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2017**

NOTE 4 – INVESTMENTS (CONTINUED)

GASB Statement No. 40, *Deposit and Investment Risk Disclosure*, requires disclosure of credit risk, custodial credit risk, concentration of credit risk, interest rate risk, and foreign currency risk for all public entity investments. LAMP is a 2a7-like investment pool. The following facts are relevant for 2a7-like investment pools: (1) credit risk: LAMP is rated AAAM by Standard & Poor's; (2) 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; (3) concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement; (4) interest rate risk: GASB No. 40 excludes 2a7-like investment pools from this disclosure requirement; and, (5) foreign currency risk: Not applicable to 2a7-like pools.

The dollar-weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. 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 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.

Edward Jones

Investments held at December 31, 2017, include \$878,846 in two Edward Jones Corporate Accounts. The General Fund and Sales Tax Fund have accounts with balances of \$502,841 and \$376,005, respectively.

Each account includes a money market account, investments in government and agency securities, and asset and mortgage backed securities.

The following is a summary of investment accounts:

	Edward Jones					
	Total	LAMP	Money Market	Government and Agency Securities	Asset and Morgate Backed Securities	Total Edward Jones
Fund:						
General	\$ 510,598	\$ 7,757	\$ 15,039	\$ 471,616	\$ 16,186	\$ 502,841
Road	3,085	3,085	-	-	-	-
Sales Tax	381,459	5,454	55,635	320,370	-	376,005
Equipment	5,864	5,864	-	-	-	-
Library	6,342	6,342	-	-	-	-
Total	\$ 907,348	\$ 28,502	\$ 70,674	\$ 791,986	\$ 16,186	\$ 878,846

**CLAIBORNE PARISH POLICE JURY
HOMER, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2017**

NOTE 5 - RECEIVABLES

The receivables of \$2,949,790, at December 31, 2017, are as follows:

	Taxes	Due From Other Governments		Accounts and Other	Total
		Federal	State		
General	\$ 425,694	\$ -	\$ 164,759	\$ 570	\$ 591,022
Parish Road	877,348	-	26,047	18,058	921,453
Library Maintenance	722,943	-	12,798	-	735,741
Sales Tax	59,730	-	-	-	59,730
Criminal Court	-	-	-	11,401	11,401
Other governmental	567,688	42,226	17,284	3,245	630,443
Total	<u>\$ 2,653,403</u>	<u>\$ 42,226</u>	<u>\$ 220,888</u>	<u>\$ 33,274</u>	<u>\$ 2,949,790</u>

NOTE 6 - INTERFUND TRANSFERS AND BALANCES

The following details interfund transfers for the year ended December 31, 2017:

Due from	Due to			
	Parish Road	Library	Nonmajor Funds	Total
	General	\$ 7,325	\$ 456	\$ 100
Nonmajor Funds			309,072	309,072
Total	<u>\$ 7,325</u>	<u>\$ 456</u>	<u>\$ 309,172</u>	<u>\$ 316,953</u>

The Road Fund and Office of Homeland Security and Emergency Preparedness Fund (OHSEP) receive annual appropriations from the General Fund. The Sales Tax Fund transfers a portion of the sales tax revenue to the Road Fund annually as provided by the sales tax resolution.

The following details interfund balances as of December 31, 2017:

Transfers in	Transfers out	
	General	Total
Parish Road	\$ 650,000	\$ 650,000
Building Maintenance	50,000	50,000
OHSEP	25,391	25,391
Total	<u>\$ 725,391</u>	<u>\$ 725,391</u>

**CLAIBORNE PARISH POLICE JURY
HOMER, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2017**

NOTE 7 - CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended December 31, 2017, is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital assets not being depreciated:				
Land:				
Police Jury	\$ 220,570	\$ -	\$ -	\$ 220,570
Library	3,580	-	-	3,580
Office of Community Services	30,000	-	-	30,000
Adjudicated property	19,700	-	-	19,700
Construction in progress	267,317	-	-	267,317
Total capital assets not being depreciated	<u>541,167</u>	<u>-</u>	<u>-</u>	<u>541,167</u>
Capital assets being depreciated:				
Infrastructure:				
Roads	\$ 15,517,189	\$ -	\$ -	\$ 15,517,189
Bridges	1,912,668	-	-	1,912,668
Land improvements	15,995	-	-	15,995
Buildings and improvements	2,883,666	-	-	2,883,666
Public works heavy equipment	3,097,270	394,111	-	3,491,381
Public works other equipment	69,485	14,690	-	84,175
Vehicles	231,520	51,678	-	283,198
Office furniture and equipment	250,841	-	-	250,841
Office of Emergency Preparedness and Homeland Security:				
Vehicles	49,124	-	-	49,124
Office furniture and equipment	50,506	-	-	50,506
Buildings and improvements	13,205	-	-	13,205
Office of Community Services:				
Land improvements	7,800	-	-	7,800
Buildings and improvements	62,156	-	-	62,156
Vehicles	372,753	-	-	372,753
Office furniture and equipment	116,327	-	-	116,327
Library:				
Building and improvements	3,855,244	-	-	3,855,244
Vehicle	49,901	-	-	49,901
Furniture and equipment	331,721	-	-	331,721
Books and videos	706,591	40,019	(74,036)	672,574
Total capital assets being depreciated	<u>29,593,962</u>	<u>500,498</u>	<u>(74,036)</u>	<u>30,020,424</u>
Less accumulated depreciation for:				
Infrastructure:				
Roads	14,487,563	37,184	-	14,524,747
Bridges	1,330,480	36,674	-	1,367,154
Land improvements	15,995	-	-	15,995
Buildings and improvements	1,679,272	64,030	-	1,743,302
Public works heavy equipment	2,041,383	233,449	-	2,274,832
Public works other equipment	49,421	4,404	-	53,825
Vehicles	132,016	29,620	-	161,636
Office furniture and equipment	153,475	24,478	-	177,953
Office of Emergency Preparedness and Homeland Security:				
Vehicles	36,575	4,303	-	40,878
Office furniture and equipment	49,803	271	-	50,074
Buildings and improvements	5,005	660	-	5,665
Office of Community Services:				
Land improvements	7,800	-	-	7,800
Buildings and improvements	50,934	2,072	-	53,006
Vehicles	318,700	20,444	-	339,144
Office furniture and equipment	115,784	515	-	116,299
Library:				
Building and improvements	719,814	99,910	-	819,724
Vehicle	49,901	-	-	49,901
Furniture and equipment	123,584	24,275	-	147,859
Books and videos	652,187	32,576	(74,036)	610,727
Total accumulated depreciation	<u>22,019,692</u>	<u>614,865</u>	<u>(74,036)</u>	<u>22,560,521</u>
Total capital assets being depreciated, net	<u>7,574,270</u>	<u>(114,367)</u>	<u>-</u>	<u>7,459,903</u>
Total capital assets, net	<u>\$ 8,115,437</u>	<u>\$ (114,367)</u>	<u>\$ -</u>	<u>\$ 8,001,070</u>

**CLAIBORNE PARISH POLICE JURY
HOMER, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2017**

NOTE 7 - CAPITAL ASSETS (CONTINUED)

Depreciation expense for the year was charged to the following governmental functions:

General government	\$ 63,937
Public safety	20,243
Public works	349,868
Health and welfare	24,056
Culture and recreation	156,761
Total	<u>\$ 614,865</u>

NOTE 8 - LONG-TERM OBLIGATIONS

The following is a summary of the long-term obligation transactions for the year ended December 31, 2017:

	Limited Tax Bonds	Compensated Absences	Total
Balance, beginning of year	\$ 1,390,000	\$ 81,317	\$ 1,471,317
Additions	-	44,268	44,268
Deductions	(160,000)	(28,979)	(188,979)
Adjustment	-	1,602	1,602
Balance, end of year	<u>\$ 1,230,000</u>	<u>\$ 98,208</u>	<u>\$ 1,328,208</u>

As discussed in Note 1, upon separation from service, employees are paid for accumulated vacation leave at their then current rate of pay. The adjustment to compensated absences is for the purpose of adjusting the ending liability for ending pay rates and limitations on the hours for which an employee will be paid.

On August 1, 2012, the Library issued \$2,000,000 Limited Tax Bonds for the remodeling and expansion of the Homer branch of the library. Principal is due in annual installments of \$145,000 to \$190,000 plus interest from 1.1% to 3.35% payable semiannually. The bonds mature March 1, 2024.

The annual requirements to amortize bonds payable at December 31, 2017, are as follows:

	Principal	Interest	Total
2018	165,000	31,359	196,359
2019	165,000	27,935	192,935
2020	170,000	24,038	194,038
2021	175,000	19,593	194,593
2022	180,000	14,665	194,665
2023-2024	375,000	12,416	387,416
Total	<u>\$ 1,230,000</u>	<u>\$ 130,006</u>	<u>\$ 1,360,006</u>

**CLAIBORNE PARISH POLICE JURY
HOMER, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2017**

NOTE 9 – RETIREMENT SYSTEMS

Parochial Employees' Retirement System of Louisiana (System)

Plan Description

The Claiborne Parish Police Jury contributes to the Parochial Employees' Retirement System of Louisiana (System) which is a cost sharing multiple employer defined benefit pension plan. All permanent employees working at least 28 hours per week are eligible to participate in the System. As of January 1997, elected officials, except coroners, justices of the peace, and parish presidents may no longer join PERS. Section 1901 through 2025 of Title 11 of the Louisiana Revised Statutes (La. R.S. 11:1901-2025) and other general laws of the State of Louisiana govern PERS.

The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the police jury are members of Plan A.

Any member of Plan A who was hired prior to January 1, 2007, can retire providing he/she meets one of the following criteria:

1. Any age after 30 years of creditable service.
2. Age 55 after 25 years of creditable service.
3. Age 60 after 10 years of creditable service.
4. Age 65 after seven years creditable service.

Eligibility for retirement for Plan A members hired on or after January 1, 2007 is as follows:

1. Age 55 after 30 years of creditable service.
2. Age 62 after 10 years of creditable service.
3. Age 67 after seven years of creditable service.

Generally, the monthly amount of the retirement allowance of any member of Plan A shall consist of an amount equal to three percent of the employee's final compensation multiplied by his or her years of creditable service. However, under certain conditions as outlined in the statutes, the benefits are limited to specified amounts.

The System also provides death and disability benefits. Benefits are established or amended by state statute.

For the year ended December 31, 2017, the Claiborne Parish Police Jury's total payroll for all employees was \$1,438,493. Total covered payroll was \$2,195,690. Covered payroll refers to all compensation paid by the Claiborne Parish Police Jury to active employees covered by the Plan.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. The report may be obtained by writing to the Parochial Employees Retirement System of Louisiana, 7509 Wrenwood Boulevard, Baton Rouge, Louisiana 70809, or by calling (225) 928-1361, or by visiting the System's website www.persla.org.

**CLAIBORNE PARISH POLICE JURY
HOMER, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2017**

NOTE 9 – RETIREMENT SYSTEMS (CONTINUED)

Parochial Employees' Retirement System of Louisiana (System) (Continued)

Contributions

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ended December 31, 2017, the actual employer contribution rate was 12.50% for Plan A, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. In accordance with state statute, the System receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities, but are not considered special funding situations.

Under Plan A, members are required by state statute to contribute 9.50% of their annual covered salary. The contributions are deducted from the employee's wages or salary and remitted by the Claiborne Parish Police Jury to the System monthly. The Claiborne Parish Police Jury's contributions to the System under Plan A for the year ending December 31, 2017 were \$274,461.

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

At December 31, 2017, the Employer reported a liability of \$439,136 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of December 31, 2016 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The Claiborne Parish Police Jury's proportion of the Net Pension Liability was based on a projection of the Police Jury's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At December 31, 2016, the Police Jury's proportion was 0.213223%, which was an increase of 0.002805% from its proportion measured as of December 31, 2015.

For the year ended December 31, 2017, the Claiborne Parish Police Jury recognized pension expense of \$260,841 plus employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, which was (\$277,499). Total pension expense for the Claiborne Parish Police Jury for the year ended December 31, 2017 was (\$16,658).

**CLAIBORNE PARISH POLICE JURY
HOMER, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2017**

NOTE 9 – RETIREMENT SYSTEMS (CONTINUED)

Parochial Employees' Retirement System of Louisiana (System) (Continued)

At December 31, 2017, the Claiborne Parish Police Jury reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$-	\$76,845
Changes in assumption	83,372	-
Net difference between projected and actual earnings on pension plan investments	-	-
Changes in employer's portion of beginning net pension liability	667	-
Differences between employer contributions and proportionate share of employer contributions	318,688	-
Subsequent measurement contributions	274,461	-
Total	\$677,189	\$76,845

The \$274,461 reported as deferred outflows of resources related to pensions resulting from the Claiborne Parish Police Jury contributions subsequent to the measurement date will be recognized as a reduction of Net Pension Liability in the year ended December 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year ended December 31,	
2018	\$150,086
2019	150,086
2020	150,086
2021	150,086

**CLAIBORNE PARISH POLICE JURY
HOMER, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2017**

NOTE 9 – RETIREMENT SYSTEMS (CONTINUED)

Parochial Employees' Retirement System of Louisiana (System) (Continued)

Actuarial Assumptions

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

Valuation Date	December 31, 2016
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Investment Rate of Return	7.00% (net of investment expense, including inflation)
Salary increases	5.25% (2.75% merit, 2.50% inflation)
Mortality rates	RP-2000 Employee Sex Distinct Table was selected for employees. RP-2000 Healthy Annuitant Sex Distinct Tables were selected for annuitants and beneficiaries. RP-2000 Disabled Lives Mortality Table was selected for disabled annuitants.
Expected remaining service lives	4 years
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.

The discount rate used to measure the total pension liability was 7.00% for Plan A and 7.00% for Plan B. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers and non-employer contributing entities will be made at the actuarially determined contribution rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the capital asset pricing model (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward looking basis in equilibrium, in which best estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.00% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.66% for the year ended December 31, 2016.

**CLAIBORNE PARISH POLICE JURY
HOMER, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2017**

NOTE 9 – RETIREMENT SYSTEMS (CONTINUED)

Parochial Employees' Retirement System of Louisiana (System) (Continued)

Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of December 31, 2016 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed income	35%	1.24%
Equity	52%	3.63%
Alternatives	11%	0.67%
Real Assets	2%	0.12%
Totals	<u>100%</u>	<u>5.66%</u>
Inflation		<u>2.00%</u>
Expected arithmetic nominal return		<u><u>7.66%</u></u>

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

Sensitivity of the Claiborne Parish Police Jury's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Claiborne Parish Police Jury's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the Police Jury's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (6.00%) or one percentage-point higher (8.00%) than the current rate:

	1.0% Decrease (6.00%)	Current Discount Rate (7.00%)	1.0% Increase (8.00%)
Employer's proportionate share of net pension liability	\$1,313,631	\$439,136	\$(300,277)

**CLAIBORNE PARISH POLICE JURY
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**NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2017**

NOTE 9 – RETIREMENT SYSTEMS (CONTINUED)

Parochial Employees' Retirement System of Louisiana (System) (Continued)

Payables to the Pension Plan

These financial statements did not include a payable to the pension plan.

Plan Fiduciary Net Position

Detailed information about the Plan's fiduciary net position is available in the separately issued Parochial Employees' Retirement System of Louisiana Audit Report at www.persla.org.

Registrar of Voters Employees' Retirement System of Louisiana (System)

Plan Description

The Claiborne Parish Registrar of Voters contributes to the Registrar of Voters Employees' Retirement System of Louisiana (System) which is a cost sharing multiple employer defined benefit pension plan. The System was established on January 1, 1955 by Louisiana Revised Statute 11:2032, as amended, for registrars of voters, their deputies, and their permanent employees in each parish.

Any member of the Plan who was hired prior to January 1, 2013, can retire providing he/she meets one of the following criteria:

5. Age 55 after 20 years of creditable service.
6. Age 60 after 10 years of creditable service.
7. Any age after 30 years of creditable service.

Eligibility for retirement for members hired on or after January 1, 2013 is as follows:

4. Age 55 after 30 years of creditable service.
5. Age 60 after 20 years of creditable service.
6. Age 62 after 10 years of creditable service.

The monthly amount of the retirement allowance of any member hired before January 1, 2013, is calculated as 3.33% of the average annual earned compensation for the highest consecutive 60 months multiplied by the number of years of creditable service, not to exceed 100% of average annual compensation. Regular retirement benefits for members hired on or after January 1, 2013 are calculated at 3.00% of the average annual earned compensation for the highest consecutive 60 months multiplied by the numbers of years of creditable service, not to exceed 100% of average annual compensation.

The System also provides death and disability benefits. Benefits are established or amended by state statute.

For the year ended December 31, 2017, the Claiborne Parish Registrar of Voters' total payroll for all employees was \$15,336. Total covered payroll was \$15,336. Covered payroll refers to all compensation paid by the Claiborne Parish Registrar of Voters to active employees covered by the Plan.

**CLAIBORNE PARISH POLICE JURY
HOMER, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2017**

NOTE 9 – RETIREMENT SYSTEMS (CONTINUED)

Registrar of Voters Employees' Retirement System of Louisiana (System) (Continued)

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. The report may be obtained by writing to the Registrar of Voters Employees' Retirement System of Louisiana, Post Office Box 57, Jennings, Louisiana 70546, or by calling (800) 810-8515, or by visiting the System's website www.larovers.com.

Contributions

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ended December 31, 2017, the actual employer contribution rate was 20.00% for January through June and 17.00% for July through December, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. In accordance with state statute, the System receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities, but are not considered special funding situations.

Plan members are required by state statute to contribute 7.00% of their annual covered salary. The contributions are deducted from the employee's wages or salary and remitted by the Claiborne Parish Registrar of Voters to the System monthly. The Claiborne Parish Registrar of Voters' contributions to the System for the year ending December 31, 2017 were \$2,837.

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

At December 31, 2017, the Employer reported a liability of \$24,578 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2017 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The Claiborne Parish Registrar of Voter's proportion of the Net Pension Liability was based on a projection of the Registrar of Voters' long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2017, the Registrar of Voters' proportion was 0.1111969%, which was an increase of 0.000310% from its proportion measured as of June 30, 2016.

For the year ended December 31, 2017, the Claiborne Parish Registrar of Voters recognized pension expense of \$4,710 plus employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, which was (\$3,051). Total pension expense for the Claiborne Registrar of Voters for the year ended December 31, 2017 was \$1,659.

**CLAIBORNE PARISH POLICE JURY
HOMER, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2017**

NOTE 9 – RETIREMENT SYSTEMS (CONTINUED)

Registrar of Voters Employees' Retirement System of Louisiana (System) (Continued)

At December 31, 2017, the Claiborne Parish Registrar of Voters reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$-	\$4,570
Changes in assumption	2,361	794
Net difference between projected and actual earnings on pension plan investments	2,765	-
Changes in employer's portion of beginning net pension liability	58	729
Differences between employer contributions and proportionate share of employer contributions	1	-
Subsequent measurement contributions	1,304	-
Total	\$6,488	\$6,093

The \$1,304 reported as deferred outflows of resources related to pensions resulting from the Claiborne Parish Registrar of Voters contributions subsequent to the measurement date will be recognized as a reduction of Net Pension Liability in the year ended December 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year ended December 31,	
2018	\$129
2019	129
2020	129
2021	129
2022	129

**CLAIBORNE PARISH POLICE JURY
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**NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2017**

NOTE 9 – RETIREMENT SYSTEMS (CONTINUED)

Registrar of Voters Employees' Retirement System of Louisiana (System) (Continued)

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2017, are as follows:

Valuation Date	June 30, 2017
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Investment Rate of Return	6.75%, net of investment expense
Salary increases	6.00% (2.5% inflation, 3.5% merit)
Mortality rates	RP-2000 Combined Healthy Mortality Table for active members, healthy annuitants and beneficiaries RP-2000 Disabled Lives Mortality Tables for disabled annuitants
Expected remaining service lives	2017-5 years 2016-5 years 2015-5 years 2014-4 years
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The resulting long-term rate of return is 8.39% for the year ended June 30, 2017. The best estimates of arithmetic real rates of return for each major asset class based on the System's target asset allocation as of June 30, 2017, were as follows:

Asset Class	Target Allocation	Real Return Arithmetic Basis	Long-Term Expected Real Rate of Return
Domestic equities	40%	7.50%	3.00%
International equities	15	8.50	1.28
Domestic fixed income	20	2.50	0.50
International fixed income	10	3.50	0.35
Alternative investments	5	6.24	0.31
Real estate	10	4.50	0.45
Totals	100%		5.89%
Inflation			2.50
Expected arithmetic nominal return			8.39%

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HOMER, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2017**

NOTE 9 – RETIREMENT SYSTEMS (CONTINUED)

Registrar of Voters Employees' Retirement System of Louisiana (System) (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the System's actuary. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Claiborne Parish Registrar of Voters' Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Claiborne Parish Registrar of Voters' proportionate share of the net pension liability calculated using the discount rate of 6.75%, as well as what the Registrar of Voters' proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (5.75%) or one percentage-point higher (7.75%) than the current rate:

	1.0% Decrease (5.75%)	Current Discount Rate (6.75%)	1.0% Increase (7.75%)
Employer's proportionate share of net pension liability	\$37,568	\$24,578	\$13,399

Payables to the Pension Plan

These financial statements did not include a payable to the pension plan.

Plan Fiduciary Net Position

Detailed information about the Plan's fiduciary net position is available in the separately issued Registrar of Voters' Employees' Retirement System of Louisiana at www.larover.com.

**CLAIBORNE PARISH POLICE JURY
HOMER, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2017**

NOTE 9 – RETIREMENT SYSTEMS (CONTINUED)

District Attorney’s Retirement System of Louisiana (System)

Plan Description

The Claiborne Parish Police Jury contributes to the District Attorneys’ Retirement System of Louisiana (System) which is a cost sharing multiple employer defined benefit pension plan. The System was established on August 1, 1956 and was placed under the management of the board of trustees for the purpose of providing retirement allowances and other benefits as stated under the provisions of Louisiana R.S. 11, Chapter 3 for district attorneys and their assistants in each parish. All persons who are district attorneys of the State of Louisiana or assistant district attorneys in any parish shall become members as a condition of their employment, provided in the case of assistant district attorneys, they must be paid an amount not less than the minimum salary specified by the board for assistant district attorneys.

Any member of the Plan who was hired prior to July 1, 1990, and who have elected not to be covered under the new provisions, are eligible to receive normal retirement benefit if one of the following criteria is met:

8. Age 62 after 10 or more years of creditable service.
9. Age 60 after 18 or more years of creditable service.
10. Age 55 after 23 or more years of creditable service.
11. Any age after 30 or more years of creditable service.

Generally, the monthly amount of the retirement allowance of any member of the Plan shall consist of an amount equal to three percent of the employee's final compensation for each year of creditable service. However, under certain conditions as outlined in the statutes, the benefits are limited to specified amounts. Retirement benefits may not exceed 100% of final average compensation.

Any member of the Plan who was hired after to July 1, 1990, or who have elected to be covered under the new provisions, are eligible to receive normal retirement benefit if one of the following criteria is met:

1. Age 60 after 10 or more years of creditable service.
2. Age 55 after 24 or more years of creditable service.
3. Any age after 30 or more years of creditable service.

Generally, the monthly amount of the retirement allowance of any member of the Plan shall consist of an amount equal to 3.5% of the employee's final compensation multiplied by years of membership service. However, under certain conditions as outlined in the statutes, the benefits are limited to specified amounts. Retirement benefits may not exceed 100% of final average compensation.

The System also provides death and disability benefits. Benefits are established or amended by state statute.

For the year ended December 31, 2017, the Claiborne Parish Police Jury’s total payroll for all employees was \$7,800. Total covered payroll was \$5,850. Covered payroll refers to all compensation paid by the Claiborne Parish Police Jury to active employees covered by the Plan.

**CLAIBORNE PARISH POLICE JURY
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**NOTES TO FINANCIAL STATEMENTS
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NOTE 9 – RETIREMENT SYSTEMS (CONTINUED)

District Attorney’s Retirement System of Louisiana (System) (Continued)

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. The report may be obtained by writing to the District Attorneys’ Retirement System of Louisiana, 1645 Nicholson Drive, Baton Rouge, Louisiana 70802, or by calling (225) 267-4824, or by visiting the System's website www.ladars.org.

Contributions

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ended December 31, 2017, the actual employer contribution rate was 0.00%, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. In accordance with state statute, the System receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities, but are not considered special funding situations.

Members are required by state statute to contribute 8.00% of their annual covered salary. The contributions are deducted from the employee’s wages or salary and remitted by the Claiborne Parish Police Jury to the System monthly. The Claiborne Parish Police Jury’s contributions to the System for the year ending December 31, 2017 were \$0.

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

At December 31, 2017, the Employer reported a liability of \$3,462 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2017 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The Claiborne Parish Police Jury’s proportion of the Net Pension Liability was based on a projection of the Police Jury’s long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2017, the Police Jury’s proportion was 0.012835%, which was a decrease of 0.000055% from its proportion measured as of June 30, 2016.

For the year ended December 31, 2017, the Claiborne Parish Police Jury recognized pension expense of \$1,250 plus employer’s amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, which was (\$128). Total pension expense for the Claiborne Parish Police Jury for the year ended December 31, 2017 was \$1,122.

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**NOTES TO FINANCIAL STATEMENTS
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NOTE 9 – RETIREMENT SYSTEMS (CONTINUED)

District Attorney’s Retirement System of Louisiana (System) (Continued)

At December 31, 2017, the Claiborne Parish Police Jury reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$-	\$910
Changes in assumption	1,552	409
Net difference between projected and actual earnings on pension plan investments	1,389	-
Changes in employer’s portion of beginning net pension liability	494	430
Differences between employer contributions and proportionate share of employer contributions	-	(1)
Subsequent measurement contributions	-	-
Total	\$3,432	\$1,749

Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year ended December 31,	
2018	\$281
2019	281
2020	281
2021	281
2022	281
2023	281
2024	281

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**NOTES TO FINANCIAL STATEMENTS
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NOTE 9 – RETIREMENT SYSTEMS (CONTINUED)

District Attorney’s Retirement System of Louisiana (System) (Continued)

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2017, are as follows:

Valuation Date	June 30, 2016
Actuarial Cost Method	Aggregate Actuarial Cost Method with allocation based on earnings
Actuarial Assumptions:	
Investment Rate of Return	6.75%, net of investment expense
Salary increases	5.50% (2.50% inflation, 3.00% merit)
Mortality rates	RP-2000 Combined Healthy with White Collar Adjustment Sex Distinct Tables (set-back 1 year for females) for employees, annuitants, and beneficiaries. RP-2000 Disabled Lives Mortality Table (set back 5 years for males and 3 years for females) for disabled annuitants.
Expected remaining service lives	7 years
Cost of Living Adjustments	Only those previously granted.

The mortality rate assumption used was set based upon an experience study performed on plan data for the period July 1, 2009, through June 30, 2014. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the System’s liabilities. Annuity values calculated based on this mortality were compared to those produced by using a setback of standard tables. The result of the procedure indicated that the tables used would produce liability values approximating the appropriate generational mortality tables.

The long-term expected rate of return on pension plan investments was determined using building-block method in which best-estimate ranges 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 ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The resulting long-term rate of return is 9.06% for the year ended June 30, 2017. The best estimates of arithmetic real rates of return for each major asset class based on the System’s target asset allocation as of June 30, 2017, were as follows:

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**NOTES TO FINANCIAL STATEMENTS
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NOTE 9 – RETIREMENT SYSTEMS (CONTINUED)

District Attorney’s Retirement System of Louisiana (System) (Continued)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equities	61.72%	11.31%
Fixed income	28.95%	6.84%
Alternatives	8.85%	10.50%
Real estate	0.48%	0.50%
Totals	<u>100%</u>	<u>4.50%</u>
Inflation		<u>2.50%</u>
Expected arithmetic nominal return		<u>9.06%</u>

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from participating employers will be made at actuarially determined rates approved by PRSAC taking into consideration the recommendation of the System’s actuary. Based on those assumptions, the System’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payment to determine the total pension liability.

Sensitivity of the Claiborne Parish Police Jury’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Claiborne Parish Police Jury’s proportionate share of the net pension liability calculated using the discount rate of 6.75%, as well as what the Police Jury’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (5.75%) or one percentage-point higher (7.75%) than the current rate:

	1.0% Decrease (5.75%)	Current Discount Rate (6.75%)	1.0% Increase (7.75%)
Employer’s proportionate share of net pension liability	\$9,893	\$3,462	(\$2,003)

Payables to the Pension Plan

These financial statements did not include a payable to the pension plan.

Plan Fiduciary Net Position

Detailed information about the System’s fiduciary net position is available in the separately issued District

**CLAIBORNE PARISH POLICE JURY
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**NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2017**

NOTE 9 – RETIREMENT SYSTEMS (CONTINUED)

District Attorney’s Retirement System of Louisiana (System) (Continued)

Attorneys’ Retirement System of Louisiana Audit Report at www.ladars.org.

NOTE 10 - POST RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

The Claiborne Parish Police Jury does not provide continuing health care or life insurance benefits for its retired employees.

NOTE 11 - RISK MANAGEMENT

The police jury is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; liability; and injuries to employees and others. To handle such risk of loss, the police jury maintains commercial insurance policies covering: automobile liability and medical payments, workers’ compensation, general liability, and surety bond coverage on the secretary/treasurer and other employees handling money. No claims were paid on any of the policies during the past three years which exceeded the policies’ coverage amounts.

NOTE 12 – COMMITMENTS AND CONTINGENCIES

At December 31, 2017, the police jury had no significant commitments.

At December 31, 2017, the police jury was involved in one litigation case. Counsel for the jury has estimated potential damages to be between \$75,000 and \$175,000.

NOTE 13- COOPERATIVE ENDEAVOR

On October 5, 1995, the police jury entered into an agreement with the Louisiana Department of Public Safety and Corrections and the David Wade Correctional Center to provide a parish road site to store police jury equipment and to assist the department and the correctional center in maintaining their existing roads. The police jury agreed to erect an equipment yard for the storage of equipment and materials and to assist in the maintenance and construction of roads at the center when funds are available. The department and the center agreed to allow the police jury to maintain the parish road site on property owned by the center and to allow the police jury to place movable buildings at the site.

NOTE 14 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 27, 2018, the date on which the financial statements were available to be issued.

**CLAIBORNE PARISH POLICE JURY
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**NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2017**

NOTE 15 – NEW ACCOUNTING STANDARDS

Issued in June of 2015, GASB Statement 74, Financial Reporting for Postemployment Benefit Plans Other than Pension Plans, and GASB Statement 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions, aim to improve accounting and financial reporting for OPEB, resulting from a comprehensive review of the effectiveness of existing standards. The requirements of these Statements will improve financial reporting through enhanced note disclosures and schedules of RSI that will be presented by OPEB plans. These Statements establish standards for recognizing and measuring liabilities, deferred outflows and inflows of resources, and expenses/expenditures. GASB 74 is effective for years beginning after May 26, 2016, and GASB 75 is effective for years beginning after June 15, 2017. The Police Jury is not impacted by the provisions of this Statement.

GASB Statement No. 80, Blending Requirements for Certain Component Units—an amendment of GASB Statement No. 14, was issued in January 2016. This Statement amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of Statement No. 39, Determining Whether Certain Organizations Are Component Units. The requirements of this Statement are effective for reporting periods beginning after June 15, 2016. Earlier application is encouraged. This statement does not affect the Police Jury's financial statements.

GASB Statement No. 81, Irrevocable Split-Interest Agreements, was issued in March 2016. This Statement requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement. Furthermore, this Statement requires that a government recognize assets representing its beneficial interests in irrevocable split-interest agreements that are administered by a third party, if the government controls the present service capacity of the beneficial interests. This Statement requires that a government recognize revenue when the resources become applicable to the reporting period. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2016, and should be applied retroactively. Earlier application is encouraged. This statement does not affect the Police Jury's financial statements.

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**NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2017**

NOTE 15 – NEW ACCOUNTING STANDARDS (CONTINUED)

GASB Statement No. 82, Pension Issues—an amendment of GASB Statements No. 67, No. 68, and No. 73, was issued in March 2016. This Statement clarifies that a deviation, as the term is used in Actuarial Standards of Practice issued by the Actuarial Standards Board, from the guidance in an Actuarial Standard of Practice is not considered to be in conformity with the requirements of Statement 67, Statement 68, or Statement 73 for the selection of assumptions used in determining the total pension liability and related measures. This Statement clarifies that payments that are made by an employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements should be classified as plan member contributions for purposes of Statement 67 and as employee contributions for purposes of Statement 68. It also requires that an employer's expense and expenditures for those amounts be recognized in the period for which the contribution is assessed and classified in the same manner as the employer classifies similar compensation other than pensions (for example, as salaries and wages or as fringe benefits). The requirements of this Statement are effective for reporting periods beginning after June 15, 2016, except for the requirements of this Statement for the selection of assumptions in a circumstance in which an employer's pension liability is measured as of a date other than the employer's most recent fiscal year-end. In that circumstance, the requirements for the selection of assumptions are effective for that employer in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017. Earlier application is encouraged. This statement will not have a significant effect on the Police Jury's financial statements.

GASB Statement No. 83, *Certain Asset Retirement Obligations*, was issued in November 2016. This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Earlier application is encouraged. This statement is not expected to affect the Police Jury's financial statements.

GASB Statement No. 84, *Fiduciary Activities*, was issued in January 2017. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged. This statement is not expected to affect the Police Jury's financial statements.

GASB Statement No. 85, *Omnibus 2017*, was issued in March 2017. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). The requirements of this Statement are effective for reporting periods beginning after June 15, 2017. Earlier application is encouraged. This statement is not expected to have a significant impact on the Police Jury's financial statements.

**CLAIBORNE PARISH POLICE JURY
HOMER, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2017**

NOTE 15 – NEW ACCOUNTING STANDARDS (CONTINUED)

GASB Statement No. 86, *Certain Debt Extinguishment Issues*, was issued in May 2017. The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The requirements of this Statement are effective for reporting periods beginning after June 15, 2017. Earlier application is encouraged. This statement is not expected to affect the Police Jury’s financial statements.

GASB Statement No. 87, *Leases*, was issued in June 2017. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments’ financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments’ leasing activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged.

GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, was issued in April 2018. The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. This Statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. For notes to financial statements related to debt, this Statement also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Earlier application is encouraged.

Required Supplemental Information (Part II)

**CLAIBORNE PARISH POLICE JURY
HOMER, LOUISIANA**

**REQUIRED SUPPLEMENTARY INFORMATION –
BUDGETARY COMPARISON SCHEDULES FOR MAJOR FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Preliminary budgets for the ensuing year are prepared by the Secretary-Treasurer prior to November of each year. During November and December, the Finance Committee reviews the proposed budgets and makes changes as they deem appropriate. The availability of the proposed budgets for public inspection and the date of the public hearing on the budgets are then advertised in the official journal during December. During the first week of January prior to its regular meeting, the Police Jury holds a public hearing on the proposed budget in order to receive comments from residents. 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 January meeting (prior to the 15th), and a notice is published in the official journal.

During the year, the Police Jury receives monthly budget comparison statements which are used as a tool to control the operations of the Parish. The Secretary-Treasurer presents necessary budget amendments to the Police Jury during the year when, in his judgment, actual operations are differing materially from those anticipated in the original budget. The Jury, during a regular meeting, reviews the proposed amendments, makes changes as 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 function level. Unexpended appropriations lapse at year end and must be re-appropriated in the next year's budget to be expended.

For the year ended December 31, 2017, modified accrual based budgets were adopted for the General Fund and all special revenue funds except for the Section 8 Fund which has a grant budget. Budgetary comparison schedules include the original budgets and all subsequent amendments.

**CLAIBORNE PARISH POLICE JURY
HOMER, LOUISIANA**

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2017**

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		
REVENUES				
Taxes:				
Ad valorem taxes	\$ 580,000	\$ 480,000	\$ 478,694	\$ (1,306)
Other taxes, penalties and interest	8,000	8,000	7,222	(778)
Licenses and permits	86,000	91,500	91,100	(400)
Intergovernmental	1,756,000	1,777,700	1,685,361	(92,339)
Use of money and property	32,100	45,900	46,580	680
Other revenues	2,600	2,800	3,393	593
Total revenues	2,464,700	2,405,900	2,312,350	(93,550)
EXPENDITURES				
Current:				
General government:				
Legislative	122,500	120,100	118,108	1,992
Judicial	268,600	258,800	249,949	8,851
Elections	30,600	36,500	35,332	1,168
Finance and administrative	314,100	289,900	312,398	(22,498)
Other general government	225,200	207,000	228,089	(21,089)
Public safety	229,200	279,000	195,156	83,844
Public works	13,000	11,000	8,202	2,798
Health and welfare	30,400	49,900	49,779	121
Economic development and assistance	62,100	73,400	70,848	2,552
Conservation	6,200	6,200	5,000	1,200
Capital outlay	20,000	-	-	-
Total expenditures	1,321,900	1,331,800	1,272,861	58,939
Excess of revenues over expenditures	1,142,800	1,074,100	1,039,489	(34,611)
OTHER FINANCING SOURCES (USES)				
Net increase (decrease) in fair value	-	-	42,914	42,914
Operating transfers in	-	2,200	-	(2,200)
Operating transfers out	(625,400)	(725,400)	(725,392)	8
Total other financing uses	(625,400)	(723,200)	(682,478)	40,722
Net change in fund balance	517,400	350,900	357,011	6,111
Fund balance at beginning of year	4,908,588	4,908,588	4,908,589	1
Fund balance at end of year	\$ 5,425,988	\$ 5,259,488	\$ 5,265,600	\$ 6,112

**CLAIBORNE PARISH POLICE JURY
HOMER, LOUISIANA**

**BUDGETARY COMPARISON SCHEDULE - PARISH ROAD SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2017**

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		
REVENUES				
Taxes:				
Ad valorem taxes	\$ 1,090,000	\$ 953,000	\$ 963,337	\$ 10,337
Other taxes, penalties and interest	2,000	-	-	-
Licenses and permits	2,500	3,600	3,500	(100)
Intergovernmental	445,000	445,000	301,220	(143,780)
Use of money and property	40,000	75,400	75,394	(6)
Other revenues	3,000	3,000	3,050	50
Total revenues	<u>1,582,500</u>	<u>1,480,000</u>	<u>1,346,501</u>	<u>(133,499)</u>
EXPENDITURES				
Current:				
General government:				
Public works	2,047,700	2,050,700	2,081,866	(31,166)
Capital outlay	-	52,000	-	52,000
Total expenditures	<u>2,047,700</u>	<u>2,102,700</u>	<u>2,081,866</u>	<u>20,834</u>
Excess (deficiency) of revenues over expenditures	<u>(465,200)</u>	<u>(622,700)</u>	<u>(735,365)</u>	<u>(112,665)</u>
OTHER FINANCING SOURCES				
Operating transfers in	<u>600,000</u>	<u>650,000</u>	<u>650,000</u>	<u>-</u>
Net change in fund balance	134,800	27,300	(85,365)	(112,665)
Fund balance at beginning of year	<u>1,011,005</u>	<u>1,011,005</u>	<u>1,011,004</u>	<u>(1)</u>
Fund balance at end of year	<u>\$ 1,145,805</u>	<u>\$ 1,038,305</u>	<u>\$ 925,639</u>	<u>\$ (112,666)</u>

**CLAIBORNE PARISH POLICE JURY
HOMER, LOUISIANA**

**BUDGETARY COMPARISON SCHEDULE - LIBRARY MAINTENANCE SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>BUDGETED AMOUNTS</u>		ACTUAL	VARIANCE
	ORIGINAL	FINAL		WITH FINAL BUDGET
REVENUES				
Taxes:				
Ad valorem taxes	\$ 798,800	\$ 780,000	\$ 811,473	\$ 31,473
Intergovernmental	15,000	17,000	17,643	643
Fees, charges, and commissions	9,500	12,000	12,900	900
Fines and forfeitures	-	-	6,297	6,297
Use of money and property	4,500	4,600	4,733	133
Contributions from private sources	800	800	500	(300)
Other revenues	2,730	1,100	1,064	(36)
Total revenues	<u>831,330</u>	<u>815,500</u>	<u>854,610</u>	<u>39,110</u>
EXPENDITURES				
Current:				
Culture and recreation	572,500	561,900	564,195	(2,295)
Debt service	194,400	195,800	195,768	32
Capital outlay	<u>52,800</u>	<u>77,400</u>	<u>40,019</u>	<u>37,381</u>
Total expenditures	<u>819,700</u>	<u>835,100</u>	<u>799,982</u>	<u>35,118</u>
Excess of revenues over expenditures	<u>11,630</u>	<u>(19,600)</u>	<u>54,628</u>	<u>74,228</u>
Net change in fund balance	11,630	(19,600)	54,628	74,228
Fund balance at beginning of year	<u>1,464,892</u>	<u>1,485,137</u>	<u>1,485,137</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,476,522</u>	<u>\$ 1,465,537</u>	<u>\$ 1,539,765</u>	<u>\$ 74,228</u>

**CLAIBORNE PARISH POLICE JURY
HOMER, LOUISIANA**

**BUDGETARY COMPARISON SCHEDULE - SALES TAX SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES				
Taxes:				
Sales and use taxes	\$ 590,000	\$ 665,000	\$ 659,432	\$ (5,568)
Use of money and property	4,300	5,500	5,543	43
Total revenues	<u>594,300</u>	<u>670,500</u>	<u>664,975</u>	<u>(5,525)</u>
EXPENDITURES				
Current:				
Public works	<u>684,000</u>	<u>686,300</u>	<u>683,101</u>	<u>3,199</u>
Excess of revenues over expenditures	<u>(89,700)</u>	<u>(15,800)</u>	<u>(18,126)</u>	<u>(2,326)</u>
OTHER FINANCING USES				
Net increase (decrease) in the fair value	<u>-</u>	<u>-</u>	<u>16,547</u>	<u>16,547</u>
Net change in fund balance	<u>(89,700)</u>	<u>(15,800)</u>	<u>(1,579)</u>	<u>14,221</u>
Fund balance at beginning of year	<u>1,230,715</u>	<u>1,230,715</u>	<u>1,230,714</u>	<u>(1)</u>
Fund balance at end of year	<u><u>\$ 1,141,015</u></u>	<u><u>\$ 1,214,915</u></u>	<u><u>\$ 1,229,135</u></u>	<u><u>\$ 14,220</u></u>

**CLAIBORNE PARISH POLICE JURY
HOMER, LOUISIANA**

**SUPPLEMENTARY INFORMATION REQUIRED BY GASB STATEMENT NO. 68 - PERS
FOR THE YEAR ENDED DECEMBER 31, 2017**

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

	Employer's proportion of the net pension liability (asset)	Employer's proportionate share of the net pension liability (asset)	Employer's covered employee payroll	Employer's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	Plan fiduciary net pension as a percentage of the total pension liability
2015	0.214630%	\$ 58,682	\$ 1,207,538	4.86%	99.15%
2016	0.210418%	\$ 553,880	\$ 1,099,717	50.37%	92.23%
2017	0.213223%	\$ 439,136	\$ 1,169,746	37.54%	94.15%

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

Schedule of Employer Contributions:

	Contractually required contribution	Contributions in relation to contractually required contribution	Contribution deficiency (excess)	Employer's covered employee payroll	Contributions as a percentage of covered employee payroll
2015	\$ 159,459	\$ 159,459	\$ -	\$ 1,099,717	14.50%
2016	\$ 152,067	\$ 152,067	\$ -	\$ 1,169,746	13.00%
2017	\$ 274,461	\$ 274,461	\$ -	\$ 2,195,690	12.50%

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

**CLAIBORNE PARISH POLICE JURY
HOMER, LOUISIANA**

**SUPPLEMENTARY INFORMATION REQUIRED BY GASB STATEMENT NO. 68 - REGISTRAR OF VOTERS
FOR THE YEAR ENDED DECEMBER 31, 2017**

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

	Employer's proportion of the net pension liability (asset)	Employer's proportionate share of the net pension liability (asset)	Employer's covered employee payroll	Employer's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	Plan fiduciary net pension as a percentage of the total pension liability
2015	0.113055%	\$ 27,668	\$ 15,336	180.41%	76.86%
2016	0.111659%	\$ 31,683	\$ 15,336	206.59%	73.98%
2017	0.111969%	\$ 24,578	\$ 15,336	160.26%	80.51%

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

Schedule of Employer Contributions:

	Contractually required contribution	Contributions in relation to contractually required contribution	Contribution deficiency (excess)	Employer's covered employee payroll	Contributions as a percentage of covered employee payroll
2015	\$ 3,585	\$ 3,585	\$ -	\$ 15,336	23.37%
2016	\$ 3,259	\$ 3,259	\$ -	\$ 15,336	21.25%
2017	\$ 2,837	\$ 2,837	\$ -	\$ 15,336	18.50%

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

**CLAIBORNE PARISH POLICE JURY
HOMER, LOUISIANA**

**SUPPLEMENTARY INFORMATION REQUIRED BY GASB STATEMENT NO. 68 - DISTRICT ATTORNEY
FOR THE YEAR ENDED DECEMBER 31, 2017**

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

	Employer's proportion of the net pension liability (asset)	Employer's proportionate share of the net pension liability (asset)	Employer's covered employee payroll	Employer's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	Plan fiduciary net pension as a percentage of the total pension liability
2015	0.016565%	\$ 890	\$ 7,800	11.41%	98.56%
2016	0.012890%	\$ 2,467	\$ 7,800	31.63%	95.09%
2017	0.012835%	\$ 3,462	\$ 7,800	44.38%	93.57%

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

Schedule of Employer Contributions:

	Contractually required contribution	Contributions in relation to contractually required contribution	Contribution deficiency (excess)	Employer's covered employee payroll	Contributions as a percentage of covered employee payroll
2015	\$ 410	\$ 410	\$ -	\$ 7,800	5.25%
2016	\$ 137	\$ 137	\$ -	\$ 7,800	1.76%
2017	\$ -	\$ -	\$ -	\$ 5,850	0.00%

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

Other Supplemental Schedules

**CLAIBORNE PARISH POLICE JURY
HOMER, LOUISIANA**

**NONMAJOR SPECIAL REVENUE FUNDS –
COMBINING SCHEDULES – FUND DESCRIPTIONS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2017**

Building Maintenance Fund

The Building Maintenance Fund is funded by an ad valorem tax and state revenue sharing funds and is used to maintain and repair parish-owned buildings, such as the courthouse, jail, police jury office, clerk of court's office, office of community services, and the parish health unit.

Equipment Fund

The purpose of the Equipment Fund is to purchase new equipment to maintain and construct parish roads. It is funded by ad valorem taxes and interest earned on investments.

Juvenile Maintenance Fund

The Juvenile Maintenance Fund accounts for court costs of ten dollars per case, assessed by the district court in criminal cases. The funds are used for the housing of juvenile offenders.

Office of Homeland Security and Emergency Preparedness

The Office of Homeland Security and Emergency Preparedness accounts for grants from the federal, state and local governments and operating transfers from the police jury's General Fund. Funding is used to assess the parish's emergency response and security needs and then implement programs and acquire equipment to address those needs.

Witness Fee Fund

The Witness Fee Fund accounts for witness fees as provided by Louisiana Revised Statute 15:255. Witness fees are paid from special court costs levied in criminal cases and fund the payment of witness fees to off-duty law enforcement officers who, in their official capacity, are required to be present as a witness in criminal court cases.

Office of Community Services

The Office of Community Services was created by the police jury on June 5, 1986. The office is responsible for providing aid and assistance to residents of the parish, primarily the poor, needy, elderly, and unemployed. Funding for the various programs is provided by grants from federal and state agencies, the police jury's General Fund, and donations from the public. The Claiborne Parish Office of Community Services is reported as a special revenue fund of Claiborne Parish Police Jury. Supplementary schedules report the transactions of the various programs administered by the Office of Community Services.

**CLAIBORNE PARISH POLICE JURY
HOMER, LOUISIANA**

**NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS - COMBINING BALANCE SHEET
AS OF DECEMBER 31, 2017**

ASSETS	BUILDING		JUVENILE		OFFICE OF HOMELAND SECURITY AND EMERGENCY		WITNESS	OFFICE OF COMMUNITY	TOTAL
	MAINTENANCE	EQUIPMENT	MAINTENANCE	PREPAREDNESS	FEE	SERVICES			
Cash and cash equivalents	\$ 55,241	\$ 259,422	\$ 124,186	\$ 225,175	\$ 12,781	\$ 218,666	\$ 895,471		
Investments	-	5,864	-	-	-	-	5,864		
Receivables	333,403	251,569	2,160	-	1,085	42,226	630,443		
Due from other funds	18,812	-	-	-	-	290,260	309,072		
Due from other agencies	-	-	-	-	-	2	2		
TOTAL ASSETS	\$ 407,456	\$ 516,855	\$ 126,346	\$ 225,175	\$ 13,866	\$ 551,154	\$ 1,840,852		
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES									
Liabilities:									
Accounts, salaries and other payables	\$ 21,963	\$ 17,314	\$ 375	\$ -	\$ 300	\$ 11,521	\$ 51,473		
Due to other funds	-	-	18,812	-	100	290,258	309,170		
Total liabilities	<u>21,963</u>	<u>17,314</u>	<u>19,187</u>	<u>-</u>	<u>400</u>	<u>301,779</u>	<u>360,643</u>		
Deferred inflows:									
Unavailable ad valorem tax revenue	<u>28,115</u>	<u>21,206</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>49,321</u>		
Restricted fund balances	357,378	478,335	107,159	225,175	13,466	409,675	1,591,188		
Unassigned fund balances	-	-	-	-	-	(160,300)	(160,300)		
Total fund balances	<u>357,378</u>	<u>478,335</u>	<u>107,159</u>	<u>225,175</u>	<u>13,466</u>	<u>249,375</u>	<u>1,430,888</u>		
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES	\$ 407,456	\$ 516,855	\$ 126,346	\$ 225,175	\$ 13,866	\$ 551,154	\$ 1,840,852		

CLAIBORNE PARISH POLICE JURY
HOMER, LOUISIANA

NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS - COMBINING SCHEDULE OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2017

	BUILDING MAINTENANCE	EQUIPMENT	JUVENILE MAINTENANCE	OFFICE OF HOMELAND SECURITY AND EMERGENCY PREPAREDNESS	WITNESS FEE	OFFICE OF COMMUNITY SERVICES	TOTAL
REVENUES							
Ad valorem taxes	\$ 364,250	\$ 274,871	\$ -	\$ -	\$ -	\$ -	\$ 639,121
Intergovernmental revenues:							
Federal funds	-	-	-	15,560	-	327,541	343,101
State funds:							
State funds - state revenue sharing	14,610	11,039	-	-	-	-	25,649
Fees, charges, and commissions	-	-	-	-	9,600	8,298	17,898
Fines and forfeitures	-	-	19,080	-	-	-	19,080
Use of money and property	1,325	2,168	480	2,390	55	4,713	11,131
Other revenues	50	1	-	-	-	16,484	16,535
Total revenues	<u>380,235</u>	<u>288,079</u>	<u>19,560</u>	<u>17,950</u>	<u>9,655</u>	<u>357,036</u>	<u>1,072,515</u>
EXPENDITURES							
Current:							
General government:							
Judicial	239	-	28,587	-	2,549	-	31,375
Other general government	642,774	-	-	-	-	-	642,774
Public safety	-	-	-	100,830	-	-	100,830
Public works	-	70,751	-	-	-	-	70,751
Health and welfare	-	-	-	-	-	356,338	356,338
Capital outlay	-	460,479	-	-	-	-	460,479
Total expenditures	<u>643,013</u>	<u>531,230</u>	<u>28,587</u>	<u>100,830</u>	<u>2,549</u>	<u>356,338</u>	<u>1,662,547</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(262,778)</u>	<u>(243,151)</u>	<u>(9,027)</u>	<u>(82,880)</u>	<u>7,106</u>	<u>698</u>	<u>(590,032)</u>

CLAIBORNE PARISH POLICE JURY
HOMER, LOUISIANA

NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS - COMBINING SCHEDULE OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2017

	BUILDING MAINTENANCE	EQUIPMENT	JUVENILE MAINTENANCE	OFFICE OF HOMELAND SECURITY AND EMERGENCY PREPAREDNESS	WITNESS FEE	OFFICE OF COMMUNITY SERVICES	TOTAL
OTHER FINANCING SOURCES							
Operating transfers in	50,000	-	-	25,391	-	-	75,391
Proceeds from insurance recovery	19,962	-	-	-	-	-	19,962
Sale of capital assets	-	42,088	-	-	-	-	42,088
Total other financing sources	69,962	42,088	-	25,391	-	-	137,441
Net change in fund balances	(192,816)	(201,063)	(9,027)	(57,489)	7,106	698	(452,591)
Fund balances at beginning of year	550,194	679,398	116,186	282,664	6,360	248,677	1,883,479
Fund balances at end of year	<u>\$ 357,378</u>	<u>\$ 478,335</u>	<u>\$ 107,159</u>	<u>\$ 225,175</u>	<u>\$ 13,466</u>	<u>\$ 249,375</u>	<u>\$ 1,430,888</u>

**CLAIBORNE PARISH POLICE JURY
HOMER, LOUISIANA**

**COMBINING SCHEDULES – OFFICE OF COMMUNITY SERVICES –
PROGRAM DESCRIPTIONS AS OF AND
FOR THE YEAR ENDED DECEMBER 31, 2017**

The Claiborne Parish Office of Community Services is reported as a special revenue fund of Claiborne Parish Police Jury. The following schedules report the transactions of the various programs administered by the Office of Community Services. A description of the various programs is as follows:

Regular

The Regular program accounts for the general operations of the Office of Community Services. The program also accounts for Workforce Investment Act funds provided by the United States Department of Labor passed through the Louisiana Department of Labor and the Seventh Planning District Service Delivery Area. Additional funding is provided by local grants, interest earned on deposits, operating transfers from other programs and other miscellaneous local revenue sources.

Community Services Block Grant Fund

The Community Services Block Grant Fund (CSBG) accounts for funds provided by the United States Department of Health and Human Services through the Louisiana Department of Labor and are allocated to provide a range of services and activities having a measurable and potentially major impact on causes of poverty in the community.

Energy Fund

The Energy Fund accounts for funds provided by the United States Department of Health and Human Services through the Louisiana Department of Social Services and are allocated to assist low-income households with energy related utility fees.

Federal Emergency Management Act Fund

The Federal Emergency Management Act (FEMA) Fund accounts for funds provided by the Federal Emergency Management Agency. The purpose of the program is to supplement and expand ongoing efforts to provide shelter, food, and supportive services for needy families and individuals.

Transportation Fund

The Transportation Fund accounts for Section 18 funds which are provided by the United States Department of Transportation through the Louisiana Department of Transportation and Development and are used to provide financial assistance for public transportation in non-urbanized areas. The fund also accounts for Medical Assistance Program-Title XIX funds provided by the United States Department of Health and Human Services through the Louisiana Department of Social Services which are used to provide transportation to medical facilities for low-income and elderly persons.

Fares Fund

The Fares Fund accounts for fees received in the transportation program. Revenues of the fund are used to provide the local matching share for purchases of transportation vehicles. The Federal share is normally provided by the Section 18 program.

**CLAIBORNE PARISH POLICE JURY
HOMER, LOUISIANA**

**GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS - OFFICE OF COMMUNITY SERVICES -
COMBINING BALANCE SHEET
AS OF DECEMBER 31, 2017**

ASSETS	REGULAR	ENERGY	FEMA	TRANS- PORTATION	FARES	TOTAL
Cash and equivalents	\$ 178,871	\$ 2,968	\$ 7,955	\$ 13,295	\$ 15,577	\$ 218,666
Receivables	11,274	-	-	30,952	-	42,226
Due from other funds	144,502	44,480	-	-	101,276	290,258
TOTAL ASSETS	<u>\$ 334,647</u>	<u>\$ 47,448</u>	<u>\$ 7,955</u>	<u>\$ 44,247</u>	<u>\$ 116,853</u>	<u>\$ 551,150</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts, salaries, and other payables	\$ 11,517	\$ -	\$ -	\$ -	\$ -	\$ 11,517
Due to other funds	83,765	1,946	-	204,547	-	290,258
Total liabilities	<u>95,282</u>	<u>1,946</u>	<u>-</u>	<u>204,547</u>	<u>-</u>	<u>301,775</u>
Fund balances - restricted	239,365	45,502	7,955	-	116,853	409,675
Unassigned fund balances	-	-	-	(160,300)	-	(160,300)
Total fund balances	<u>239,365</u>	<u>45,502</u>	<u>7,955</u>	<u>(160,300)</u>	<u>116,853</u>	<u>249,375</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 334,647</u>	<u>\$ 47,448</u>	<u>\$ 7,955</u>	<u>\$ 44,247</u>	<u>\$ 116,853</u>	<u>\$ 551,150</u>

**CLAIBORNE PARISH POLICE JURY
HOMER, LOUISIANA**

**GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS - OFFICE OF COMMUNITY SERVICES -
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2017**

	REGULAR	ENERGY	FEMA	TRANS- PORTATION	FARES	TOTAL
Revenues:						
Intergovernmental revenues:						
Federal funds	\$ 83,440	\$ 13,248	\$ 7,978	\$ 222,875	\$ -	\$ 327,541
Fees, charges, and commissions	-	-	-	-	8,298	8,298
Use of money and property	4,471	-	-	130	112	4,713
Other revenues	16,484	-	-	-	-	16,484
Total revenues	<u>104,395</u>	<u>13,248</u>	<u>7,978</u>	<u>223,005</u>	<u>8,410</u>	<u>357,036</u>
Expenditures:						
Current - health and welfare:	<u>125,356</u>	<u>5,200</u>	<u>4,140</u>	<u>221,642</u>	<u>-</u>	<u>356,338</u>
Total expenditures	<u>125,356</u>	<u>5,200</u>	<u>4,140</u>	<u>221,642</u>	<u>-</u>	<u>356,338</u>
Excess (deficiency) of revenues over expenditures	<u>(20,961)</u>	<u>8,048</u>	<u>3,838</u>	<u>1,363</u>	<u>8,410</u>	<u>698</u>
Net change in fund balances	(20,961)	8,048	3,838	1,363	8,410	698
Fund balances (deficits) at beginning of year	<u>260,326</u>	<u>37,454</u>	<u>4,117</u>	<u>(161,663)</u>	<u>108,443</u>	<u>248,677</u>
Fund balances (deficits) at end of year	<u>\$ 239,365</u>	<u>\$ 45,502</u>	<u>\$ 7,955</u>	<u>\$ (160,300)</u>	<u>\$ 116,853</u>	<u>\$ 249,375</u>

**CLAIBORNE PARISH POLICE JURY
HOMER, LOUISIANA**

**SCHEDULE OF COMPENSATION PAID POLICE JURORS
FOR THE YEAR ENDED DECEMBER 31, 2017**

The schedule of compensation paid to police jurors is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Compensation of the police jurors is included in the legislative expenditures of the General Fund. In accordance with Louisiana Revised Statute-33:1233, the police jury has elected the monthly payment method of compensation. Under this method, the president receives \$700 per month and the other jurors receive \$600 per month.

	<u>District</u>	<u>Compensation</u>
James Laird	One	\$ 7,200
Mark Furlow	Two	7,200
Kevin Gray	Three	7,200
Joe Sturges	Four	7,200
Paul Cook	Five	7,200
Scott Davidson, President	Six	8,400
Joseph Merritt	Seven	7,200
Tommy Sanders	Eight	7,200
Carrell Dowies	Nine	7,200
Willie Young, Sr.	Ten	7,200
Total		<u>\$ 73,200</u>

**CLAIBORNE PARISH POLICE JURY
HOMER, LOUISIANA**

**SCHEDULE OF COMPENSATION, REIMBURSEMENTS, BENEFITS, AND
OTHER PAYMENTS TO AGENCY HEAD
FOR THE YEAR ENDED DECEMBER 31, 2017**

The schedule of compensation, benefits, reimbursements, and other payments paid to or on behalf of the agency head (secretary-treasurer) is presented in compliance with Act 706 of the 2014 Session of the Louisiana Legislature. These expenditures are included in the general government – financial and administrative expenditures of the General Fund.

Dwayne Woodard, Secretary-Treasurer

Salary:

Secretary - Treasurer salary	\$ 86,071
Criminal Court admin fee	1,800

Benefits:

Health insurance	7,694
Retirement - PERS	10,585
Medicare	1,211
Workers' Compensation Insurance	256

Reimbursements:

Cell phone	553
Mileage	175

Other items paid on behalf of Secretary-Treasurer:

Dues	1,119
	<u>\$ 109,464</u>

Other Reports



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

**To the Claiborne Parish Police Jury
Homer, Louisiana**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the primary government financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Claiborne Parish Police Jury, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise Claiborne Parish Police Jury's basic financial statements, and have issued our report thereon dated June 27, 2018.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Claiborne Parish Police Jury
Homer, Louisiana
Independent Auditor's Report on Internal Control
Over Financial Reporting and on Compliance, etc.
December 31, 2017

Purpose of this Report

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

BOSCH & STATHAM, LLC



Ruston, Louisiana
June 27, 2018

**CLAIBORNE PARISH POLICE JURY
HOMER, LOUISIANA**

**SCHEDULE OF FINDINGS AND RESPONSES
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2017**

A. SUMMARY OF AUDIT RESULTS

1. The Police Jury issues primary government financial statements. The auditor's report expresses unqualified opinions on the financial statements of the governmental activities and each major fund. Due to the omission of the financial statements of the component units listed in note 1 to the financial statements, the auditor's report expresses a qualified opinion on the aggregate remaining fund information and an adverse opinion on the aggregate discretely presented component units. The component units issue separate audited financial statements.
2. No material weaknesses are reported in the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of the Claiborne Parish Police Jury were disclosed during the audit.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

No findings were reported.

C. STATUS OF PRIOR YEAR FINDINGS

2016-001 Unreconciled Fuel invoices to Bid Prices

Resolved

**2016-002 Bank Statements for Section 8 Voucher, Section 8 Escrow, and Script (Jury Attendance)
Not Timely Reconciled**

Resolved

2016-003 Unauthorized Use of Claiborne Parish Library Property and Suspected Theft by Claiborne Parish Library Employee

Resolved

Scott Davidson
President

Dwayne R. Woodard
Secretary-Treasurer

Claiborne Parish Police Jury

P.O. Box 270
Homer, Louisiana 71040-0270
318-927-2222 318-927-2727 fax

June 29, 2018

Bosch & Statham, LLC
Post Office Box 2377
Ruston, LA 71273-2377

In connection with your engagement to apply agreed-upon procedures to certain control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's Statewide Agreed-Upon Procedures (SAUPs), for the fiscal period January 1, 2017 through December 31, 2017, we confirm to the best of our knowledge and belief, the following representations made to you during your engagement.

1. We are responsible for the C/C areas identified in the SAUPs, including written policies and procedures; board or finance committee; bank reconciliations; collections; disbursements; credit/debit/fuel/purchasing cards; travel and expense reimbursement; contracts; payroll and personnel; ethics; debt service; and other areas (should be customized by entity, as applicable).

Yes No
2. For the fiscal period January 1, 2017 through December 31, 2017, the C/C areas were administered in accordance with the best practice criteria presented in the SAUPs.

Yes No
3. We are responsible for selecting the criteria and procedures and for determining that such criteria and procedures are appropriate for our purposes.

Yes No
4. We have disclosed to you all known matters contradicting the results of the procedures performed in C/C areas.

Yes No
5. We have disclosed to you any communications from regulatory agencies, internal auditors, other independent practitioners or consultants, and others affecting the C/C areas, including communications received between December 31, 2017, and June 27, 2017.

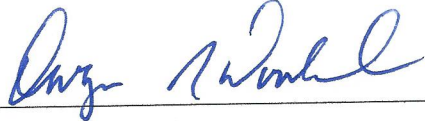
Yes No

6. We have provided you with access to all records that we believe are relevant to the C/C areas and the agreed-upon procedures.
Yes No
7. We represent that the listing of bank accounts provided to you is complete.
Yes No
8. We represent that the listing of cash/check/money order (cash) collection locations provided to you is complete.
Yes No
9. We represent that the listing of entity disbursements or the general ledger population of entity disbursements provided to you is complete.
Yes No
10. We represent that the listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards), including the card numbers and the names of the persons who maintained possession of the cards, provided to you is complete.
Yes No
11. We represent that the listing of all travel and related expense reimbursements, by person, during the fiscal period or the general ledger population of travel and related expense reimbursements provided to you is complete.
Yes No
12. We represent that the listing of all contracts in effect during the fiscal period or the general ledger population of contract payments provided to you is complete.
Yes No
13. We represent that the listing of employees (and elected officials, if applicable) with their related salaries provided to you is complete.
Yes No
14. We represent that the listing of employees (and elected officials, if applicable) that terminated during the fiscal period provided to you is complete.
Yes No
15. We have disclosed to you *[list other matters as you have deemed appropriate]*.
Yes No
16. We have responded fully to all inquiries made by you during the engagement.
Yes No

17. We are not aware of any events that have occurred subsequent to December 31, 2017, that would require adjustment to or modification of the results of the agreed-upon procedures.

Yes No

The previous responses have been made to the best of our belief and knowledge.

Signature  Date 7/1/2018

Title Secretary-Treasurer

Signature _____ Date _____

Title _____



Independent Accountant's Report
on Applying Agreed-Upon Procedures

To the Claiborne Parish Police Jury
and the Louisiana Legislative Auditor

We have performed the procedures enumerated below, which were agreed to by Claiborne Parish Police Jury (Entity) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2017 through December 31, 2017. The Entity's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:

We obtained policies from the police jury, the office of community services, and the library.

- a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget

The recently adopted policies addressed the listed financial/business functions.

Exceptions: None

- b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.

The purchasing policy did not include (1) how purchases are initiated, (2) how vendors are added to the vendor list, (4) controls to ensure compliance with the public bid law, or (5) documentation required to be maintained for all bids and price quotes.

Exceptions: See above.

Management's Response: See Management's Corrective Action Plan

- c) **Disbursements**, including processing, reviewing, and approving

The recently adopted policies addressed the listed financial/business functions.

Exceptions: None

- d) **Receipts**, including receiving, recording, and preparing deposits

The recently adopted policies addressed the listed financial/business functions.

Exceptions: None

- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

The recently adopted policies addressed the listed financial/business functions. Clarification is needed.

Exceptions: None

- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process

The policy did not address (1) types of services requiring written contracts, (2) standard terms and conditions, or (5) monitoring process.

Exceptions: See above.

Management's Response: See Management's Corrective Action Plan

- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage

The policy did not address (2) allowable business uses, (3) documentation requirements, (4) required approvers, or (5) monitoring card usage.

Exceptions: See above.

Management's Response: See Management's Corrective Action Plan

- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers

The recently adopted policies addressed the listed financial/business functions.

Exceptions: None

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy. Note: Ethics requirements are not applicable to nonprofits.

The policy did not address (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, or (3) system to monitor possible ethics violations

Exceptions: See above.

Management's Response: See Management's Corrective Action Plan

- j) **Debt Service**, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

The policy discusses that no debt should be issued without the consent of the State Bond Commission but does not reference any approval processes.

Exceptions: The policy did not include (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, or (4) debt service requirements.

Management's Response: See Management's Corrective Action Plan

Board (or Finance Committee, if applicable)

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

We obtained the minutes. The board met monthly.

Exceptions: None

- b) Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).

The minutes referenced monthly budget-to-actual comparisons that are given to each juror.

Exceptions: None.

- If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.

The Office of Community Services Transportation Fund has been in a deficit position since at least 2016. We did not identify a formal plan to eliminate the deficit.

- c) Report whether the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period.

The minutes referenced non-budgetary financial information.

Exceptions: None.

Bank Reconciliations

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

We obtained the listing and management's representation.

Exceptions: Four accounts had to be added to the listing by the auditor. The accounts were for component units.

Management's Response: See management's corrective action plan.

4. Using the listing provided by management, select all of the entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three-year rotating basis (if more than 5 accounts). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: Police Jury student activity fund accounts may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:

We selected ten accounts and obtained the bank statements and reconciliations.

- a) Bank reconciliations have been prepared;

All accounts had bank reconciliations.

Exceptions: None

- b) Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation; and

Of the 111 bank reconciliations prepared, 59 reconciliations did not show evidence of being reviewed by a member of management or a board member. The exceptions were noted in the Library, OCS, and OHSEP accounts.

Exceptions: See above.

Management's Response: See management's corrective action plan.

- c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.

Of the 111 bank reconciliations prepared, 48 of the reconciliations showed no evidence of the researching of outstanding items older than six months. The exceptions were noted in the Library, OCS, and OHSEP accounts.

Exceptions: See above

Management's Response: See management's corrective action plan.

Collections

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

We obtained a listing of cash/check/money order collection locations and management's representation that the listing is complete.

Exceptions: None

6. Using the listing provided by management, select all of the entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three-year rotating basis (if more than 5 locations). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School Board activity funds may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* **For each cash collection location selected:**

We tested the police jury's four cash collection locations.

- a) Obtain existing written documentation (e.g. insurance policy, policy manual, job description) and report whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.

For the police jury and OCS, the person/persons responsible for collecting cash are not responsible for depositing cash in the bank, recording the related transactions, or reconciling the related bank account. They also do not share cash drawers with other employees. For the library, the persons collecting cash could share a cash drawer, depending on how many workers are at the front desk. They are not responsible for depositing cash in the bank, recording the related transactions, or reconciling the related bank accounts.

Exceptions: See above.

Management's Response: See management's corrective action plan.

- b) Obtain existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.

There is a written policy for receipts that addresses reconciling cash collections to the general ledger by a person who is not responsible for collecting cash.

Exceptions: None.

- c) Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:

We selected the highest week for each cash collection location from the deposit detail for each location.

Using entity collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.

We attempted to trace daily collections to the deposit date on the bank statement. Receipt dates were not documented for thirty out of thirty-eight receipts. The remaining eight receipts were deposited within one day of collection.

Exceptions: See above.

Management's Response: See management's corrective action plan.

- Using sequentially numbered receipts, system reports, or other related collection documentation, verify that daily cash collections are completely supported by documentation and report any exceptions.

We used receipts and receipt data such as check stubs, or statements from the Sheriff's office to verify that daily cash collections are completely supported by documentation. We noted no exceptions.

Exceptions: None.

7. Obtain existing written documentation (e.g. policy manual, written procedure) and report whether the entity has a process specifically defined (identified as such by the entity) to determine completeness of all collections, including electronic transfers, for each revenue source and agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation) by a person who is not responsible for collections.

The collections policy states that all deposits are reconciled on a monthly basis via individual bank account by the Secretary-Treasurer on all accounts except the HUD Section 8 accounts.

Exceptions: See above.

Management's Response: See management's corrective action plan.

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

8. Obtain a listing of entity disbursements from management or, alternately, obtain the general ledger and sort/filter for entity disbursements. Obtain management's representation that the listing or general ledger population is complete.

We obtained check details from QuickBooks for all funds under the Police Jury, the Office of Community Services, and the Office of Homeland Security and managements representation that these reports are complete.

Exceptions: None

9. Using the disbursement population from #8 above, randomly select 25 disbursements (or randomly select disbursements constituting at least one-third of the dollar disbursement population if the entity had less than 25 transactions during the fiscal period), excluding credit card/debit card/fuel card/P-card purchases or payments. Obtain supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and report whether the supporting documentation for each transaction demonstrated that:

We randomly selected 25 disbursements for testing and obtained supporting documentation for them.

- a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.

Purchase orders were not required for 21 of the 25 disbursements tested. Purchase orders were not issued for 3 of the remaining 4 disbursements.

Exceptions: See above.

Management's Response: See management's corrective action plan.

- b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.

The one purchase order that we inspected was not signed by anyone. The persons authorized to issue purchase orders are the only ones with access to the accounting software that produces the purchase orders.

Exceptions: See above.

Management's Response: See management's corrective action plan.

- c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice.

See above.

Exceptions: See above.

Management's Response: See management's corrective action plan.

10. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the person responsible for processing payments is prohibited from adding vendors to the entity's purchasing/disbursement system.

For the Office of Community Services, the person responsible for processing payments cannot add or delete vendors from the accounting software. For the Police Jury, the Office of Homeland Security and Emergency Preparedness, and the Library (Fines Account), the person responsible for processing payments to vendors can also add/delete vendors from the accounting software.

Exceptions: See above.

Management's Response: See management's corrective action plan.

11. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.

For the Police Jury, the Office of Community Services and the Library, the person who makes the final authorization for purchases is also able to initiate purchases.

Exceptions: See above.

Management's Response: See management's corrective action plan.

12. Inquire of management and observe whether the supply of unused checks is maintained in a locked location, with access restricted to those persons that do not have signatory authority and report any exceptions. Alternately, if the checks are electronically printed on blank check stock, review entity documentation (electronic system control documentation) and report whether the persons with signatory authority have system access to print checks.

We observed the police jury's supply of unused checks in the Administrative Assistant's office. The cabinet itself does not lock. However, the office door is locked when the Administrative Assistant is not in her office.

Exceptions: See above.

Management's Response: See management's corrective action plan.

13. If a signature stamp or signature machine is used, inquire of the signer whether his or her signature is maintained under his or her control or is used only with the knowledge and consent of the signer. Inquire of the signer whether signed checks are likewise maintained under the control of the signer or authorized user until mailed. Report any exceptions.

We did not identify any signature stamps or machines.

Exceptions: None

Credit Cards/Debit Cards/Fuel Cards/P-Cards

14. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards), including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

We obtained a listing of all active credit cards and fuel cards. We noted no debit cards or P-cards. We obtained management's representation that the listing is complete.

Exceptions: None

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

Because the entity had more than 10 cards, we randomly selected 10 for testing.

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

We obtained the monthly statements for the selected cards and selected the monthly statement with the largest dollar activity for each card.

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

We inspected the card statements with the largest dollar activity and noted only 1 of 10 card statements were reviewed or approved.

Exceptions: See above.

Management's Response: See management's corrective action plan.

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

We noted no exceptions.

Exceptions: None

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

We obtained supporting documentation for each transaction on each of the 10 credit cards selected.

- a) For each transaction, report whether the transaction is supported by:

- An original itemized receipt (i.e., identifies precisely what was purchased)

- Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.
- Other documentation that may be required by written policy (e.g., purchase order, written authorization.)

Of 122 transactions tested, 113 were fuel transactions. Each vehicle has a card. Each employee has a pin number. The vendor issues a report of charges to the agency by vehicle by employee. Employees do not turn in receipts. Seven transactions were supported by original itemized receipts attached to the statement. Two charges were not supported by original itemized receipts.

Of 122 transactions tested, 113 were fuel transactions. Each vehicle has a card. Each employee has a pin number. The vendor issues a report of charges to the agency by vehicle by employee. Employees do not turn in receipts. Documentation for six of the remaining transactions did not include the business/public purpose. Three transactions were supported by appropriate documentation.

We noted no such requirements.

Exceptions: See above.

Management's Response: See management's corrective action plan.

- b) For each transaction, compare the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity's written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e. transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and report any exceptions.

The fuel transactions are subject to the bid law. Bids were properly obtained. The remaining seven transactions were not subject to the bid law.

Exceptions: None

- c) For each transaction, compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

The business purpose was documented for 2 out of 122 transactions. One of the two transactions included sales tax. The fuel transactions appear to be in accordance with the Constitution.

Exceptions: See above.

Management's Response: See management's corrective action plan.

Travel and Expense Reimbursement

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

We obtained a listing of all travel and related expense reimbursements, by person, during the fiscal period. We also obtained management's representation that the listing is complete.

Exceptions: None

18. Obtain the entity's written policies related to travel and expense reimbursements. Compare the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration (www.gsa.gov) and report any amounts that exceed GSA rates.

We obtained the entity's written policies related to travel and expense reimbursements. We compared the policies to the per diem and mileage rates established by the U.S. General Services Administration. We noted the police jury's meal allowances are more than GSA rates.

Exceptions: See above.

Management's Response: See management's corrective action plan.

19. Using the listing or general ledger from #17 above, select the three persons who incurred the most travel costs during the fiscal period. Obtain the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and choose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:

We selected the three persons who incurred the most travel costs during the fiscal period. We obtained the expense reimbursements for each person selected. We chose the largest travel expense for each person to review in detail.

- a) Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the entity does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates.

We compared the expense documentation to written policies noting that two of the three reimbursements were issued in accordance with written policy. We noted one reimbursement did not have the expense reimbursement report that, according to policy, is required for expense reimbursement. We also compared amounts paid to GSA rates and noted two reimbursements exceeded GSA rates. However, the individuals are Justices of the Peace or Constables. Therefore, they are not actually employees of the police jury even though the police jury is required to provide part of their compensation.

Exceptions: See above.

Management's Response: See management's corrective action plan.

b) Report whether each expense is supported by:

- An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]
- Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).
- Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance)

We noted two out of three reimbursements were missing one or more receipts.

All three of the reimbursements included proper documentation of business/public purpose.

The policy requires a detailed expense report. We noted no exceptions.

Exceptions: See above.

Management's Response: See management's corrective action plan.

- c) Compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

We compared the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the LA Constitution, noting that two of the three reimbursements tested included payment for sales taxes on hotel rooms.

Exceptions: See above.

Management's Response: See management's corrective action plan.

- d) Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Each expense and related documentation was reviewed and approved, in writing by someone other than the person receiving reimbursements.

Exceptions: None

Contracts

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

We obtained a listing of contracts in effect for the Library and OCS during the fiscal period and management's representation that the listings were complete. For the police jury, management asserted there were no contracts. We obtained a schedule of expenses by vendor and identified vendors that appeared to provide services that would typically be documented by a contract. We added those vendors to the list of contracts.

Exceptions: See above.

Management's Response: See management's corrective action plan.

21. Using the listing above, select the five contract “vendors” that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). Obtain the related contracts and paid invoices and:

We selected the five contract vendors that were paid the most money during the fiscal period. We obtained the supporting invoices for those five vendors, and all available contracts.

- a) Report whether there is a formal/written contract that supports the services arrangement and the amount paid.

We noted four vendors for which the police jury did not have a formal written contract with.

Exceptions: See above.

Management’s Response: See management’s corrective action plan.

- b) Compare each contract’s detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:

- If yes, obtain/compare supporting contract documentation to legal requirements and report whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder)
- If no, obtain supporting contract documentation and report whether the entity solicited quotes as a best practice.

We compared the one contract to the public bid law. The contract was subject to the bid law.

We noted no exceptions.

See above.

Exceptions: None

- c) Report whether the contract was amended. If so, report the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.

We noted no contracts that were amended during the fiscal period.

Exceptions: None

- d) Select the largest payment from each of the five contracts, obtain the supporting invoice, compare the invoice to the contract terms, and report whether the invoice and related payment complied with the terms and conditions of the contract.

We selected the largest payment made to each of the five vendors and obtained the supporting invoices. We noted each payment was supported by an invoice. The payments made to the one vendor for which there was a contract agreed to the contract terms.

Exceptions: None

- e) Obtain/review contract documentation and board minutes and report whether there is documentation of board approval, if required by policy or law (e.g. Lawrason Act or Home Rule Charter).

We searched the minutes for approval of the payments tested and noted only two were approved in the minutes.

Exceptions: See above.

Management's Response: See management's corrective action plan.

Payroll and Personnel

22. Obtain a listing of employees (and elected officials, if applicable) with their related salaries, and obtain management's representation that the listing is complete. Randomly select five employees/officials, obtain their personnel files, and:

We obtained a listing, management's representation, and the personnel files for the five selected from the listing.

- a) Review compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.

Compensation for the five employees agreed to rate documentation.

Exceptions: None

- b) Review changes made to hourly pay rates/salaries during the fiscal period and report whether those changes were approved in writing and in accordance with written policy.

Rates were changed for three employees. The supervisor did not sign the change for two employees.

Exceptions: See above.

Management's Response: See Management's Corrective Action Plan.

23. Obtain attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period, randomly select 25 employees/officials (or randomly select one-third of employees/officials if the entity had less than 25 employees during the fiscal period), and:

We obtained the records and selected the testing period and the sample.

- a) Report whether all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)

Attendance was not documented for two out of twenty-five selected employees. Both employees were heads of departments.

Exceptions: See above.

Management's Response: See Management's Corrective Action Plan.

- b) Report whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.

Thirteen out of twenty-three attendance records were not signed by a supervisor.

Exceptions: See above.

Management's Response: See Management's Corrective Action Plan.

- c) Report whether there is written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.

We did not receive a leave record for the Director of OHSEP.

Exceptions: See above.

Management's Response: See Management's Corrective Action Plan.

24. Obtain from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. If applicable, select the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtain the personnel files for the two employees/officials. Report whether the termination payments were made in strict accordance with policy and/or contract and approved by management.

No termination payments were issued.

Exceptions: None

25. Obtain supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. Report whether the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.

We obtained the required documentation. One Louisiana L-1 was filed late. We were unable to determine the filing dates of three retirement contribution reports.

Exceptions: See above.

Management's Response: See management's corrective action plan.

Ethics (excluding nonprofits)

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

Using the five selected employees/officials, we obtained the documentation and noted no exceptions.

Exceptions: None.

27. Inquire of management whether any alleged ethics violations were reported to the entity during the fiscal period. If applicable, review documentation that demonstrates whether management investigated alleged ethics violations, the corrective actions taken, and whether management's actions complied with the entity's ethics policy. Report whether management received allegations, whether management investigated allegations received, and whether the allegations were addressed in accordance with policy.

We inquired of management. Management reported that one juror has not taken the required ethics training recently. Management reported receiving an allegation that an employee was seen distributing fuel to a personal vehicle. Management performed an investigation and noted no evidence of wrongdoing. The allegation was addressed in accordance with policy.

Debt Service (excluding nonprofits)

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

We did not identify any new debt.

Exceptions: None.

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

We obtained the documentation. The entity did make the scheduled payments. However, the payments were made approximately a week late.

Exceptions: See above.

Management's Response: See management's corrective action plan.

30. If the entity had tax millages relating to debt service, obtain supporting documentation and report whether millage collections exceed debt service payments by more than 10% during the fiscal period. Also, report any millages that continue to be received for debt that has been paid off.

The entity did not have tax millages relating to debt service.

Exceptions: None

Other

31. Inquire of management whether the entity had any misappropriations of public funds or assets. If so, obtain/review supporting documentation and report whether the entity reported the misappropriation to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

We inquired of management who stated they were not aware of any misappropriations.

32. Observe and report whether the entity has posted on its premises and website, the notice required by R.S. 24:523.1. This notice (available for download or print at www.la.gov/hotline) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.

We toured the police jury office building and did not locate the notice. We also could not locate the notice on the police jury website. However, the notices were added to the lobby and the website during fieldwork.

Exceptions: See above.

Management's Response: See management's corrective action plan.

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

See comments under other procedures.

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

BOSCH & STATHAM, LLC

Bosch & Statham

Ruston, Louisiana

June 27, 2018

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July 1, 2018

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Management's Response to the Independent Accountant's Report on Applying Agreed-Upon Procedures (Statewide AUPs)

The Claiborne Parish Police Jury will consider the auditor's comments and take action as considered necessary on the exceptions noted in the following areas:

Written Policies and Procedures
Board (or Finance Committee, if applicable)
Bank Reconciliations
Collections
Disbursements – General (excluding credit card/debit card/fuel card/P-card purchases or payments)
Credit Cards/Debit Cards/Fuel Cards/P-Cards
Travel and Expense Reimbursement
Contracts
Payroll and Personnel
Ethics (excluding nonprofits)
Debt Service (excluding nonprofits)
Other

While the management of the Claiborne Parish Police Jury understands the LA Legislative Auditor's intent and purpose behind these new procedures and agrees that all steps should be taken to prevent malfeasance and misappropriation of public funds, we feel that an undue financial burden is being placed on the smaller parishes, municipalities and other governmental districts/entities that have very limited financial resources. We hope that the Louisiana Legislature and the Legislative Auditor's Office will come up with a reasonable and cost-effective solution that is based on either the population of the parish/municipality or total budget expenditures per year.

CLAIBORNE PARISH POLICE JURY



Dwayne R. Woodard
Secretary-Treasurer