

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

**Annual Financial Report  
As of and for the Year Ended December 31, 2019**





## East Carroll Parish Police Jury

### TABLE OF CONTENTS

	<u>Statement</u>	<u>Page</u>
INDEPENDENT AUDITOR’S REPORT		5
REQUIRED SUPPLEMENTARY INFORMATION		9
Management's Discussion and Analysis (MD&A)		10-20
BASIC FINANCIAL STATEMENTS		
Government-wide Financial Statements (GWFS)		21
Statement of Net Position	A	23
Statement of Activities	B	24-25
Fund Financial Statements (FFS)		27
Governmental Funds		
Balance Sheet	C	28-29
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	D	31
Statement of Revenues, Expenditures, and Changes in Fund Balances	E	32-35
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	F	36
Proprietary Fund Type – Enterprise Fund:		
Statement of Net Position	G	37
Statement of Revenues, Expenses, and Changes in Fund Net Position	H	38
Statement of Cash Flows	I	39
Notes to the Financial Statements		
Index		40
Notes		41-62
REQUIRED SUPPLEMENTARY INFORMATION		63
	Exhibit	
Schedule of Employer’s Proportionate Share of the Net Pension Liability (Asset)	1-1	64
Schedule of Employer Contributions to Pension Plan	1-2	64
Notes to Required Supplementary Information for Pensions		65
Budgetary Comparison Schedules		66
General Fund	2-1	67
Road Maintenance and Construction	2-2	68
Garbage District No. 1	2-3	69
Library	2-4	70
Drainage Maintenance	2-5	71
Notes to the Budgetary Comparison Schedules		72-73

(Continued)

East Carroll Parish Police Jury

TABLE OF CONTENTS

	<u>Exhibit</u>	<u>Page</u>
SUPPLEMENTARY INFORMATION		75
COMBINING NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE		77
Combining Balance Sheet - By Fund Type	3	78
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - By Fund Type	4	79
NONMAJOR SPECIAL REVENUE FUNDS		81
Combining Balance Sheet	5	82
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	6	83
GENERAL		
Schedule of Compensation Paid Police Jurors	7	84
Schedule of Compensation, Benefits and Other Payments to Agency Head	8	85
Financial Data Schedule	9	86-87
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>		89-90
Schedule of Findings and Responses		91
Schedule of Prior Year Audit Findings		92

(Concluded)

## Independent Auditor's Report

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

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the East Carroll Parish Police Jury (the Police Jury) as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the basic financial statements of the Police Jury's primary government as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

#### **Basis for Adverse Opinion on Aggregate Discretely Presented Component Units**

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

#### **Adverse Opinion on Aggregate Discretely Presented Component Units**

In our opinion, because of the significance of the matter described in the "Basis for Adverse Opinion on Aggregate Discretely Presented Component Units" paragraph, the financial statements referred to above do not present fairly the financial position of the aggregate discretely presented component units of the East Carroll Parish Police Jury as of December 31, 2019, or the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Unmodified Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities; the business-type activities, each major fund, and the aggregate remaining fund information of the primary government of the East Carroll Parish Police Jury as of December 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

#### **Other Matters**

##### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis beginning on page 9, the budgetary comparison schedules beginning on page 66, and the supplementary schedules required by Governmental Accounting Standards Board Statement No. 68 on pages 64 and 65 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB), who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

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

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated August 4, 2020, on our consideration of the Police Jury's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering East Carroll Parish Police Jury's internal control over financial reporting and compliance.



A Professional Accounting Corporation

Baton Rouge, LA  
August 4, 2020

**East Carroll Parish Police Jury**

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**REQUIRED SUPPLEMENTARY INFORMATION**

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

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**East Carroll Parish Police Jury  
Management's Discussion and Analysis (MD&A)  
December 31, 2019**

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Our discussion and analysis of East Carroll Parish Police Jury's financial performance provides an overview of the Police Jury's financial activities for the year ended December 31, 2019. Separate financial statements may be obtained from component units not included.

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

The assets and deferred outflows of resources of the Police Jury exceeded its liabilities and deferred inflows of resources at the close of fiscal year 2019 by \$12.4 million (net position). Of this amount, \$1.2 million represents unrestricted net position, which may be used to meet the government's ongoing obligations to citizens and creditors.

The Police Jury total net position decreased \$209 thousand mainly because of the decrease in sales tax revenues and due to the Police Jury's abandonment of two construction projects and the overall increase in expenses related to the changes in net pension (asset)/liability and related deferred outflows and inflows in comparison with prior year.

At the end of 2019, the Police Jury's governmental funds reported combined fund balances of \$6.2 million, an increase of \$315 thousand in comparison with prior year. \$1.3 million or 20% of the combined fund balance is available for spending at the government's discretion (unassigned fund balance). All unassigned fund balance is reported in the General fund.

Total spending for all our governmental activities was \$4.7 million for the year. Most of the Police Jury's property and sales taxes were used to support the net cost (after deducting restricted grants and fees charged to users) of these six areas: judicial \$187 thousand, finance and administrative \$250 thousand, other general government \$407 thousand, public safety \$299 thousand, public works \$1,732 thousand, and culture and recreation \$418 thousand.

**USING THIS ANNUAL REPORT** The Police Jury's annual report consist of a series of financial statements that show information for the Police Jury as a whole, and its funds. The Statement of Net Position and the Statement of Activities provide information about the activities of the Police Jury as a whole and present a longer-term view of the Police Jury's finances. Our fund financial statements are included later in this report. For our government funds, these statements tell how we financed our services in the short-term as well as what remains for future spending. Fund statements also may give you some insights into the Police Jury's overall financial health. Fund financial statements also report the Police Jury's operations in more detail than the government-wide financial statements by providing information about the Police Jury's most significant funds - the General fund, Road Maintenance and Construction, Garbage District No. 1, Library, and Drainage Maintenance.

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**East Carroll Parish Police Jury  
Management's Discussion and Analysis (MD&A)  
December 31, 2019**

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**Required Supplementary Information**

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

**Basic Financial Statements**

**Government-wide  
Financial Statements**

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**Fund  
Financial Statements**

**Notes to the Financial Statements**

**Required Supplementary Information**

**Schedule of Employer's Proportionate Share of the Net Pension Liability (Asset)  
Schedule of Employer Contributions to Pension Plan  
Budgetary Comparison Schedules**

**Supplementary Information**

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

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

**Reporting the Police Jury as a Whole**

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

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**East Carroll Parish Police Jury**  
**Management's Discussion and Analysis (MD&A)**  
**December 31, 2019**

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

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

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

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

### **Reporting the Police Jury's Most Significant Funds**

***Fund Financial Statements*** The Police Jury's fund financial statements provide detailed information about the most significant funds - not the Police Jury as a whole. Some funds are required to be established by State law and by bond covenants. However, the Police Jury establishes many other funds to help it control and manage money for particular purposes (like the Road Maintenance and Construction fund) or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money (like grants the Police Jury receives for Section 8). The Police Jury's governmental funds use the following accounting approach:

Governmental funds - Most of the Police Jury's services are reported in governmental funds. Governmental fund reporting focuses on showing how money flows into and out of funds and the balances left at year end that are available for spending. They are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Police Jury's operations and the services it provides.

Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Police Jury's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in the reconciliation on Statements D and F.

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

**East Carroll Parish Police Jury**  
**Management's Discussion and Analysis (MD&A)**  
**December 31, 2019**

**THE POLICE JURY AS A WHOLE** As noted earlier, net position over time, may serve as a useful indicator of a government's financial position. The Police Jury's assets and deferred outflows of resources exceeded liabilities and deferred inflows by \$12.4 million. Our analysis below focuses on the net position (Table 1) and change in net position (Table 2) of the Police Jury's governmental and business-type activities.

**Table 1**  
**Net Position**  
**December 31,**  
**(in thousands)**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total Primary Government</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
Other assets	\$ 6,537	\$ 6,813	\$ 64	\$ 70	\$ 6,601	\$ 6,883
Capital assets	7,086	6,794	10	13	7,096	6,807
Total assets	<u>13,623</u>	<u>13,607</u>	<u>74</u>	<u>83</u>	<u>13,697</u>	<u>13,690</u>
Deferred outflows of resources	<u>837</u>	<u>320</u>	<u>22</u>	<u>8</u>	<u>859</u>	<u>328</u>
Other liabilities	151	564	10	3	161	567
Long-term liabilities	<u>1,856</u>	<u>351</u>	<u>26</u>	<u>-</u>	<u>1,882</u>	<u>351</u>
Total liabilities	<u>2,007</u>	<u>915</u>	<u>36</u>	<u>3</u>	<u>2,043</u>	<u>918</u>
Deferred inflows of resources	<u>71</u>	<u>440</u>	<u>2</u>	<u>11</u>	<u>73</u>	<u>451</u>
Net position						
Net investment in capital assets	6,181	6,450	10	13	6,191	6,463
Restricted	5,003	4,929	2	9	5,005	4,938
Unrestricted	<u>1,198</u>	<u>1,193</u>	<u>46</u>	<u>55</u>	<u>1,244</u>	<u>1,248</u>
Total net position	<u>\$ 12,382</u>	<u>\$ 12,572</u>	<u>\$ 58</u>	<u>\$ 77</u>	<u>\$ 12,440</u>	<u>\$ 12,649</u>

The largest portion of the Police Jury's combined net position (\$6.2 million or 50%) reflects its investment in capital assets (e.g. land, buildings, equipment, vehicles and infrastructure), less accumulated depreciation and any related outstanding debt that was used to acquire those assets. The Police Jury uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending. Although the Police Jury's investments in capital assets are reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Police Jury's combined net position (\$5.0 million or 40%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$1.2 million is unrestricted net position and may be used to meet the Police Jury's obligations to its citizens and creditors.

At the end of the current fiscal year, the Police Jury is able to report positive balances in all reported categories of net position, both for the government as a whole, as well as for the separate governmental and business-type activities. The same situation held true for the prior fiscal year. The Police Jury's overall net position decreased \$209 from the prior year. The reasons for this overall increase are discussed in the following sections for governmental activities and business-type activities.

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**East Carroll Parish Police Jury**  
**Management's Discussion and Analysis (MD&A)**  
**December 31, 2019**

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***Governmental Activities*** During the current fiscal year, net position for the governmental activities decreased \$190 thousand from the prior fiscal year for an ending balance of \$12.4 million. The Police Jury's governmental activities experienced an overall decrease in revenues of \$1.1 million. Revenues received from operating grants & contributions (\$249 thousand), capital grants & contributions (\$194 thousand), ad valorem taxes (\$2,407 thousand), sales taxes revenues (\$588 thousand), and other general revenues (\$258 thousand) experienced a decline in revenues from the amounts reported in the prior fiscal year while charges for services (\$690 thousand), and licenses and permits (\$139 thousand) experienced an increase in revenues. Expenses increased \$332 thousand or 8% to \$4.7 million from the \$4.4 million reported in the prior fiscal year. This change can mainly be contributed to the Police Jury's abandonment of two construction projects increasing public works expenses by \$273 thousand and an increase in overall expenses related to the changes in net pension asset/liability and related deferred outflows and inflows in comparison with prior year.

***Business-type Activities*** The Police Jury's business-type activities experienced a decrease of \$19 thousand in net position from the prior fiscal year for an ending balance of \$58 thousand. Current year operating grants revenues experienced a decrease of \$15 thousand in comparison with prior fiscal year. Expenses increased by \$16 thousand mainly due to the increases in compensated absences and housing assistance payments.

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

**East Carroll Parish Police Jury**  
**Management's Discussion and Analysis (MD&A)**  
**December 31, 2019**

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

	<u>Governmental Activities</u>			<u>Business-Type Activities</u>		
	<u>2019</u>	<u>2018</u>	<u>Increase (Decrease)</u>	<u>2019</u>	<u>2018</u>	<u>Increase (Decrease)</u>
<b>Revenues:</b>						
Program revenues						
Charges for services	\$ 690	\$ 641	\$ 49	\$ -	\$ -	\$ -
Operating grants & contributions	249	300	(51)	584	599	(15)
Capital grants & contributions	194	950	(756)	-	-	-
General Revenues						
Ad valorem taxes	2,407	2,449	(42)	-	-	-
Sales taxes	588	886	(298)	-	-	-
Licenses and permits	139	125	14	-	-	-
Other general revenues	258	285	(27)	1	-	1
Total revenues	<u>4,525</u>	<u>5,636</u>	<u>(1,111)</u>	<u>585</u>	<u>599</u>	<u>(14)</u>
<b>Functions/Program Expenses:</b>						
General government:						
Legislative	71	72	(1)	-	-	-
Judicial	718	675	43	-	-	-
Elections	36	31	5	-	-	-
Finance and administrative	250	242	8	-	-	-
Other general government	407	729	(322)	-	-	-
Public safety	377	316	61	-	-	-
Public works	2,238	1,737	501	-	-	-
Health and welfare	125	130	(5)	604	588	16
Culture and recreation	428	406	22	-	-	-
Economic development and assistance	7	4	3	-	-	-
Transportation	29	31	(2)	-	-	-
Interest on long-term debt	29	10	19	-	-	-
Total expenses	<u>4,715</u>	<u>4,383</u>	<u>332</u>	<u>604</u>	<u>588</u>	<u>16</u>
Increase (decrease) in net position	(190)	1,253	(1,443)	(19)	11	(30)
Net position - beginning	<u>12,572</u>	<u>11,319</u>	<u>1,253</u>	<u>77</u>	<u>66</u>	<u>11</u>
Net position - ending	<u>\$ 12,382</u>	<u>\$ 12,572</u>	<u>\$ (190)</u>	<u>\$ 58</u>	<u>\$ 77</u>	<u>\$ (19)</u>

**Governmental Activities – Cost of Services** As reported in the Statement of Activities, the cost of all of our governmental activities this year was \$4.7 million. However, the amount that our taxpayers ultimately financed for these activities through Police Jury taxes was only \$3.6 million because some of the cost was paid by those who benefited from the programs \$690 thousand or by other governments and organizations who subsidized certain programs with grants and contributions \$443 thousand. We paid for the remaining "public benefit" portion of our governmental activities with taxes and with our other revenues, like interest and general entitlements.

**East Carroll Parish Police Jury**  
**Management's Discussion and Analysis (MD&A)**  
**December 31, 2019**

In Table 3 below, we have presented the cost of each of the Police Jury's six largest functions - judicial, finance and administrative, other general government, public safety, public works, and culture and recreation, as well as each program's *net* cost (total cost less revenues generated by the activities). As discussed above, net cost shows the financial burden that was placed on the Police Jury's taxpayers by each of these functions. Providing this information allows our citizens to consider the cost of each function in comparison to the benefits they believe are provided by that function.

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

	Governmental Activities				Business-Type Activities			
	Total Cost of Services	Net Cost of Services						
	2019	2019	2018	2018	2019	2019	2018	2018
Judicial	\$ 718	\$ 187	\$ 675	\$ 184	\$ -	\$ -	\$ -	\$ -
Finance and administrative	250	250	242	242	-	-	-	-
Other general government	407	407	729	729	-	-	-	-
Public safety	377	299	316	247	-	-	-	-
Public works	2,238	1,732	1,737	420	-	-	-	-
Culture and Recreation	428	418	406	395	-	-	-	-
All others	297	290	278	275	604	20	588	(10)
<b>Totals</b>	<b>\$ 4,715</b>	<b>\$ 3,583</b>	<b>\$ 4,383</b>	<b>\$ 2,492</b>	<b>\$ 604</b>	<b>\$ 20</b>	<b>\$ 588</b>	<b>\$ (10)</b>

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

Governmental Funds As the Police Jury completed this year, our governmental funds reported a combined fund balance of \$6.2 million which is an increase of \$315 thousand from prior year. The primary reasons for the changes in fund balances are:

The General fund, our principal operating fund, experienced an increase of \$153 thousand to reach an ending fund balance of \$1.3 million. At the end of the current fiscal year, unassigned fund balance of the general fund was \$1.3 million or approximately 117% of total general fund expenditures. Revenues for the current fiscal year decreased due to a reduction in sales and use tax collections and state grants. Expenditures for the current fiscal year decreased mainly due to the reduction in grant expenditures. The General fund also supplements the Criminal Court fund through transfers. The General fund transferred \$60 thousand to Criminal Court fund during the current fiscal year, \$15 thousand less than the amount transferred in prior year.

The Road Maintenance and Construction fund accounts for funds used to maintain the parish roads and streets. This fund showed an increase of \$140 thousand from the amount reported at the end of the prior fiscal year to \$1.5 million. Revenues decreased \$261 thousand mainly due to a decrease in sales tax collections and state grants. Expenses for the current fiscal year increased \$86 thousand. This increase is mainly due increase in capital outlay from the purchases of new construction equipment offset by a decrease

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**East Carroll Parish Police Jury**  
**Management's Discussion and Analysis (MD&A)**  
**December 31, 2019**

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in repairs and maintenance expenditures. During the current fiscal year, the Road fund purchased \$500 thousand in large construction equipment from the proceeds of a notes payable. This fund also accounted for the Police Jury's drainage construction project funded from a Louisiana Department of Transportation capital grant.

The Garbage District No. 1 accounts for the parish garbage collection services begun in 2001. This fund showed a fund balance increase of \$27 thousand mainly due to the increase in ad valorem tax collections. During the current year, the Garbage District No. 1 fund purchased a new rear loader garbage from the proceeds of a notes payable.

The Library fund accounts for the public library. The Library's fund balance of \$726 thousand showed an increase of \$31 thousand for the current fiscal. Revenues increased \$34 thousand mainly from the increase in ad valorem revenues. Expenditures decreased slightly (\$4 thousand) from the amounts reported the prior year.

The Drainage Maintenance fund accounts for the maintenance of the parish drainage system. This fund showed a decrease of \$10 thousand to \$680 thousand. Revenues increased \$34 thousand mainly due to an increase in ad valorem collections. Expenses increased \$100 thousand from the increase in repairs and maintenance expenditures as well as an increase in capital outlay expenditures.

The Nonmajor Governmental funds are comprised of the special revenue funds (Rural Fire Protection, LSU Cooperative Extension, Health Unit and Criminal Court), the Fire Bond Debt Service fund and the Drainage Capital Project fund. The combined funds showed a decrease of \$25 thousand to \$1.4 million.

*Proprietary Funds* The Section 8 Voucher fund accounts for the activity for HUD's Section 8 Housing Choice Voucher program. This fund showed a decrease of \$19 thousand from \$77 thousand reported in prior year to \$58 thousand. This decrease is mainly due to a decrease in HUD funding and an increase in housing assistance payments in comparison with prior year.

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

The amounts available for appropriations for the General fund's original budget were \$414 thousand more than the final budget. The charges to the appropriations for the General Fund's original budget were \$43 thousand more than the final budget. These budget reductions were mainly due to a reduction in federal revenues and grant expenditures offset by an increase in beginning fund balance available for appropriations and an increase in licenses and permits.

The actual amounts available for appropriations for the General fund were \$230 thousand less than the amount budgeted. This is due mainly to receiving less in licenses and permits and state revenues than estimated. The actual charges to appropriations were \$173 thousand less than budgeted was mostly due to grant expenditures were less than estimated.

**East Carroll Parish Police Jury  
Management's Discussion and Analysis (MD&A)  
December 31, 2019**

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets** At December 31, 2019, the Police Jury had \$7.1 million invested in a broad range of capital assets, including land, buildings, furniture and equipment and infrastructure assets such as roads and bridges. This amount represents a net increase (including additions, deductions, and depreciation) of \$289 thousand or 4%, from last year.

**Capital Assets at December 31,  
(in thousands)**

	<u>Governmental Activities</u>		<u>Business-Type</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Land	\$ 376	\$ 376	\$ -	\$ -
Construction in progress	11	1,408	-	-
Buildings	877	930	-	-
Furniture and office equipment	89	84	-	-
Construction equipment	1,216	828	-	-
Vehicles	571	434	10	13
Infrastructure	3,946	2,734	-	-
Total capital assets	<u>\$ 7,086</u>	<u>\$ 6,794</u>	<u>\$ 10</u>	<u>\$ 13</u>

This year's additions of \$1.1 million were comprised of \$26 thousand in furniture & office equipment, \$559 thousand in construction equipment, \$286 thousand in vehicles and \$224 thousand in construction in progress. During 2019, the Police Jury completed and placed into operations \$1.4 million in drainage infrastructure. During the current year, the Police Jury abandoned two ongoing construction projects totaling \$274 thousand due to the State defunding one project and the feasibility of the other project. We present more detailed information about our capital assets at Note 8 in the notes to the financial statements.

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

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

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

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East Carroll Parish Police Jury  
Management's Discussion and Analysis (MD&A)  
December 31, 2019

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

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

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

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

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

**Debt** During this year, the Police Jury made the final payment of \$70 thousand of its Series 2004 general obligation bonds. At the end of the fiscal year, the Police Jury did not have any outstanding general obligation debt.

The Police Jury has financed the purchase of various equipment through notes payable during 2019. Outstanding notes payable at December 31, 2019 was \$906 thousand.

Other liabilities are accrued vacations (compensated absences) and the net pension liability. We present more detailed information about our long-term liabilities in Note 9 and Note 11 of the notes to the financial statements.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES** Our elected and appointed officials and citizens consider many factors when setting the Police Jury's 2020 year's budget and tax rates. One of the most important factors affecting the budget is our ad valorem and sales tax collections. We have budgeted very little change in ad valorem and sales tax collections from 2019 to 2020. Approximately 64% of total revenue is from ad valorem and sales taxes. We have projected an increase in net position for the 2020 budget year.

In March 2020, the United States Government and citizens had begun responding to the Coronavirus Pandemic (COVID-19). As part of this response, the State of Louisiana had issued a stay-at-home order for the citizens, which had also called for nonessential businesses to temporarily halt operations. Governments are in the early stages of determining what impact the stay-at-home and other health safety measures will have on the economy and the tax revenues that governments traditionally have collected. Because of the unknown ramifications of COVID-19 and related corresponding Governor's stay-at-home orders and proclamations, the exact financial impact to the Police Jury cannot be determined at this point. Accordingly, the financial statements do not include any adjustment for the downward trend in tax collections nor any other unfavorable revenue decline.

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**East Carroll Parish Police Jury  
Management's Discussion and Analysis (MD&A)  
December 31, 2019**

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On April 1, 2020, the Police Jury issued \$450 thousand in general obligation bonds to fund constructing and improving buildings, machinery and equipment to be used in giving fire protection to the citizens of East Carroll Parish. \$338 thousand of the private placement general obligation bonds were issued with an interest rate of 4.5% and \$112 thousand were issued with an interest rate of 1.75%. The bonds will be payable over 15 years with the final payment due on March 1, 2035.

**CONTACTING THE POLICE JURY'S FINANCIAL MANAGEMENT** Our financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the Police Jury's finances and to show the Police Jury's accountability for the money it receives. If you have questions about this report or wish to request additional financial information, contact Natosha Davis, Secretary-Treasurer, at the East Carroll Parish Police Jury, 400 First Street, Lake Providence, Louisiana 71254, telephone number (318) 559-2256.

**BASIC FINANCIAL STATEMENTS**

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

**East Carroll Parish Police Jury**

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EAST CARROLL PARISH POLICE JURY

STATEMENT OF NET POSITION  
December 31, 2019

Statement A

	PRIMARY GOVERNMENT		
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
<b>ASSETS</b>			
Cash and cash equivalents	\$ 3,426,334	\$ 62,348	\$ 3,488,682
Investments	740,082	-	740,082
Receivables	2,285,410	-	2,285,410
Internal balances	1,987	(1,987)	-
Prepaid items	82,939	1,240	84,179
Cash and cash equivalents - restricted	-	2,286	2,286
Capital assets not being depreciated	945,521	-	945,521
Capital assets, net of accumulated depreciation	6,140,579	9,905	6,150,484
<b>TOTAL ASSETS</b>	<b>13,622,852</b>	<b>73,792</b>	<b>13,696,644</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows related to pensions	836,909	22,199	859,108
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>836,909</b>	<b>22,199</b>	<b>859,108</b>
<b>LIABILITIES</b>			
Accounts, salaries and other payables	150,067	1,546	151,613
Interest payable	1,210	-	1,210
Unearned Revenue	-	8,925	8,925
Long-term liabilities			
Long-term obligations due within one year	144,428	824	145,252
Long-term obligations due in more than one year	769,469	-	769,469
Net pension liability	942,142	24,990	967,132
<b>TOTAL LIABILITIES</b>	<b>2,007,316</b>	<b>36,285</b>	<b>2,043,601</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows related to pensions	70,401	1,867	72,268
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>70,401</b>	<b>1,867</b>	<b>72,268</b>
<b>NET POSITION</b>			
Net investment in capital assets	6,180,508	9,905	6,190,413
Restricted for:			
Road Maintenance	1,560,813	-	1,560,813
Garbage	553,218	-	553,218
Library	754,553	-	754,553
Drainage	692,755	-	692,755
Health Unit	648,161	-	648,161
Criminal Court	3,971	-	3,971
Debt service	1,122	-	1,122
Rural Fire Protection	507,369	-	507,369
LSU Cooperative Extension	281,688	-	281,688
Housing Assistance Payments	-	2,286	2,286
Unrestricted	1,197,886	45,648	1,243,534
<b>TOTAL NET POSITION</b>	<b>\$ 12,382,044</b>	<b>\$ 57,839</b>	<b>\$ 12,439,883</b>

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

EAST CARROLL PARISH POLICE JURY

STATEMENT OF ACTIVITIES  
For the Year Ended December 31, 2019

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES	
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS
<i>Governmental Activities:</i>			
General government:			
Legislative	\$ 70,600	\$ -	\$ -
Judicial	718,238	530,523	1,200
Elections	36,598	-	-
Finance and administrative	250,520	-	-
Other general government	406,669	-	-
Public safety	376,639	-	77,934
Public works	2,238,559	143,484	169,540
Health and welfare	124,601	-	-
Culture and recreation	427,640	10,042	-
Economic development and assistance	6,835	-	-
Transportation	29,330	5,500	-
Interest on long-term debt	29,125	-	-
Total Governmental Activities	<u>4,715,354</u>	<u>689,549</u>	<u>248,674</u>
<i>Business-Type Activities:</i>			
Health and welfare	603,858	-	583,672
Total Primary Government	<u>\$ 5,319,212</u>	<u>\$ 689,549</u>	<u>\$ 832,346</u>

General revenues:

Taxes:

Property taxes, levied for general purposes

Property taxes, levied for debt services

Sales taxes, levied for general purposes

Other taxes

Grants and contributions not restricted to specific programs

Licenses and permits

Interest and investment earnings

Miscellaneous

Total general revenues

Changes in net position

Net position - beginning

Net position - ending

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

Statement B

PRIMARY GOVERNMENT

NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION

<u>GOVERNMENTAL</u> <u>ACTIVITIES</u>	<u>BUSINESS-TYPE</u> <u>ACTIVITIES</u>	<u>TOTAL</u>
\$ (70,600)	\$ -	\$ (70,600)
(186,515)	-	(186,515)
(36,598)	-	(36,598)
(250,520)	-	(250,520)
(406,669)	-	(406,669)
(298,705)	-	(298,705)
(1,731,701)	-	(1,731,701)
(124,601)	-	(124,601)
(417,598)	-	(417,598)
(6,835)	-	(6,835)
(23,830)	-	(23,830)
(29,125)	-	(29,125)
<u>(3,583,297)</u>	<u>-</u>	<u>(3,583,297)</u>
	(20,186)	(20,186)
<u>(3,583,297)</u>	<u>(20,186)</u>	<u>(3,603,483)</u>
2,406,336	-	2,406,336
965	-	965
588,443	-	588,443
43,266	-	43,266
104,552	-	104,552
138,630	-	138,630
24,304	66	24,370
86,678	568	87,246
<u>3,393,174</u>	<u>634</u>	<u>3,393,808</u>
(190,123)	(19,552)	(209,675)
<u>12,572,167</u>	<u>77,391</u>	<u>12,649,558</u>
<u>\$ 12,382,044</u>	<u>\$ 57,839</u>	<u>\$ 12,439,883</u>

**East Carroll Parish Police Jury**

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**BASIC FINANCIAL STATEMENTS**

**Fund Financial Statements (FFS)**

EAST CARROLL PARISH POLICE JURY

GOVERNMENTAL FUNDS  
Balance Sheet  
December 31, 2019

	GENERAL	ROAD MAINTENANCE AND CONSTRUCTION	GARBAGE DISTRICT NO. 1
<b>ASSETS</b>			
Cash and cash equivalents	\$ 659,021	\$ 845,968	\$ 101,398
Investments	1,490	202,684	138,031
Receivables	675,965	377,659	352,731
Interfund receivables	37,007	171,664	-
Prepaid items	19,681	17,365	20,673
<b>TOTAL ASSETS</b>	<b>1,393,164</b>	<b>1,615,340</b>	<b>612,833</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts, salaries and other payables	22,577	37,162	30,047
Interfund payables	52,020	-	8,895
<b>Total Liabilities</b>	<b>74,597</b>	<b>37,162</b>	<b>38,942</b>
<b>Deferred Inflows of Resources:</b>			
Unavailable revenue - property taxes	33,119	29,891	32,495
<b>Total Deferred inflow of resources</b>	<b>33,119</b>	<b>29,891</b>	<b>32,495</b>
<b>Fund Balances:</b>			
Nonspendable	19,681	17,365	20,673
Restricted	-	1,530,922	520,723
Unassigned	1,265,767	-	-
<b>Total Fund Balances</b>	<b>1,285,448</b>	<b>1,548,287</b>	<b>541,396</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 1,393,164</b>	<b>\$ 1,615,340</b>	<b>\$ 612,833</b>

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

Statement C

LIBRARY	DRAINAGE MAINTENANCE	NONMAJOR GOVERNMENTAL	TOTAL
\$ 226,117	\$ 465,231	\$ 1,128,599	\$ 3,426,334
227,397	65,250	105,230	740,082
303,200	303,943	271,912	2,285,410
688	-	4,450	213,809
1,240	17,365	6,615	82,939
<u>758,642</u>	<u>851,789</u>	<u>1,516,806</u>	<u>6,748,574</u>
2,849	25,181	32,251	150,067
-	116,488	34,419	211,822
<u>2,849</u>	<u>141,669</u>	<u>66,670</u>	<u>361,889</u>
<u>29,817</u>	<u>29,891</u>	<u>24,879</u>	<u>180,092</u>
<u>29,817</u>	<u>29,891</u>	<u>24,879</u>	<u>180,092</u>
1,240	17,365	6,615	82,939
724,736	662,864	1,418,642	4,857,887
-	-	-	1,265,767
<u>725,976</u>	<u>680,229</u>	<u>1,425,257</u>	<u>6,206,593</u>
<u>\$ 758,642</u>	<u>\$ 851,789</u>	<u>\$ 1,516,806</u>	<u>\$ 6,748,574</u>

**East Carroll Parish Police Jury**

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**EAST CARROLL PARISH POLICE JURY**

**Reconciliation of the Governmental Funds  
Balance Sheet to the Statement of Net Position  
December 31, 2019**

		<b>Statement D</b>
Total fund balances - governmental funds		\$ 6,206,593
<p>The cost of capital assets (land, buildings, furniture and equipment and infrastructure ) purchased or constructed is reported as an expenditure in governmental funds. The Statement of Net Position includes those capital assets among the assets of the Police Jury as a whole. The cost of those capital assets is allocated over their estimated useful lives (as depreciation expense) to the various programs reported as governmental activities in the Statement of Activities. Because depreciation expense does not affect financial resources, it is not reported in governmental funds.</p>		
Costs of capital assets	\$ 24,214,510	
Accumulated depreciation	<u>(17,128,410)</u>	
		7,086,100
<p>Long-term assets that are not available to pay current period expenditures are reported as deferred inflows of resources: unavailable revenue - property taxes in the governmental funds and are reported as revenue in the government-wide statements.</p>		
		180,092
<p>Deferred outflows of resources related to pensions are not available to pay current period expenditures and therefore are not reported in the governmental funds.</p>		
		836,909
<p>Deferred inflows of resources related to pensions are not due and payable in the current period and accordingly are not reported in the governmental funds.</p>		
		(70,401)
<p>Long-term liabilities applicable to the Police Jury's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities - both current and long term - are reported in the Statement of Net Position.</p>		
Balances at December 31, 2019 are:		
Long-term liabilities		
Notes payable	(905,592)	
Net pension liability	(942,142)	
Compensated absences	(8,305)	
Interest payable	<u>(1,210)</u>	
		<u>(1,857,249)</u>
Net position of governmental activities		<u>\$ 12,382,044</u>

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

EAST CARROLL PARISH POLICE JURY

GOVERNMENTAL FUNDS  
 Statement of Revenues, Expenditures, and Changes  
 in Fund Balances  
 For the Year Ended December 31, 2019

	GENERAL	ROAD MAINTENANCE AND CONSTRUCTION	GARBAGE DISTRICT NO. 1
<b>REVENUES</b>			
Local sources:			
Taxes:			
Ad valorem	\$ 442,387	\$ 399,264	\$ 459,791
Sales and use	58,844	529,599	-
Other taxes	27,045	-	-
Licenses and permits	138,630	-	-
Fines and forfeitures	-	-	-
Fees, charges, and commissions for services	313,304	-	21,278
Use of money and property	18,699	5,728	3,708
Other revenues	130,871	52,516	17,854
Intergovernmental revenues:			
State sources:			
Parish transportation funds	-	135,404	-
State revenue sharing	8,680	7,832	5,429
Other	95,094	156,721	-
Federal sources - federal grants	62,620	-	3,871
Total Revenues	<u>1,296,174</u>	<u>1,287,064</u>	<u>511,931</u>
<b>EXPENDITURES</b>			
Current:			
General government:			
Legislative	70,600	-	-
Judicial	182,224	-	-
Elections	34,572	-	-
Finance and administrative	170,132	-	-
Other general government	352,773	-	-
Public safety	207,198	-	-
Public works	34,387	860,280	402,748
Health and welfare	8,424	-	-
Culture and recreation	-	-	-
Economic development and assistance	6,835	-	-
Transportation	1,063	-	-
Capital outlay	15,048	737,072	235,903
Debt service:			
Principal retirement	-	39,194	65,134
Interest and bank charges	-	10,788	17,388
Total Expenditures	<u>1,083,256</u>	<u>1,647,334</u>	<u>721,173</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>\$ 212,918</u>	<u>\$ (360,270)</u>	<u>\$ (209,242)</u>

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

Statement E

LIBRARY	DRAINAGE MAINTENANCE	NONMAJOR GOVERNMENTAL	TOTAL
\$ 398,288	\$ 399,264	\$ 341,395	\$ 2,440,389
-	-	-	588,443
-	-	-	27,045
-	-	-	138,630
-	-	415,370	415,370
10,042	803	-	345,427
5,777	2,129	3,263	39,304
1,057	-	3,120	205,418
-	-	-	135,404
7,812	7,832	3,338	40,923
-	-	15,314	267,129
-	-	37,113	103,604
<u>422,976</u>	<u>410,028</u>	<u>818,913</u>	<u>4,747,086</u>
-	-	-	70,600
-	-	488,258	670,482
-	-	-	34,572
-	-	100,013	270,145
-	-	-	352,773
-	-	99,016	306,214
-	360,846	-	1,658,261
-	-	100,205	108,629
391,846	-	-	391,846
-	-	-	6,835
-	-	-	1,063
-	59,605	45,213	1,092,841
-	-	70,000	174,328
-	-	788	28,964
<u>391,846</u>	<u>420,451</u>	<u>903,493</u>	<u>5,167,553</u>
\$ 31,130	\$ (10,423)	\$ (84,580)	\$ (420,467)

(Continued)

EAST CARROLL PARISH POLICE JURY

GOVERNMENTAL FUNDS  
 Statement of Revenues, Expenditures, and Changes  
 in Fund Balances  
 For the Year Ended December 31, 2019

	GENERAL	ROAD MAINTENANCE AND CONSTRUCTION	GARBAGE DISTRICT NO. 1
OTHER FINANCING SOURCES (USES)			
Transfers in	\$ -	\$ -	\$ -
Transfers out	(59,724)	-	-
Note proceeds	-	500,000	235,903
Total Other Financing Sources (Uses)	(59,724)	500,000	235,903
Net Change in Fund Balances	153,194	139,730	26,661
FUND BALANCES - BEGINNING	1,132,254	1,408,557	514,735
FUND BALANCES - ENDING	\$ 1,285,448	\$ 1,548,287	\$ 541,396

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

Statement E

LIBRARY	DRAINAGE MAINTENANCE	NONMAJOR GOVERNMENTAL	TOTAL
\$ -	\$ -	\$ 59,724	\$ 59,724
-	-	-	(59,724)
-	-	-	735,903
-	-	59,724	735,903
31,130	(10,423)	(24,856)	315,436
694,846	690,652	1,450,113	5,891,157
<u>\$ 725,976</u>	<u>\$ 680,229</u>	<u>\$ 1,425,257</u>	<u>\$ 6,206,593</u>

(Concluded)

**EAST CARROLL PARISH POLICE JURY**

**Reconciliation of the Governmental Funds  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
to the Statement of Activities  
For the Year Ended December 31, 2019**

		<b>Statement F</b>
Total net change in fund balances - governmental funds	\$	315,436
Amounts reported for governmental activities in the Statement of Activities are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the period.		
Capital outlay	\$ 1,094,737	
Depreciation expense	<u>(524,740)</u>	
		569,997
Capital assets disposed of prior to being fully depreciated results in a loss on disposal for the Statement of Activities, however, the loss is not recognized in the governmental funds.		(277,551)
Repayment of bond principal and notes payable are an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		174,328
Issuance of long-term debt provides current financial resources of governmental funds but has no effect on government-wide net position.		(735,903)
In the Statement of Activities, certain operating expenses-compensated absences (vacations and sick leave) - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid).		(1,584)
The recognition of pension expense in the Statement of Activities is based on projected benefit payments discounted to actuarial present value and attributed to periods of employee service. Pension expenditures in the governmental funds are the amounts actually paid.		(201,597)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds.		(33,088)
Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.		<u>(161)</u>
Change in net position of governmental activities	\$	<u>(190,123)</u>

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

EAST CARROLL PARISH POLICE JURY

PROPRIETARY FUND TYPE - ENTERPRISE FUND

Statement of Net Position

December 31, 2019

	Statement G
	<u>SECTION 8 VOUCHER</u>
ASSETS	
Current Assets:	
Cash and cash equivalents	\$ 62,348
Prepaid items	1,240
Cash and cash equivalents - restricted	<u>2,286</u>
Total Current Assets	65,874
Non-Current Assets:	
Property, plant and equipment (net of accumulated depreciation)	<u>9,905</u>
Total Non-Current Assets	<u>9,905</u>
TOTAL ASSETS	<u>75,779</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	<u>22,199</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>22,199</u>
LIABILITIES	
Current Liabilities:	
Accounts payable	1,546
Interfund payables	1,987
Unearned Revenue	8,925
Compensated absences payable	<u>824</u>
Total Current Liabilities	13,282
Noncurrent Liabilities:	
Net pension liability	<u>24,990</u>
Total Noncurrent Liabilities	<u>24,990</u>
TOTAL LIABILITIES	<u>38,272</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred outflows related to pensions	<u>1,867</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>1,867</u>
NET POSITION	
Net investment in capital assets	9,905
Restricted for HAP (Expendable)	2,286
Unrestricted	<u>45,648</u>
TOTAL NET POSITION	<u>\$ 57,839</u>

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

EAST CARROLL PARISH POLICE JURY

PROPRIETARY FUND TYPE - ENTERPRISE FUND  
 Statement of Revenues, Expenses,  
 and Changes in Fund Net Position  
 For the Year Ended December 31, 2019

	Statement H
	<u>SECTION 8 VOUCHER</u>
OPERATING REVENUES	
Federal Grants	\$ 583,672
Miscellaneous income	568
Total operating revenues	<u>584,240</u>
OPERATING EXPENSES	
Administration	87,356
Housing assistance payments	513,201
Depreciation	3,301
Total operating expenses	<u>603,858</u>
OPERATING INCOME (LOSS) FROM OPERATIONS	(19,618)
NONOPERATING REVENUES (EXPENSES)	
Interest income	66
NET CHANGE IN NET POSITION	(19,552)
NET POSITION - BEGINNING OF YEAR	<u>77,391</u>
NET POSITION - END OF YEAR	<u>\$ 57,839</u>

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

EAST CARROLL PARISH POLICE JURY

PROPRIETARY FUND TYPE - ENTERPRISE FUND

Statement of Cash Flows

For the Year Ended December 31, 2019

	Statement I
	SECTION 8 VOUCHER
	<hr/>
CASH FLOWS FROM OPERATING ACTIVITIES	
Payments to vendors	\$ (36,718)
Payments to employees	(41,601)
Payments to private landlords and others	(513,191)
Federal grants	592,198
Miscellaneous receipts	5,047
	<hr/>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	5,735
	<hr/>
CASH FLOW FROM INVESTING ACTIVITIES	
Interest and dividends	66
	<hr/>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	66
	<hr/>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	5,801
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	58,833
	<hr/>
CASH AND CASH EQUIVALENTS AT END OF YEAR	64,634
	<hr/> <hr/>
RECONCILIATION TO THE STATEMENT OF NET POSITION:	
Cash and cash equivalents	62,348
Cash and cash equivalents - restricted	2,286
	<hr/>
CASH AND CASH EQUIVALENTS AT END OF YEAR	64,634
	<hr/> <hr/>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:	
Operating income (loss)	(19,618)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	3,301
(Increase) decrease in accounts receivable	211
(Increase) decrease in interfund receivable	4,479
(Increase) decrease in prepaid expenses	1,510
(Increase) decrease in deferred outflows related to pensions	(13,891)
(Increase) decrease in net pension liability	28,775
Increase (decrease) in accounts payable	(955)
Increase (decrease) in interfund payable	2,125
Increase (decrease) in unearned revenue	8,526
Increase (decrease) in compensated absences	824
Increase (decrease) in deferred inflows related to pensions	(9,552)
	<hr/>
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 5,735
	<hr/> <hr/>

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

**East Carroll Parish Police Jury  
Notes to the Financial Statements  
December 31, 2019**

	<u>Page</u>
<b>INDEX</b>	
NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES .....	41
A. REPORTING ENTITY .....	41
B. FUNDS.....	42
C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING .....	43
D. ENCUMBRANCES.....	44
E. CASH AND CASH EQUIVALENTS.....	45
F. INVESTMENTS.....	45
G. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES (FFS).....	46
H. ELIMINATION AND RECLASSIFICATIONS .....	46
I. PREPAID ITEMS .....	46
J. CAPITAL ASSETS .....	46
K. COMPENSATED ABSENCES.....	46
L. LIABILITIES .....	47
M. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES.....	47
N. PENSION PLAN .....	48
O. RESTRICTED NET POSITION.....	48
P. FUND BALANCES OF FUND FINANCIAL STATEMENTS .....	48
Q. INTERFUND TRANSACTIONS.....	48
R. SALES TAXES.....	49
S. UNEARNED REVENUES.....	49
T. USE OF ESTIMATES.....	49
NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY.....	49
NOTE 3 - LEVIED TAXES .....	49
NOTE 4 - DEPOSITS.....	51
NOTE 5 - INVESTMENTS.....	51
NOTE 6 - RECEIVABLES .....	52
NOTE 7 - INTERFUND TRANSACTIONS (FFS LEVEL ONLY).....	52
NOTE 8 - CAPITAL ASSETS .....	53
NOTE 9 - PENSION PLAN .....	54
NOTE 10 - ACCOUNTS, SALARIES AND OTHER PAYABLES .....	58
NOTE 11 - LONG-TERM LIABILITIES .....	59
NOTE 12 - LITIGATION, CLAIMS AND COMMITMENTS .....	60
NOTE 13 - RISK MANAGEMENT.....	60
NOTE 14 - FUND BALANCE CLASSIFICATION DETAILS .....	60
NOTE 15 - TAX ABATEMENTS.....	61
NOTE 16 - CHANGE IN PRESENTATION.....	61
NOTE 17 - SUBSEQUENT EVENTS .....	61
NOTE 18 - NEW GASB STANDARD.....	62

**East Carroll Parish Police Jury**  
**Notes to the Financial Statements**  
**December 31, 2019**

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

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

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

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

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

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

**East Carroll Parish Police Jury  
Notes to the Financial Statements  
December 31, 2019**

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

<u>Component Unit</u>	<u>Method of Inclusion</u>	<u>Fiscal Year End</u>	<u>Criteria Used</u>
<b>Included within the reporting entity:</b>			
Sixth Judicial District Criminal Court (East Carroll Parish)	Blended	December 31	2 and 3
LSU Cooperative Extension Service	Blended	December 31	2 and 3
<b>Not included within the reporting entity:</b>			
<b>East Carroll Parish:</b>			
Sheriff	Discrete	June 30	3
Assessor	Discrete	December 31	3
Clerk of Court	Discrete	June 30	3
Community Action Agency of East Carroll Parish	Discrete	December 31	2 and 3

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

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

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

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

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

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

**Road Maintenance and Construction fund** - This fund accounts for ad valorem and sales tax used to maintain the parish roads, streets and bridges.

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

**East Carroll Parish Police Jury**  
**Notes to the Financial Statements**  
**December 31, 2019**

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

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

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

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

### C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

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

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

### **Fund Financial Statements (FFS)**

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

**East Carroll Parish Police Jury**  
**Notes to the Financial Statements**  
**December 31, 2019**

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

**Revenues** Ad valorem taxes and the related state revenue sharing are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed on a calendar-year basis and attach as an enforceable lien and become due and payable on the date the tax rolls are filed with the recorder of mortgages. Louisiana Revised Statute 47:1993 requires that the tax roll be filed on or before November 15 of each year. Ad valorem taxes become delinquent if not paid by December 31. The taxes are normally collected in December of the current year and January and February of the ensuing year.

Sales taxes are susceptible to accrual.

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

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

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

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

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

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

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

**Proprietary Funds**

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

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

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

**East Carroll Parish Police Jury**  
**Notes to the Financial Statements**  
**December 31, 2019**

**E. CASH AND CASH EQUIVALENTS** Cash includes amounts in demand deposits and interest-bearing demand deposits, and time deposit accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the Police Jury may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

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

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

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

Definitions:

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

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

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

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA-R.S. 33:2955.

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

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company. An annual audit of LAMP is conducted by an independent certified public accountant. The Legislative Auditor of the state of Louisiana has full access to the records of the LAMP.

LAMP issues financial reports. These financial reports can be obtained by writing: LAMP, Inc., 650 Poydras Street, Suite 2220, New Orleans, LA 70130 or at [www.lamppool.com](http://www.lamppool.com).

**East Carroll Parish Police Jury  
Notes to the Financial Statements  
December 31, 2019**

**G. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES (FFS)** During the course of operations, numerous transactions occur between individual funds for services rendered. These receivables and payables are classified as interfund receivables/payables on the balance sheet. Short-term interfund loans are also classified as interfund receivables/payables.

**H. ELIMINATION AND RECLASSIFICATIONS** In the process of aggregating data for the Statement of Net Position and the Statement of Activities some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities column.

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

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

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

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

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

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

**East Carroll Parish Police Jury**  
**Notes to the Financial Statements**  
**December 31, 2019**

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

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

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

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

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

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

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

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

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

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

**M. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES** In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow or resources (expense/expenditure) until then. The Police Jury has one item, deferred outflows related to pensions that qualifies in this category and is reported only in the governmental activities.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources until that time. The Police Jury has one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, *unavailable* revenue, is reported only in the governmental funds balance sheet as unavailable property taxes. These amounts are referred and recognized as an inflow of resources in the period that the amounts become available. The Police Jury also has one item, deferred inflows related to pensions that qualifies in this category and is reported only in the governmental activities.

**East Carroll Parish Police Jury  
Notes to the Financial Statements  
December 31, 2019**

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

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

Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments;

Imposed by law through constitutional provisions or enabling legislation. All of the Police Jury's restricted net position are restricted by enabling legislation except for net position restricted for housing assistance payments.

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

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

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

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

**Committed:** Fund balance that can only be used for specific purposes determined by the Police Jury's highest level of decision making authority. Committed amounts cannot be used for any other purpose unless the Police Jury removes or changes the specified use by taking the same type of action it employed to previously commit the funds. Committed fund balance is the result of resolutions passed at a Jury meeting committing the funds.

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

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

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

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

**East Carroll Parish Police Jury  
Notes to the Financial Statements  
December 31, 2019**

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

**R. SALES TAXES** The Police Jury has a one percent sales and use tax, which was originally passed by the voters on October 16, 1993, for a period of five years and has been subsequently renewed. The taxing period for the current renewal is effective from January 1, 2014 through December 31, 2023. The net proceeds of the tax (after necessary costs of collection) are to be used to construct, operate, and maintain parish public roads, drainage canals, and public bridges, with ten percent of the proceeds used exclusively for insurance premiums.

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

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

**NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**Excess of Actual Expenditures Over Budgeted Expenditures in Individual Funds** The following funds had actual expenditures which exceeded budgeted expenditures for the year ended December 31, 2019:

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Library	\$ 369,127	\$ 390,262	\$ (21,135)

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

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

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

Property Tax Calendar

Jury Levy date	July 2019
Tax bills mailed	November 2019
Due date	December 31, 2019
Lien date	January 1, 2020
Tax sale – 2020 delinquent property	June 2020

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

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

**East Carroll Parish Police Jury  
Notes to the Financial Statements  
December 31, 2019**

A revaluation of all property is required after 1978 to be completed no less than every four years. The last revaluation was completed in 2016. Louisiana state law exempts the first \$75,000 of assessed value of a taxpayer's primary residence from parish property taxes. For calendar year 2019, the total assessed value was \$54,347,170 and the homestead exemption was \$5,554,473 of the assessed value.

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

All property taxes are recorded in the General fund, Road Maintenance and Construction special revenue fund, Drainage Maintenance special revenue fund, Garbage District No. 1 special revenue fund, Rural Fire special revenue fund, Library special revenue fund, Health Unit special revenue fund, LSU Cooperative Extension Service special revenue fund and the Fire Bond Debt Service fund. Revenues in such funds are recognized in the accounting period in which they become measurable and available. Property taxes are considered measurable in the calendar year of the tax levy. Estimated uncollectible taxes are those taxes based on past experience which will not be collected in the subsequent year and are primarily due to subsequent adjustments to the tax roll. Available means due, or past due, and receivable within the current period and collected within the current period or expected to be collected soon enough thereafter to pay liabilities of the current period. The remaining property taxes receivable are considered available because they are substantially collected within 60 days subsequent to year end.

The tax roll is prepared by the parish tax assessor in November of each year; therefore, the amount of 2019 property taxes to be collected occurs in December and January and February of the next year. Historically, virtually all ad valorem taxes receivable were collected since they are secured by property; therefore, there is no allowance for uncollectible taxes.

The following is a summary of authorized and levied ad valorem taxes for the year ended December 31, 2019:

	Maximum Allowed <u>Millage</u>	Levied <u>Millage</u>	Expiration <u>Date</u>
Parish-wide taxes:			
General fund	6.60	6.60	Indefinite
Courthouse maintenance	2.53	2.53	2019
Roads and bridges	8.24	8.24	2022
Drainage maintenance	8.24	8.24	2022
Library and bookmobile	8.22	8.22	2019
Health unit	2.00	2.00	2027
Cooperative extension program	2.74	2.74	2019
District taxes:			
Rural fire protection	2.76	2.76	2028
Garbage collection and disposal	11.67	11.67	2020

**East Carroll Parish Police Jury  
Notes to the Financial Statements  
December 31, 2019**

**NOTE 4 - DEPOSITS** At December 31, 2019, the Police Jury had cash and cash equivalents (book balances) as follows:

Demand deposits (cash and cash equivalents per Statement A)	\$ 3,488,682
Demand deposits (cash and cash equivalents - restricted per Statement A)	2,286
Time deposits (reported as investments)	110,309
Total	\$ 3,601,277

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

**Custodial Credit Risk-Deposits.** At year end, the Police Jury had a bank balance of \$3,834,183 of which \$610,309 was covered by federal depository insurance and \$3,223,874 was secured by collateral held by the Police Jury's agent but not in the Police Jury's name. The Police Jury's policy does not address custodial credit risk.

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

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

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

<u>Type of investment</u>	<u>Carrying Amount Fair Value</u>
Certificate of deposit	\$ 110,309
LAMP	629,773
Total	\$ 740,082

LAMP is a LAMP is an investment pool that, to the extent practical, invests in a manner consistent with GASB Statement No. 79. The following facts are relevant for investment pools:

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

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

**Concentration of credit risk:** Pooled investments are excluded from the 5 percent disclosure requirement.

**Interest rate risk:** LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days and consists of no securities with a maturity in excess of 397 days or 762 days for U.S. Government floating/variable rate investments.

**Foreign currency risk:** Not applicable.

**East Carroll Parish Police Jury**  
**Notes to the Financial Statements**  
**December 31, 2019**

**NOTE 6 - RECEIVABLES** The following is a summary of receivables at December 31, 2019:

	<u>Ad Valorem</u>	<u>Other taxes</u>	<u>Intergovernmental</u>	<u>Other</u>	<u>Total</u>
General	\$ 333,901	\$ 7,623	\$ 205,913	\$ 128,528	\$ 675,965
Road Maintenance and Construction	301,354	49,052	13,383	13,870	377,659
Garbage District No. 1	349,579	-	1,826	1,326	352,731
Library	300,617	-	2,583	-	303,200
Drainage Maintenance	301,354	-	2,589	-	303,943
Nonmajor Governmental	258,199	-	1,061	12,652	271,912
Total	<u>\$ 1,845,004</u>	<u>\$ 56,675</u>	<u>\$ 227,355</u>	<u>\$ 156,376</u>	<u>\$ 2,285,410</u>

Historically, virtually all ad valorem taxes receivables were collected since they are secured by property; therefore, no allowance for doubtful accounts has been established for ad valorem taxes. The Police Jury has established a \$4,475 allowance for doubtful accounts in the General fund's other receivable related to hanger rents. The remaining balances of accounts receivable are expected to be collected in full.

**NOTE 7 - INTERFUND TRANSACTIONS (FFS LEVEL ONLY)**

***Interfund receivable/payable:***

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General fund	Garbage District No. 1	\$ 8,895
General fund	Drainage Maintenance	16,488
General fund	Nonmajor Governmental	9,637
Road Maintenance and Construction	General fund	46,882
Road Maintenance and Construction	Drainage Maintenance	100,000
Road Maintenance and Construction	Nonmajor Governmental	24,782
Library	General fund	688
Nonmajor Governmental	General fund	4,450
General fund	Section 8	1,987
Total		<u>\$ 213,809</u>

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

***Interfund transfers:***

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
Nonmajor Governmental	General fund	\$ 59,724
Total		<u>\$ 59,724</u>

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

**East Carroll Parish Police Jury**  
**Notes to the Financial Statements**  
**December 31, 2019**

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

	Balance Beginning	Additions	Deletions	Balance Ending
Governmental activities				
Nondepreciable capital assets:				
Land	\$ 274,665	\$ -	\$ -	\$ 274,665
Airport land	101,000	-	-	101,000
Infrastructure: Road right-of-way	558,234	-	-	558,234
Construction in progress	1,407,725	223,589	1,619,692	11,622
Total non-depreciable capital assets	<u>2,341,624</u>	<u>223,589</u>	<u>1,619,692</u>	<u>945,521</u>
Depreciable capital assets:				
Buildings	2,780,483	-	-	2,780,483
Furniture & office equipment	462,317	26,065	3,528	484,854
Construction equipment	2,195,603	558,986	17,912	2,736,677
Vehicles	3,188,241	286,097	38,988	3,435,350
Infrastructure:				
Airport	1,155,666	-	-	1,155,666
Road surface	9,140,845	-	-	9,140,845
Bridges	1,759,091	-	-	1,759,091
Drainage	430,295	1,345,728	-	1,776,023
Total depreciable capital assets	<u>21,112,541</u>	<u>2,216,876</u>	<u>60,428</u>	<u>23,268,989</u>
Less accumulated depreciation:				
Buildings	1,850,270	53,279	-	1,903,549
Furniture & equipment	378,861	20,716	3,528	396,049
Construction equipment	1,367,281	171,222	17,912	1,520,591
Vehicles	2,754,071	145,596	35,401	2,864,266
Infrastructure:				
Airport	371,374	28,266	-	399,640
Road surface	8,610,909	35,595	-	8,646,504
Bridges	1,301,927	25,940	-	1,327,867
Drainage	25,818	44,126	-	69,944
Total accumulated depreciation	<u>16,660,511</u>	<u>524,740</u>	<u>56,841</u>	<u>17,128,410</u>
Total depreciable capital assets, net	<u>4,452,030</u>	<u>1,692,136</u>	<u>3,587</u>	<u>6,140,579</u>
Governmental activities				
Capital assets, net	<u>\$ 6,793,654</u>	<u>\$ 1,915,725</u>	<u>\$ 1,623,279</u>	<u>\$ 7,086,100</u>

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

Elections	\$ 2,026
Other general government	5,163
Public Safety	76,791
Public Works	381,955
Health & Welfare	27,798
Culture & Recreation	2,740
Transportation	28,267
Total	<u>\$ 524,740</u>

**East Carroll Parish Police Jury  
Notes to the Financial Statements  
December 31, 2019**

During the current year, the Police Jury abandoned two ongoing construction projects totaling \$273,964 due to the State defunding one project and the feasibility of the other project. The abandoned projects consisted of engineering fees and are included in public works expense on Statement B.

The following schedule presents changes in capital assets for the business-type activities.

	Balance Beginning	Additions	Deletions	Balance Ending
Depreciable capital assets				
Furniture & fixtures	\$ 3,131	\$ -	\$ -	\$ 3,131
Vehicles	28,873	-	-	28,873
Total	<u>32,004</u>	<u>-</u>	<u>-</u>	<u>32,004</u>
Less accumulated depreciation				
Furniture & equipment	3,131	-	-	3,131
Vehicles	15,667	3,301	-	18,968
Total	<u>18,798</u>	<u>3,301</u>	<u>-</u>	<u>22,099</u>
Business-type activities capital assets, net	<u>\$ 13,206</u>	<u>\$ (3,301)</u>	<u>\$ -</u>	<u>\$ 9,905</u>

**NOTE 9 - PENSION PLAN** The Police Jury is a participating employer in a statewide, public employee retirement system, the Parochial Employees' Retirement System of Louisiana (System). The System has a separate board of trustees and administers a cost-sharing, multiple-employer defined benefit pension plan. The System is composed of two plans, Plan A and Plan B, with separate asset and benefit provisions. All employees of the Police Jury are members of Plan A. The authority to establish and amend the benefit terms of the System was granted to the Board of Trustees and the Louisiana Legislature by Title 11 of the Louisiana Revised Statutes. The System issues a public report that includes financial statements and required supplementary information. Copies of the report for the System may be obtained at [www.persla.org](http://www.persla.org).

**General Information about the Pension Plan**

**Plan Descriptions/Benefits Provided:**

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

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

Generally, the monthly amount of the retirement allowance shall consist of an amount equal to 3% of the member's final average compensation multiplied by the member's years of creditable service. However, under certain conditions as outlined in the statutes the benefits are limited to specified amounts.

A member is eligible to retire and receive disability benefits if the member has at least 5 years of creditable service, is not eligible for normal retirement and has become totally and permanently disabled and is certified as disabled

**East Carroll Parish Police Jury  
Notes to the Financial Statements  
December 31, 2019**

by the State Medical Disability Board. A member who joins the System on or after January 1, 2007, must have at least 7 years of service to qualify for disability benefits.

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

**Deferred Retirement Option Plan:**

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

**Cost of Living Adjustments**

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

**Contributions**

Contributions for all members are established by statute at 9.5% of compensation and are deducted from the member's salary and remitted by the participating employer. According to state statute, contributions for all employers are actuarially determined each year. For the year ended December 31, 2019, the actuarially determined contribution rate was 12.18% of member's compensation. However, the actual rate for fiscal year ending December 31, 2019 was 11.5% or \$147,990. According to state statute, the System also receives ¼ of 1% of ad valorem taxes collected within the respective parishes except for Orleans and East Baton Rouge parishes. The System also receives revenue sharing funds each year as appropriated by the Legislature. Tax monies and revenue sharing monies are apportioned between Plan A and Plan B in proportion to the member's compensation. These additional sources of income are used as additional employer contributions and are considered support from non-contributing entities. The Police Jury's proportionate share of nonemployer contributions was \$16,651 and was recognized as revenue by the Police Jury.

**Pension Liability (Asset), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At December 31, 2019, the Police Jury reported a net pension liability (asset) of \$967,132, \$942,142 for governmental activities and \$24,990 for business-type activities, for its proportionate share of the net pension liability (asset) (NPL). The NPL will be liquidated through contributions to the pension plan from the governmental fund in which the related salary was paid. The NPL was measured as of December 31, 2018, and the total pension liability (assets) used to calculate the NPL were determined by actuarial valuations as of that date. The Police Jury's proportions of the NPL were based on projections of the Police Jury's long-term share of contributions to the pension plan relative to the projected contribution of all participating employers, actuarially determined. As of December 31, 2018, the most recent measurement date, the Police Jury's proportions and the changes in proportion from the prior measurement date was 0.217903%, or an increase of 0.016362%.

**East Carroll Parish Police Jury**  
**Notes to the Financial Statements**  
**December 31, 2019**

For the year ended December 31, 2019, the Police Jury recognized a total pension expense of \$371,570, \$361,984 for governmental activities and \$9,586 for business-type activities. The Police Jury reported deferred outflows of resources and deferred inflows of resources related to pensions as components of unrestricted net position from the following sources:

	Governmental Activities		Business-Type Activities		Total	
	Deferred Outflows	Deferred Inflows	Deferred Outflows	Deferred Inflows	Deferred Outflows	Deferred Inflows
Differences between expected and actual experience	\$ -	\$ 57,398	\$ -	\$ 1,522	\$ -	\$ 58,920
Changes in assumptions	235,567	-	6,248	-	241,815	-
Net difference between projected and actual earnings on pension plan investments	451,006	-	11,963	-	462,969	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	6,170	13,003	164	345	6,334	13,348
Employer contributions subsequent to the measurement date	144,166	-	3,824	-	147,990	-
Total	\$ 836,909	\$ 70,401	\$ 22,199	\$ 1,867	\$ 859,108	\$ 72,268

Deferred outflows of resources related to pensions resulting from the Police Jury's contributions subsequent to the measurement date will be recognized as a reduction of the NPL in the year ended December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	Governmental Activities	Business-Type Activities	Total
2020	\$ 212,723	\$ 5,642	\$ 218,365
2021	115,062	3,052	118,114
2022	95,326	2,529	97,855
2023	199,231	5,285	204,516

**East Carroll Parish Police Jury  
Notes to the Financial Statements  
December 31, 2019**

*Actuarial Assumptions*

A summary of the actuarial methods and assumptions used in determining the total pension liability as of December 31, 2018 are as follows:

Valuation Date	December 31, 2018
Actuarial Cost Method	Entry Age Normal Cost
Expected Remaining Service Lives	4 years
Investment Rate of Return	6.50%, net of investment expense, including inflation
Inflation Rate	2.40%
Mortality	For annuitant and beneficiary mortality, the Pub-2010 Public Retirement Plans Mortality Table for General Healthy Retirees was used. For employees, the Pub-2010 Public Retirement Plans Mortality Table for General Employees was used. For disabled annuitants, the Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees was used. These mortality tables were multiplied by 130% for males and 125% for females, each with full generational projection using the MP2018 scale.
Termination, Disability, Retirement	Projected based on a 5 year (January 1, 2013 - December 31, 2017) experience study
Projected Salary Increases	4.75% (2.35% Merit/2.40% Inflation)
Cost of Living Adjustments	Not substantively automatic

*Discount Rate:* The discount rate used to measure the total pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers and non-employer contributing entities will be made at the actuarially determined contribution rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Due to an updated actuarial experience study (January 1, 2013 – December 31, 2017) from the previous experience study (January 1, 2010 – December 31, 2014) and expectations of future experience, mortality, retirement, DROP entry, and withdrawal rates used in the December 31, 2018 valuation were changed. The mortality tables changed from RP-2000 Healthy Annuitant Sex Distinct Tables (set forward 2 years for males and set forward 1 year for females) projected to 2031 using Scale AA for annuitant and beneficiary mortality, the RP-2000 Employees Sex Distinct Tables (set back 4 years for males and 3 years for females) for employees and the RP-2000 Disabled Lives Mortality Table (set back 5 years for males and set back 3 years for females) for disabled annuitants to the mortality tables listed above. The inflation rate was reduced from 2.50% to 2.40%, the projected salary increases was reduced from 5.25% to 4.75% and the discount rate was reduced from 6.75% to 6.50%. The discount rate was reduced in accordance with the System's desire for conservatism in the Plan and the desire to reduce the long-term risk of the retirement fund.

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

**East Carroll Parish Police Jury  
Notes to the Financial Statements  
December 31, 2019**

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 7.43% for the year ended December 31, 2018.

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, 2018 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed income	35%	1.22%
Equity	52%	3.45%
Alternatives	11%	0.65%
Real assets	2%	0.11%
Total	<u>100%</u>	<u>5.43%</u>
Inflation		<u>2.00%</u>
Expected arithmetic nominal return		<u>7.43%</u>

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

1.0% Decrease	Current Discount Rate	1.0% Increase
<u>5.50%</u>	<u>6.50%</u>	<u>7.50%</u>
\$ 2,053,928	\$ 967,132	\$ 58,664

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

*Payables to the Pension Plan.* At December 31, 2019, the Police Jury had \$1,077 in payables for the December 2019 employee and employer legally required contributions.

**NOTE 10 - ACCOUNTS, SALARIES, AND OTHER PAYABLES** Payables at December 31, 2019 are as follows:

	Accounts Payable	Salaries & Benefits Payable	Total
General	\$ 22,577	\$ -	\$ 22,577
Road Maintenance and Construction	26,846	10,316	37,162
Garbage District No. 1	21,458	8,589	30,047
Library	2,849	-	2,849
Drainage Maintenance	25,181	-	25,181
Nonmajor Governmental	30,985	1,266	32,251
Section 8 Voucher	1,546	-	1,546
Total	<u>\$ 131,442</u>	<u>\$ 20,171</u>	<u>\$ 151,613</u>

**East Carroll Parish Police Jury**  
**Notes to the Financial Statements**  
**December 31, 2019**

**NOTE 11 - LONG-TERM OBLIGATIONS** The following is a summary of the long-term liabilities transactions and balances for the year ended December 31, 2019:

**Governmental Activities**

	Beginning Balance	Additions	Deletions	Ending Balance	Amounts Due Within One year
Governmental Activities:					
Direct Placement: Bonds payable:					
General obligation debt	\$ 70,000	\$ -	\$ 70,000	\$ -	\$ -
Other Liabilities:					
Notes payable	274,017	735,903	104,328	905,592	136,123
Compensated absences	6,721	34,716	33,132	8,305	8,305
Governmental Activities					
Long-term liabilities	<u>\$ 350,738</u>	<u>\$ 770,619</u>	<u>\$ 207,460</u>	<u>\$ 913,897</u>	<u>\$ 144,428</u>

Payments on the general obligation bonds payable that pertain to the Police Jury's governmental activities are made by the Debt Service fund. The compensated absences liability attributable to the governmental activities will be liquidated by the fund in which the salary is paid. The notes payable were paid from the Road Maintenance and Construction funds and the Garbage District No. 1 fund.

Information about the changes in the net pension liability are contained in Note 9.

Notes payable consists of the following:

	<u>Original Amount</u>	<u>Interest Rate</u>	<u>Final Payment Due</u>	<u>Interest to Maturity</u>	<u>Principal Outstanding</u>
2018	\$ 136,395	4.651%	March 20, 2023	\$ 7,154	\$ 91,081
2018	155,533	4.875%	July 5, 2023	10,591	115,235
2019	235,903	4.450%	March 29, 2025	25,840	209,737
2019	500,000	3.550%	September 16, 2029	90,315	489,539
				<u>\$ 133,900</u>	<u>\$ 905,592</u>

The notes payable are due as follows:

	<u>Principal</u>	<u>Interest</u>
2020	\$ 136,123	\$ 33,903
2021	142,094	27,931
2022	148,335	21,691
2023	115,670	15,691
2024	92,628	11,716
2025-2029	270,742	22,968
	<u>\$ 905,592</u>	<u>\$ 133,900</u>

**East Carroll Parish Police Jury  
Notes to the Financial Statements  
December 31, 2019**

**Business-Type Activities**

	Beginning Balance	Additions	Deletions	Ending Balance	Amounts Due Within One year
Business-type Activities:					
Other Liabilities:					
Compensated absences	\$ -	\$ 3,014	\$ 2,190	\$ 824	\$ 824
Total Business-type Activities					
Long-term liabilities	\$ -	\$ 3,014	\$ 2,190	\$ 824	\$ 824

**NOTE 12 - LITIGATION, CLAIMS AND COMMITMENTS**

**Litigation** At December 31, 2019, the Police Jury is not involved in any litigation, therefore, they have not sought legal counsel.

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

**NOTE 13 - RISK MANAGEMENT** The Police Jury is at risk for property damage, liability and theft which are covered by commercial insurance through the Louisianan Rural Parish Insurance Cooperative, a self-insurance fund. This self-insurance program is a public entity risk pool which was approved by the State of Louisiana Insurance Commission. The cooperative operates as any other commercial insurance company. Three insurance companies currently share the excess coverage insurance. The first \$100,000 of all coverage is self-funded by the combined contributions of the members. No additional assessments can be made against the Police Jury. The Police Jury is responsible only for the payment of premiums. The amount of settlements have not exceeded insurance coverage for any of the past three years.

**NOTE 14 - FUND BALANCE CLASSIFICATION DETAILS**

	General Fund	Road Maintenance and Construction	Garbage District No. 1	Library	Drainage Maintenance	Nonmajor Governmental	Total
Nonspendable:							
Prepays	\$ 19,681	\$ 17,365	\$ 20,673	\$ 1,240	\$ 17,365	\$ 6,615	\$ 82,939
Restricted for:							
Road Maintenance and Construction	-	1,530,922	-	-	-	-	1,530,922
Garbage	-	-	520,723	-	-	-	520,723
Library	-	-	-	724,736	-	-	724,736
Drainage Maintenance	-	-	-	-	662,864	-	662,864
Debt Service	-	-	-	-	-	2,332	2,332
Rural Fire Protection	-	-	-	-	-	499,684	499,684
LSU Cooperative Extension	-	-	-	-	-	271,749	271,749
Health Unit	-	-	-	-	-	640,906	640,906
Criminal Court	-	-	-	-	-	3,971	3,971
Unassigned	1,265,767	-	-	-	-	-	1,265,767
Total	\$ 1,285,448	\$ 1,548,287	\$ 541,396	\$ 725,976	\$ 680,229	\$ 1,425,257	\$ 6,206,593

**East Carroll Parish Police Jury  
Notes to the Financial Statements  
December 31, 2019**

**NOTE 15 - TAX ABATEMENTS** The Police Jury is subject to tax abatements granted by the Louisiana Department of Economic Development, Office of Commerce and Industry. Louisiana has a ten-year industrial exemption law that provides any manufacturing establishment entering Louisiana, or any manufacturing establishment expanding its Louisiana facilities is eligible to receive exemption on buildings and equipment from state, parish and local property taxes for a period of ten years. The exemption is for the “contract” value of buildings or equipment used by the business. When the exemption expires, the property is to be placed on the tax roll at 15% of its current market value. The amount of tax abatement under this program during the fiscal year ended December 31, 2019 by authorized millage is as follows:

<u>Tax Code</u>	<u>Millage</u>	<u>Assessed Valuate Lost to ITEP</u>	<u>Estimated Tax Dollar Lost to ITEP</u>
Parish General	6.60	\$ 59,582	\$ 393
Courthouse Maintenance	2.53	59,582	151
Road Maintenance & Construction	8.24	59,582	491
Garbage District #1	11.67	59,582	695
Library & Bookmobile	8.22	59,582	490
Drainage Maintenance	8.24	59,582	491
Health Unit	2.00	59,582	119
LA Cooperative Extension Program	2.74	59,582	163
Fire Maintenance	2.76	59,582	164
			<u>\$ 3,157</u>

**NOTE 16 - CHANGE IN PRESENTATION** The following funds were reported as major funds for the fiscal years ended December 31,

<u>Governmental Funds</u>	<u>2019</u>	<u>2018</u>
General Fund	Yes	Yes
Road Maintenance and Construction	Yes	Yes
Garbage District No. 1	Yes	Yes
Library	Yes	Yes
Drainage Maintenance	Yes	Yes
Drainage Capital Project	No	Yes

**NOTE 17 - SUBSEQUENT EVENTS** In March 2020, the United States Government and citizens had begun responding to the Coronavirus Pandemic (COVID-19). As part of this response, the State of Louisiana had issued a stay-at-home order for the citizens, which had also called for nonessential businesses to temporarily halt operations. Governments are in the early stages of determining what impact the stay-at-home and other health safety measures will have on the economy and the tax revenues that governments traditionally have collected. Because of the unknown ramifications of COVID-19 and related corresponding Governor’s stay-at-home orders and proclamations, the exact financial impact to the Police Jury cannot be determined at this point. Accordingly, these financial statements do not include any adjustment for the downward trend in tax collections nor any other unfavorable revenue decline.

On April 1, 2020, the Police Jury issued \$450 thousand in general obligation bonds to fund constructing and improving buildings, machinery and equipment to be used in giving fire protection to the citizens of East Carroll Parish. \$338 thousand of the private placement general obligation bonds were issued with an interest rate of 4.5% and \$112 thousand were issued with an interest rate of 1.75%. The bonds will be payable over 15 years with the final payment due on March 1, 2035.

**East Carroll Parish Police Jury**  
**Notes to the Financial Statements**  
**December 31, 2019**

**NOTE 18 - NEW GASB STANDARD** In fiscal year 2019, the Police Jury adopted the following new statement of financial accounting standard issued by the Governmental Accounting Standards Board:

*Statement No. 88 – Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placement*, issued by the Government Accounting Standards Board. This Statement defines debt for purposes of disclosure in notes to the financial statements; clarifies which liabilities governments should include when disclosing information related to debt; and requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt. The Statement also 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 termination events with finance-related consequences and significant subjective acceleration clauses.

The adoption of this standard had no impact on the Police Jury's governmental fund or government-wide financial statements.

**REQUIRED SUPPLEMENTARY INFORMATION**

**East Carroll Parish Police Jury**

**Schedule of Employer's Proportionate Share of the Net Pension Liability (Asset)  
Last Five Fiscal Years**

**Exhibit 1-1**

<u>Fiscal Year</u>	<u>Employer's Proportion of the Net Pension Liability</u>	<u>Employer's Proportionate Share of the Net Pension Liability (Asset)</u>	<u>Employer's Covered Payroll</u>	<u>Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
2015	0.216628%	\$ 60,666	\$ 1,080,876	6%	99.15%
2016	0.209121%	550,467	1,180,476	47%	92.23%
2017	0.207826%	428,020	1,211,777	35%	94.15%
2018	0.201541%	(149,593)	1,198,208	-12%	101.98%
2019	0.217903%	967,132	1,210,391	80%	88.86%

**Notes:**

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

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

**Schedule of Employer Contributions to Pension Plan  
Last Five Fiscal Years**

**Exhibit 1-2**

<u>Fiscal Year</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Payroll</u>	<u>Contributions as a Percentage of Covered Employee Payroll</u>
2015	\$ 171,169	\$ 171,169	\$ -	\$ 1,180,476	14.5%
2016	157,531	157,531	-	1,211,777	13.0%
2017	149,776	149,776	-	1,198,208	12.5%
2018	139,195	139,195	-	1,210,391	11.5%
2019	147,990	147,990	-	1,286,870	11.5%

**Notes:**

The amounts presented were determined of the fiscal year end.

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

**East Carroll Parish Police Jury**

**Notes to Required Supplementary Information for Pensions**

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

**Change in Assumptions:** The following is a detail description of the changes in assumptions:

Report Date	Valuation Date	Investment Rate of Return	Inflation Rate	Mortality Rate - Annuitant and Beneficiary	Mortality Rate - Employees	Mortality Rate - Disabled Annuitants	Salary Increases
	December 31,						
2015	2014	7.25%	3.00%	RP-2000 Healthy Annuitant Mortality Table set back 1 year for males and RP-2000 Combined Healthy Female Table for females	RP-2000 Employee Mortality Table set back 1 year for males and females	RP-2000 Disabled Lives Mortality Table	5.75%
2016 & 2017	2015 & 2016	7.00%	2.50%	RP-2000 Healthy Annuitant Sex Distinct Tables set forward 2 years for males and set forward 1 year for females projected to 2031 using Scale AA	RP-2000 Employees Sex Distinct Tables set back 4 years for males and 3 years for females	RP-2000 Disabled Lives Mortality Table set back 5 years for males and 3 years for females	5.25%
2018	2017	6.75%	2.50%	RP-2000 Healthy Annuitant Sex Distinct Tables set forward 2 years for males and set forward 1 year for females projected to 2031 using Scale AA	RP-2000 Employees Sex Distinct Tables set back 4 years for males and 3 years for females	RP-2000 Disabled Lives Mortality Table set back 5 years for males and 3 years for females	5.25%
2019	2018	6.50%	2.40%	Pub-2010 Public Retirement Plans Mortality Table for General Healthy Retirees multiplied by 130% for males and 125% for females, each with full generational projection using the MP2018 scale	Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males and 125% for females, each with full generational projection using the MP2018 scale	Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females, each with full generational projection using the MP2018 scale	4.75%

**East Carroll Parish Police Jury**

**Budgetary Comparison Schedules**

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

**GENERAL FUND** This accounts for all activities of the Police Jury except those that are accounted for in other funds.

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

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

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

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

EAST CARROLL PARISH POLICE JURY

GENERAL FUND  
Budgetary Comparison Schedule  
For the Year Ended December 31, 2019

Exhibit 2-1

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL	AMOUNTS (BUDGETARY BASIS)	FINAL BUDGET POSITIVE (NEGATIVE)
BUDGETARY FUND BALANCES, BEGINNING	\$ 379,610	\$ 581,057	\$ 581,057	\$ -
Resources (inflows)				
Local sources:				
Taxes:				
Ad valorem	407,330	445,476	448,288	2,812
Sales and use	60,000	60,000	58,678	(1,322)
Other taxes	30,328	29,254	29,254	-
Licenses and permits	91,500	221,056	116,947	(104,109)
Fees, charges, and commissions				
for services	290,101	322,118	313,304	(8,814)
Use of money and property	25,568	25,568	18,699	(6,869)
Other revenues	116,650	116,650	129,362	12,712
Intergovernmental revenues:				
State sources:				
State revenue sharing	35,399	30,477	8,715	(21,762)
Other	242,900	180,605	97,708	(82,897)
Federal sources - federal grants	822,329	75,584	55,404	(20,180)
Amounts available for appropriations	<u>2,501,715</u>	<u>2,087,845</u>	<u>1,857,416</u>	<u>(230,429)</u>
Charges to appropriations (outflows)				
Current:				
General government:				
Legislative	74,984	74,984	70,600	4,384
Judicial	174,792	178,592	182,224	(3,632)
Elections	26,400	27,359	31,911	(4,552)
Finance and administrative	185,195	178,617	170,827	7,790
Other general government	321,731	358,747	381,818	(23,071)
Public safety	297,388	200,848	195,506	5,342
Public works	226,700	238,700	47,220	191,480
Health and welfare	5,850	10,424	8,424	2,000
Economic development and assistance	3,825	6,325	6,835	(510)
Transportation	3,145	2,552	2,552	-
Capital outlay	30,609	30,609	26,740	3,869
Transfers out	50,000	50,000	59,724	(9,724)
Total charges to appropriations	<u>1,400,619</u>	<u>1,357,757</u>	<u>1,184,381</u>	<u>173,376</u>
BUDGETARY FUND BALANCES, ENDING	<u>\$ 1,101,096</u>	<u>\$ 730,088</u>	<u>\$ 673,035</u>	<u>\$ (57,053)</u>

See independent auditor's report.

EAST CARROLL PARISH POLICE JURY

ROAD MAINTENANCE AND CONSTRUCTION  
 Budgetary Comparison Schedule  
 For the Year Ended December 31, 2019

Exhibit 2-2

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL	AMOUNTS (BUDGETARY BASIS)	FINAL BUDGET POSITIVE (NEGATIVE)
BUDGETARY FUND BALANCES, BEGINNING	\$ 672,832	\$ 1,023,183	\$ 1,023,183	\$ -
Resources (inflows)				
Local sources:				
Taxes:				
Ad valorem	367,623	367,623	404,589	36,966
Sales and use	600,000	570,000	528,102	(41,898)
Use of money and property	2,650	5,848	5,728	(120)
Other revenues	500	500	52,516	52,016
Intergovernmental revenues:				
State sources:				
Parish transportation funds	161,000	161,000	135,529	(25,471)
State revenue sharing	-	-	7,865	7,865
Other	100,000	533,875	458,657	(75,218)
Amounts available for appropriations	<u>1,904,605</u>	<u>2,662,029</u>	<u>2,616,169</u>	<u>(45,860)</u>
Charges to appropriations (outflows)				
Current:				
Public works	1,288,964	1,128,403	855,851	272,552
Capital outlay	<u>30,000</u>	<u>531,099</u>	<u>526,132</u>	<u>4,967</u>
Total charges to appropriations	<u>1,318,964</u>	<u>1,659,502</u>	<u>1,381,983</u>	<u>277,519</u>
BUDGETARY FUND BALANCES, ENDING	<u>\$ 585,641</u>	<u>\$ 1,002,527</u>	<u>\$ 1,234,186</u>	<u>\$ 231,659</u>

See independent auditor's report.

EAST CARROLL PARISH POLICE JURY

GARBAGE DISTRICT NO. 1  
 Budgetary Comparison Schedule  
 For the Year Ended December 31, 2019

Exhibit 2-3

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL	AMOUNTS (BUDGETARY BASIS)	FINAL BUDGET POSITIVE (NEGATIVE)
BUDGETARY FUND BALANCES, BEGINNING	\$ 164,287	\$ 196,848	\$ 196,848	\$ -
Resources (inflows)				
Local sources:				
Taxes:				
Ad valorem	408,766	465,479	465,080	(399)
Fees, charges, and commissions for servic	16,554	22,679	21,278	(1,401)
Use of money and property	3,130	4,024	3,708	(316)
Other revenues	-	-	17,854	17,854
Intergovernmental revenues:				
State sources:				
State revenue sharing	-	-	5,405	5,405
Federal sources - federal grants	-	-	3,871	3,871
Amounts available for appropriations	<u>592,737</u>	<u>689,030</u>	<u>714,044</u>	<u>25,014</u>
Charges to appropriations (outflows)				
Current:				
Public works	<u>477,469</u>	<u>497,155</u>	<u>483,219</u>	<u>13,936</u>
Total charges to appropriations	<u>477,469</u>	<u>497,155</u>	<u>483,219</u>	<u>13,936</u>
BUDGETARY FUND BALANCES, ENDING	<u>\$ 115,268</u>	<u>\$ 191,875</u>	<u>\$ 230,825</u>	<u>\$ 38,950</u>

See independent auditor's report.

EAST CARROLL PARISH POLICE JURY

LIBRARY

Budgetary Comparison Schedule  
For the Year Ended December 31, 2019

Exhibit 2-4

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL	AMOUNTS (BUDGETARY BASIS)	FINAL BUDGET POSITIVE (NEGATIVE)
BUDGETARY FUND BALANCES, BEGINNING	\$ 363,099	\$ 416,145	\$ 416,145	\$ -
Resources (inflows)				
Local sources:				
Taxes:				
Ad valorem	353,549	353,549	403,599	50,050
Fees, charges, and commissions for service	10,014	10,014	10,042	28
Use of money and property	3,077	3,077	5,777	2,700
Other revenues	1,608	1,608	1,057	(551)
Intergovernmental revenues:				
State sources:				
State revenue sharing	8,199	8,199	7,844	(355)
Amounts available for appropriations	739,546	792,592	844,464	51,872
Charges to appropriations (outflows)				
Current:				
Culture and recreation	369,127	369,127	390,262	(21,135)
Total charges to appropriations	369,127	369,127	390,262	(21,135)
BUDGETARY FUND BALANCES, ENDING	\$ 370,419	\$ 423,465	\$ 454,202	\$ 30,737

See independent auditor's report.

**EAST CARROLL PARISH POLICE JURY**  
**DRAINAGE MAINTENANCE**  
**Budgetary Comparison Schedule**  
**For the Year Ended December 31, 2019**

Exhibit 2-5

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL	(BUDGETARY BASIS)	POSITIVE (NEGATIVE)
BUDGETARY FUND BALANCES, BEGINNING	\$ 83,399	\$ 410,034	\$ 410,034	\$ -
Resources (inflows)				
Local sources:				
Taxes:				
Ad valorem	356,097	402,053	404,589	2,536
Fees, charges, and commissions for servic	1,800	1,800	803	(997)
Use of money and property	740	2,215	2,129	(86)
Intergovernmental revenues:				
State sources:				
State revenue sharing	-	-	7,865	7,865
Federal sources - federal grants	125,230	-	-	-
Amounts available for appropriations	<u>567,266</u>	<u>816,102</u>	<u>825,420</u>	<u>9,318</u>
Charges to appropriations (outflows)				
Current:				
Public works	362,320	379,895	362,137	17,758
Capital outlay	69,430	49,430	49,290	140
Total charges to appropriations	<u>431,750</u>	<u>429,325</u>	<u>411,427</u>	<u>17,898</u>
BUDGETARY FUND BALANCES, ENDING	<u>\$ 135,516</u>	<u>\$ 386,777</u>	<u>\$ 413,993</u>	<u>\$ 27,216</u>

See independent auditor's report.

East Carroll Parish Police Jury

Notes to Budgetary Comparison Schedules  
For the Year Ended December 31, 2019

A. BUDGETS

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

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

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

For the year ended December 31, 2019, cash basis budgets were adopted for the General fund and all special revenue funds, except the Criminal Court special revenue fund, which is exempt from the requirements per Louisiana Revised Statutes 30:1301-1314 (Local Government Budget Act).

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

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

B. UNFAVORABLE BUDGET VARIANCE

The following funds had actual appropriations exceed budgeted appropriations:

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Library	\$ 369,127	\$ 390,262	\$ (21,135)

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

**East Carroll Parish Police Jury**

**Notes to Budgetary Comparison Schedules  
For the Year Ended December 31, 2019**

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

	<u>General</u>	<u>Road Maintenance and Construction</u>	<u>Garbage District No. 1</u>	<u>Library</u>	<u>Drainage Maintenance</u>
<u>Sources/inflows of resources:</u>					
Actual amounts (budgetary basis) "available for appropriation" from the Budgetary Comparison Schedule	\$ 1,857,416	\$ 2,616,169	\$ 714,044	\$ 844,464	\$ 825,420
The fund balance at the beginning of the year is a budgetary resource but is not a current-year revenue for financial reporting purposes	(581,057)	(1,023,183)	(196,848)	(416,145)	(410,034)
Adjustments for conversion from cash basis to modified accrual for financial reporting purposes	<u>19,815</u>	<u>(305,922)</u>	<u>(5,265)</u>	<u>(5,343)</u>	<u>(5,358)</u>
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 1,296,174</u>	<u>\$ 1,287,064</u>	<u>\$ 511,931</u>	<u>\$ 422,976</u>	<u>\$ 410,028</u>
<u>Uses/Outflows of resources:</u>					
Actual amounts (budgetary basis) "Total charges to appropriations" from the Budgetary Comparison Schedule	\$ 1,184,381	\$ 1,381,983	\$ 483,219	\$ 390,262	\$ 411,427
Adjustments for conversion from cash basis to modified accrual for financial reporting purposes	(41,401)	265,351	237,954	1,584	9,024
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	<u>(59,724)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 1,083,256</u>	<u>\$ 1,647,334</u>	<u>\$ 721,173</u>	<u>\$ 391,846</u>	<u>\$ 420,451</u>

See independent auditor's report.

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**SUPPLEMENTARY INFORMATION**

**East Carroll Parish Police Jury**

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

EAST CARROLL PARISH POLICE JURY

NONMAJOR GOVERNMENTAL FUNDS  
 Combining Balance Sheet - By Fund Type  
 December 31, 2019

Exhibit 3

	SPECIAL REVENUE	FIRE BOND DEBT SERVICE	DRAINAGE CAPITAL PROJECT	TOTAL
<b>ASSETS</b>				
Cash and cash equivalents	\$ 1,100,148	\$ 1	\$ 28,450	\$ 1,128,599
Investments	105,230	-	-	105,230
Receivables	271,912	-	-	271,912
Interfund receivables	2,119	2,331	-	4,450
Prepaid items	6,615	-	-	6,615
<b>TOTAL ASSETS</b>	<b>1,486,024</b>	<b>2,332</b>	<b>28,450</b>	<b>1,516,806</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts, salaries and other payables	32,251	-	-	32,251
Interfund payables	5,969	-	28,450	34,419
<b>Total Liabilities</b>	<b>38,220</b>	<b>-</b>	<b>28,450</b>	<b>66,670</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable revenue - property taxes	24,879	-	-	24,879
<b>Total Deferred inflow of resources</b>	<b>24,879</b>	<b>-</b>	<b>-</b>	<b>24,879</b>
<b>Fund Balances:</b>				
Nonspendable	6,615	-	-	6,615
Restricted	1,416,310	2,332	-	1,418,642
<b>Total Fund Balances</b>	<b>1,422,925</b>	<b>2,332</b>	<b>-</b>	<b>1,425,257</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 1,486,024</b>	<b>\$ 2,332</b>	<b>\$ 28,450</b>	<b>\$ 1,516,806</b>

See independent auditor's report.

EAST CARROLL PARISH POLICE JURY

NONMAJOR GOVERNMENTAL FUNDS  
 Combining Statement of Revenues, Expenditures,  
 and Changes in Fund Balances - By Fund Type  
 For the Year Ended December 31, 2019

Exhibit 4

	SPECIAL REVENUE	FIRE BOND DEBT SERVICE	DRAINAGE CAPITAL PROJECT	TOTAL
<b>REVENUES</b>				
Local sources:				
Taxes:				
Ad valorem	\$ 340,430	\$ 965	\$ -	\$ 341,395
Fines and forfeitures	415,370	-	-	415,370
Use of money and property	3,230	33	-	3,263
Other revenues	3,120	-	-	3,120
Intergovernmental revenues:				
State sources:				
State revenue sharing	3,338	-	-	3,338
Other	15,314	-	-	15,314
Federal sources - federal grants	-	-	37,113	37,113
<b>Total Revenues</b>	<b>780,802</b>	<b>998</b>	<b>37,113</b>	<b>818,913</b>
<b>EXPENDITURES</b>				
Current:				
General government:				
Judicial	488,258	-	-	488,258
Finance and administrative	99,663	350	-	100,013
Public Safety	84,985	14,031	-	99,016
Health and welfare	100,205	-	-	100,205
Capital outlay	-	8,100	37,113	45,213
Debt service:				
Principal retirement	-	70,000	-	70,000
Interest and bank charges	-	788	-	788
<b>Total Expenditures</b>	<b>773,111</b>	<b>93,269</b>	<b>37,113</b>	<b>903,493</b>
<b>EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES</b>	<b>7,691</b>	<b>(92,271)</b>	<b>-</b>	<b>(84,580)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	59,724	-	-	59,724
<b>Total Other Financing Sources (Uses)</b>	<b>59,724</b>	<b>-</b>	<b>-</b>	<b>59,724</b>
<b>Net Change in Fund Balances</b>	<b>67,415</b>	<b>(92,271)</b>	<b>-</b>	<b>(24,856)</b>
<b>FUND BALANCES - BEGINNING</b>	<b>1,355,510</b>	<b>94,603</b>	<b>-</b>	<b>1,450,113</b>
<b>FUND BALANCES - ENDING</b>	<b>\$ 1,422,925</b>	<b>\$ 2,332</b>	<b>\$ -</b>	<b>\$ 1,425,257</b>

See independent auditor's report.

**East Carroll Parish Police Jury**

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**East Carroll Parish Police Jury**

**NONMAJOR SPECIAL REVENUE FUNDS**

**RURAL FIRE PROTECTION** This fund accounts for the revenues provided by ad valorem taxes and State grants which are to be used in providing fire protection to the citizens of East Carroll Parish.

**LSU COOPERATIVE EXTENSION** This fund accounts for the LSU Cooperative Extension program which sponsors 4-H events, provides literature and information to local farmers and provides educational seminars, etc. Funding is provided by ad valorem taxes.

**HEALTH UNIT** This fund accounts for the parish health center. Funding is provided by ad valorem taxes.

**CRIMINAL COURT** This fund accounts for the activities of the parish court. The main source of revenue is fines and forfeitures.

EAST CARROLL PARISH POLICE JURY

NONMAJOR SPECIAL REVENUE FUNDS

Combining Balance Sheet

December 31, 2019

Exhibit 5

	RURAL FIRE PROTECTION	LSU COOPERATIVE EXTENSION	HEALTH UNIT	CRIMINAL COURT	TOTAL
<b>ASSETS</b>					
Cash and cash equivalents	\$ 355,441	\$ 182,277	\$ 544,583	\$ 17,847	\$ 1,100,148
Investments	74,789	-	30,441	-	105,230
Receivables	83,108	102,379	73,773	12,652	271,912
Interfund receivables	-	1,232	887	-	2,119
Prepaid items	4,961	-	1,654	-	6,615
<b>TOTAL ASSETS</b>	<b>518,299</b>	<b>285,888</b>	<b>651,338</b>	<b>30,499</b>	<b>1,486,024</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
Liabilities:					
Accounts, salaries and other payables	-	4,200	1,523	26,528	32,251
Interfund payables	5,969	-	-	-	5,969
<b>Total Liabilities</b>	<b>5,969</b>	<b>4,200</b>	<b>1,523</b>	<b>26,528</b>	<b>38,220</b>
Deferred Inflows of Resources:					
Unavailable revenue - property taxes	7,685	9,939	7,255	-	24,879
<b>Total Deferred inflow of resources</b>	<b>7,685</b>	<b>9,939</b>	<b>7,255</b>	<b>-</b>	<b>24,879</b>
Fund Balances:					
Nonspendable	4,961	-	1,654	-	6,615
Restricted	499,684	271,749	640,906	3,971	1,416,310
<b>Total Fund Balance</b>	<b>504,645</b>	<b>271,749</b>	<b>642,560</b>	<b>3,971</b>	<b>1,422,925</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 518,299</b>	<b>\$ 285,888</b>	<b>\$ 651,338</b>	<b>\$ 30,499</b>	<b>\$ 1,486,024</b>

See independent auditor's report.

EAST CARROLL PARISH POLICE JURY

NONMAJOR SPECIAL REVENUE FUNDS

Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
For the Year Ended December 31, 2019

Exhibit 6

	RURAL FIRE PROTECTION	LSU COOPERATIVE EXTENSION	HEALTH UNIT	CRIMINAL COURT	TOTAL
<b>REVENUES</b>					
Local sources:					
Taxes:					
Ad valorem	\$ 108,986	\$ 134,535	\$ 96,909	\$ -	\$ 340,430
Fines and forfeitures	-	-	-	415,370	415,370
Use of money and property	1,941	154	1,135	-	3,230
Other revenues	726	-	1,699	695	3,120
Intergovernmental revenues:					
State sources:					
State revenue sharing	1,436	-	1,902	-	3,338
Other	15,314	-	-	-	15,314
Total Revenues	<u>128,403</u>	<u>134,689</u>	<u>101,645</u>	<u>416,065</u>	<u>780,802</u>
<b>EXPENDITURES</b>					
Current:					
General government:					
Judicial	-	-	-	488,258	488,258
Finance and administrative	-	99,663	-	-	99,663
Public Safety	84,985	-	-	-	84,985
Health and welfare	-	-	100,205	-	100,205
Total Expenditures	<u>84,985</u>	<u>99,663</u>	<u>100,205</u>	<u>488,258</u>	<u>773,111</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>43,418</u>	<u>35,026</u>	<u>1,440</u>	<u>(72,193)</u>	<u>7,691</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	-	59,724	59,724
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>59,724</u>	<u>59,724</u>
Net Change in Fund Balances	43,418	35,026	1,440	(12,469)	67,415
FUND BALANCES - BEGINNING	<u>461,227</u>	<u>236,723</u>	<u>641,120</u>	<u>16,440</u>	<u>1,355,510</u>
FUND BALANCES - ENDING	<u>\$ 504,645</u>	<u>\$ 271,749</u>	<u>\$ 642,560</u>	<u>\$ 3,971</u>	<u>\$ 1,422,925</u>

See independent auditor's report.

East Carroll Parish Police Jury

GENERAL

Exhibit 7

**Schedule of Compensation Paid Police Jurors  
For the Year Ended December 31, 2019**

The schedule of compensation paid to police jurors is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Compensation of the police jurors is included in the legislative expenditures of the General fund. In accordance with Louisiana Revised Statute 33:1233, the Police Jury has elected the monthly payment method of compensation. Under this method, the president receives \$1,200 per month and the other jurors receive \$1,000 per month.

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

**East Carroll Parish Police Jury**

**GENERAL**

**Schedule of Compensation, Benefits and Other Payments to Agency Head  
For the Year Ended December 31, 2019**

**Exhibit 8**

**Natosha Davis, Secretary Treasurer**

<b>Purpose</b>	<b>Amount</b>
Salary	\$ 42,875
Benefits-insurance	5,959
Benefits-retirement	4,931
Benefits-medicare	622
Registration fees	575
Conference travel	1,996
	<hr/>
	<b>\$ 56,958</b>

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

**Exhibit 9**

	Fiscal Year End: 12/31/19
111 Cash - Unrestricted	\$ 62,348
113 Cash - Other Restricted	2,286
100 Total Cash	64,634
142 Prepaid Expenses and Other Assets	1,240
150 Total Current Assets	65,874
164 Furniture, Equipment & Machinery - Administration	32,004
166 Accumulated Depreciation	(22,099)
160 Total Capital Assets, Net of Accumulated Depreciation	9,905
180 Total Non-Current Assets	9,905
200 Deferred Outflow of Resources	22,199
290 Total Assets and Deferred Outflow of Resources	97,978
312 Accounts Payable <= 90 Days	1,460
322 Accrued Compensated Absences - Current Portion	824
331 Accounts Payable - HUD PHA Programs	86
342 Unearned Revenue	8,925
347 Inter Program - Due To	1,987
310 Total Current Liabilities	13,282
357 Accrued Pension and OPEB Liabilities	24,990
350 Total Non-Current Liabilities	24,990
300 Total Liabilities	38,272
400 Deferred Inflow of Resources	1,867
508.4 Net Investment in Capital Assets	9,905
511.4 Restricted Net Position	2,286
512.4 Unrestricted Net Position	45,648
513 Total Equity - Net Assets / Position	57,839
600 Total Liabilities, Deferred Inflows of Resources and Equity -	\$ 97,978

(Continued)

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

**Exhibit 9**

	Fiscal Year End: 12/31/19
70600 HUD PHA Operating Grants	\$ 583,672
71100 Investment Income - Unrestricted	66
71500 Other Revenue	568
70000 Total Revenue	584,306
91100 Administrative Salaries	46,933
91200 Auditing Fees	4,100
91500 Employee Benefit contributions - Administrative	11,036
91600 Office Expenses	12,240
91700 Legal Expense	1,700
91800 Travel	3,040
91000 Total Operating - Administrative	79,049
96120 Liability Insurance	3,635
96130 Workmen's Compensation	90
96100 Total insurance Premiums	3,725
96200 Other General Expenses	3,758
96210 Compensated Absences	824
96000 Total Other General Expenses	4,582
96900 Total Operating Expenses	87,356
97000 Excess of Operating Revenue over Operating Expenses	496,950
97300 Housing Assistance Payments	513,201
97400 Depreciation Expense	3,301
90000 Total Expenses	603,858
10000 Excess (Deficiency) of Total Revenue Over (Under) Total	(19,552)
11030 Beginning Equity	77,391
11170 Administrative Fee Equity	55,553
11180 Housing Assistance Payments Equity	\$ 2,286
11190 Unit Months Available	1,655
11210 Number of Unit Months Leased	1,472

(Concluded)

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

Independent Auditor's Report

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the primary government financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the East Carroll Parish Police Jury (the Police Jury), as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Police Jury's basic financial statements, and have issued our report thereon dated August 4, 2020. Our report expresses an adverse opinion on the aggregate discretely presented component units due to their exclusion from the financial statements.

**Internal Control Over Financial Reporting**

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

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

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

#### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Police Jury's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings and responses as item 2019-001.

#### **Response to Finding**

The Police Jury's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. We did not audit the Police Jury's response and, accordingly, we express no opinion on it.

#### **Purpose of this Report**

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



A Professional Accounting Corporation

Baton Rouge, LA  
August 4, 2020

**East Carroll Parish Police Jury**

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East Carroll Parish Police Jury  
Schedule of Findings and Responses  
For the Year Ended December 31, 2019

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**Part I - Summary of Auditor's Results**

Financial Statements

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

**Part II - Findings and Responses Related to the Financial Statements**

**2019-001 Failure to Amend Budget (LRS 39:1310)**

*Criteria:* The Police Jury is required to follow the requirements of the Louisiana Local Government Budget Act at LRS 39:1301 through 39:1315.

*Condition:* State law requires that budgets be amended when actual revenues are less than budgeted revenues or actual expenditures and other financing uses exceed budgeted amounts by 5% or more. For the year ended December 31, 2019, the General Fund had budgetary basis revenues of \$1,276,359 which fell short of budgeted revenues of \$1,506,788 which resulted in an unfavorable variance of \$230,429, or 16%. The Library Fund had expenditures of \$390,262 which exceeded budget amounts of \$369,127 resulting in an unfavorable variance of \$21,136 which is a variance of 5.7%.

*Cause:* Unknown.

*Effect:* The Police Jury did not comply with all of the requirements of the Louisiana Local Government Budget Act as outlined above.

*Recommendation:* We recommend the monitoring of actual costs accumulated by department and fund more closely and making appropriate budget amendments to comply with the law requiring the budget to actual variance to be within 5%.

*Management's Response:* Management will review budget to actual comparisons and amend the budget when budgeted revenues are falling short of actual by more than 5%.

**East Carroll Parish Police Jury**

**Schedule of Prior Year Audit Findings  
For the Year Ended December 31, 2019**

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**2018-001 Failure to Amend Budget**

This finding has not been resolved. See finding 2019-001.

## AGREED-UPON PROCEDURES REPORT

East Carroll Parish Police Jury

Independent Accountant's Report  
on Applying Agreed-Upon Procedures

For the Period of January 1, 2019 - December 31, 2019

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

We have performed the procedures enumerated below which were agreed to by East Carroll Parish Police Jury (the Police Jury) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2019 to December 31, 2019. The Police Jury's management is responsible for those C/C areas identified in the SAUPs. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and results are as follows:

### ***Written Policies and Procedures***

---

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):
  - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
  - b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
  - c) **Disbursements**, including processing, reviewing, and approving.
  - d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or 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).

- e) **Payroll/Personnel**, including (1) payroll processing and (2) reviewing and approving time and attendance records, including leave and overtime worked.
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- h) **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) **Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

Results: The Police Jury's policies and procedures address each of the above categories and subcategories with the exception of receipts/collections, contracting, debt service, and disaster recovery/business continuity.

## **Collections**

---

2. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

Results: We obtain management's representation that the list of deposit sites is complete.

3. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
  - a) Employees that are responsible for cash collections do not share cash drawers/registers.

- b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.
- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
- d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee verifies the reconciliation.

Results: We noted that the only formal cash drawer/register is at the Library and it is shared by multiple employees. Collections at the Police Jury location are placed in the vault to which multiple employees have access. We noted no exceptions in performing procedures b) through d).

- 4. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

Results: We noted that employees with access to cash are covered by an insurance policy for theft.

- 5. Randomly select 10 deposits from the general ledger detail, monthly bank statements, or collection logs. Obtain supporting documentation for each of the 10 deposits and:
  - a) Observe that receipts are sequentially pre-numbered.
  - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
  - c) Trace the deposit slip total to the actual deposit per the bank statement.
  - d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).
  - e) Trace the actual deposit per the bank statement to the general ledger.

Results: We noted that the Police Jury does not retain sequential receipts. We noted that 5 of the 10 collections tested were deposited within 1 day of collection. The remaining were deposited within 2 to 8 days of collection. We performed procedures b), c), and e) without exception.

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

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

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

7. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
  - a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]
  - b) Observe that finance charges and late fees were not assessed on the selected statements.

Results: We noted that each card was reviewed and approved in writing and that 1 card included a finance charge of \$1.

8. Using the monthly statements or combined statements selected under #7 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

Results: Of 38 credit card transactions tested, we noted that 3 were not supported by itemized receipt and documentation of business/public purpose.

\* \* \* \* \*

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

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



A Professional Accounting Corporation

Baton Rouge, LA  
August 4, 2020

# East Carroll Parish Police Jury

400 First Street  
Lake Providence, LA 71254

## MEMBERS:

RANDY WALTERS, Dist. 1  
KOFI DARDEN-HAWKINS, Dist. 2  
LOYD WHALEY, Dist. 3  
KENDALL L. THOMPSON, Dist. 4  
ROGER O. CLEMENT, Dist. 5

## PRESIDENT

Kendall L. Thompson

## VICE-PRESIDENT

Roger O. Clement

## SECRETARY-TREASURER

Natosha G. Davis

TELEPHONE, 318 / 559-2256

FAX NO. 318 / 559-1502

E-mail: [ecpj400@att.net](mailto:ecpj400@att.net)

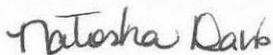
Mr. Daryl Purpera  
Louisiana Legislative Auditor  
1600 N 3<sup>rd</sup> St.  
P.O. Box 94397  
Baton Rouge, LA 70804-9397

RE: Agreed-upon Procedures

The management of the East Carroll Parish Police Jury wishes to provide the following responses relative to the results of the 2019 agreed-upon procedures engagement:

1. Management will adopt policies and procedures for Receipts/Collections, Contracting, Debt Service and Disaster Recovery/Business Continuity
4. Management will begin keeping sequential receipts for cash collections and will work to improve timeliness of deposit of collections.
11. Management will improve timeliness of credit card payments to avoid finance charges.
12. Management will ensure the documentation is obtained for each credit card charge and will document business/public purpose.

Sincerely,



Natosha Davis  
Secretary/Treasurer