

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

**Annual Financial Report
As of and for the Year Ended December 31, 2018**



East Carroll Parish Police Jury

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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 East Carroll Parish Police Jury (the Police Jury) as of and for the year ended December 31, 2018, 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 East Carroll Parish Police Jury, as of December 31, 2018, 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 East Carroll Parish Police Jury as of December 31, 2018, 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 10, the budgetary comparison schedules beginning on page 68 and the supplementary schedules required by Governmental Accounting Standards Board (GASB) No. 68 on pages 66 and 67 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the 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 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. The schedule of expenditures of federal awards as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is also not a required part of the 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 June 24, 2019, on our consideration of the Police Jury's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is 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
June 24, 2019

East Carroll Parish Police Jury

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REQUIRED SUPPLEMENTARY INFORMATION

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

**East Carroll Parish Police Jury
Management's Discussion and Analysis (MD&A)
December 31, 2018**

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, 2018. 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 2018 by \$12.6 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 increased \$1.3 million mainly because an increase in capital assets from the drainage construction projects funded through capital grants, increases in ad valorem and sales tax collections and a reduction of \$132 thousand in expenses.

At the end of 2018, the Police Jury's governmental funds reported a combined fund balances of \$5.9 million, an increase of \$390 thousand in comparison with prior year. \$1.1 million or 19% 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.

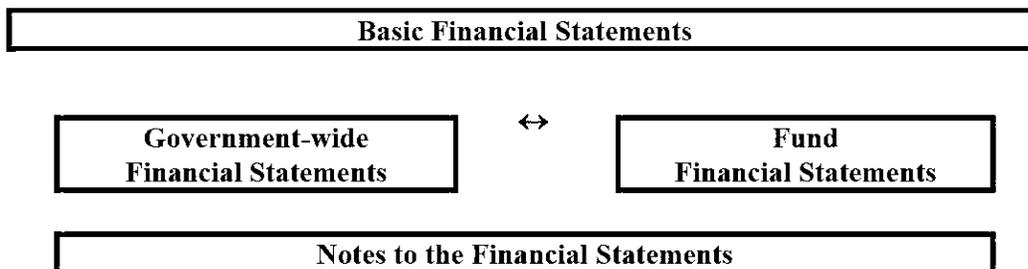
Total spending for all our governmental activities was \$4.4 million for the year. Most of the Police Jury's property and sales taxes were used to support the net cost (after deducting restricted grants and fees charged to users) of these six areas: judicial \$184 thousand, finance and administrative \$242 thousand, other general government \$729 thousand, public safety \$247 thousand, public works \$420 thousand, and culture and recreation \$395 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, Drainage Maintenance, and Drainage Capital Project.

**East Carroll Parish Police Jury
Management's Discussion and Analysis (MD&A)
December 31, 2018**

Required Supplementary Information

Management's Discussion & Analysis (MD&A)



Required Supplementary Information

**Schedule of Employer's Proportionate Share of the Net Pension Liability (Asset)
Schedule of Employer Contributions to Pension Plan
Budgetary Information for Major Funds**

Supplementary Information

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

**East Carroll Parish Police Jury
Management's Discussion and Analysis (MD&A)
December 31, 2018**

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, 2018

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 \$12.6 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)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2018	2017	2018	2017	2018	2017
Other assets	\$ 6,813	\$ 5,666	\$ 70	\$ 53	\$ 6,883	\$ 5,719
Capital assets	6,794	6,033	13	16	6,807	6,049
Total assets	<u>13,607</u>	<u>11,699</u>	<u>83</u>	<u>69</u>	<u>13,690</u>	<u>11,768</u>
Deferred outflows of resources	<u>320</u>	<u>549</u>	<u>8</u>	<u>15</u>	<u>328</u>	<u>564</u>
Other liabilities	564	102	3	4	567	106
Long-term liabilities	351	745	-	12	351	757
Total liabilities	<u>915</u>	<u>847</u>	<u>3</u>	<u>16</u>	<u>918</u>	<u>863</u>
Deferred inflows of resources	<u>440</u>	<u>82</u>	<u>11</u>	<u>2</u>	<u>451</u>	<u>84</u>
Net position						
Net investment in capital assets	6,450	5,712	13	16	6,463	5,728
Restricted	4,929	4,505	9	2	4,938	4,507
Unrestricted	1,193	1,102	55	48	1,248	1,150
Total net position	<u>\$ 12,572</u>	<u>\$ 11,319</u>	<u>\$ 77</u>	<u>\$ 66</u>	<u>\$ 12,649</u>	<u>\$ 11,385</u>

The largest portion of the Police Jury's combined net position (\$6.5 million or 51%) 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 (\$4.9 million or 39%) 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.

**East Carroll Parish Police Jury
Management's Discussion and Analysis (MD&A)
December 31, 2018**

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 increased \$1.3 million from the prior year. The reasons for this overall increase are discussed in the following sections for governmental activities and business-type activities.

Governmental Activities During the current fiscal year, net position for the governmental activities increased \$1.3 million from the prior fiscal year for an ending balance of \$12.6 million. The Police Jury's governmental activities experienced an overall increase in revenues of \$895 thousand. Revenues received from capital grants & contributions (\$950 thousand), ad valorem taxes (\$2,449 thousand), and sales taxes revenues (\$886 thousand) increased from the amounts reported in the prior fiscal year while charges for services (\$641 thousand), operating grants & contributions (\$300 thousand), and licenses and permits (\$125 thousand) experienced a decline in revenues. Expenses decreased \$132 thousand or 3% to \$4.4 million from the \$4.5 million reported in the prior fiscal year. This change can mainly be contributed to the decrease 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 an increase of \$11 thousand in net position from the prior fiscal year for an ending balance of \$77 thousand. Current year revenues experienced an increase of \$22 thousand in operating grants from the amounts reported in the prior fiscal year. Expenses increased by \$4 thousand mainly due to the increase in depreciation expense.

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, 2018

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

	<u>Governmental Activities</u>			<u>Business-Type Activities</u>		
	<u>2018</u>	<u>2017</u>	<u>Increase (Decrease)</u>	<u>2018</u>	<u>2017</u>	<u>Increase (Decrease)</u>
Revenues:						
Program revenues						
Charges for services	\$ 641	\$ 751	\$ (110)	\$ -	\$ -	\$ -
Operating grants & contributions	300	336	(36)	599	577	22
Capital grants & contributions	950	426	524	-	-	-
General Revenues						
Ad valorem taxes	2,449	2,257	192	-	-	-
Sales taxes	886	653	233	-	-	-
Licenses and permits	125	130	(5)	-	-	-
Other general revenues	285	188	97	-	-	-
Total revenues	<u>5,636</u>	<u>4,741</u>	<u>895</u>	<u>599</u>	<u>577</u>	<u>22</u>
Functions/Program Expenses:						
General government:						
Legislative	72	75	(3)	-	-	-
Judicial	675	759	(84)	-	-	-
Elections	31	29	2	-	-	-
Finance and administrative	242	270	(28)	-	-	-
Other general government	729	739	(10)	-	-	-
Public safety	316	304	12	-	-	-
Public works	1,737	1,825	(88)	-	-	-
Health and welfare	130	107	23	588	584	4
Culture and recreation	406	362	44	-	-	-
Economic development and assistance	4	4	-	-	-	-
Transportation	31	31	-	-	-	-
Interest on long-term debt	10	10	-	-	-	-
Total expenses	<u>4,383</u>	<u>4,515</u>	<u>(132)</u>	<u>588</u>	<u>584</u>	<u>4</u>
Increase (decrease) in net position	1,253	226	1,027	11	(7)	18
Net position - beginning	<u>11,319</u>	<u>11,093</u>	<u>226</u>	<u>66</u>	<u>73</u>	<u>(7)</u>
Net position - ending	<u>\$ 12,572</u>	<u>\$ 11,319</u>	<u>\$ 1,253</u>	<u>\$ 77</u>	<u>\$ 66</u>	<u>\$ 11</u>

Governmental Activities – Cost of Services As reported in the Statement of Activities, the cost of all of our governmental activities this year was \$4.4 million. However, the amount that our taxpayers ultimately financed for these activities through Police Jury taxes was only \$2.5 million because some of the cost was paid by those who benefited from the programs \$641 thousand or by other governments and organizations who subsidized certain programs with grants and contributions \$1.2 million. 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, 2018

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						
	2018	2018	2017	2017	2018	2018	2017	2017
Judicial	\$ 675	\$ 184	\$ 759	\$ 150	\$ -	\$ -	\$ -	\$ -
Finance and administrative	242	242	270	270	-	-	-	-
Other general government	729	729	739	739	-	-	-	-
Public safety	316	247	304	234	-	-	-	-
Public works	1,737	420	1,825	1,010	-	-	-	-
Culture and Recreation	406	395	362	349	-	-	-	-
All others	278	275	256	250	588	(10)	584	7
Totals	\$ 4,383	\$ 2,492	\$ 4,515	\$ 3,002	\$ 588	\$ (10)	\$ 584	\$ 7

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 \$5.9 million which is an increase of \$390 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 \$85 thousand to reach an ending fund balance of \$1.1 million. At the end of the current fiscal year, unassigned fund balance of the general fund was \$1.1 million or approximately 98% of total general fund expenditures. Revenues for the current fiscal year decreased due to a reduction in State grants. Expenses for the current fiscal year increased mainly due to the increase in worker's compensation expenses. The Police Jury received a workers' compensation refund payment in prior year reducing expenses. The general fund also supplements the Criminal Court fund through transfers. The general fund transferred \$75 thousand to Criminal Court fund during the current fiscal year, \$25 thousand more than the amount transferred in 2017.

The Road Maintenance and Construction fund accounts for funds used to maintain the parish roads and streets. This fund showed an increase of \$252 thousand from the \$1.2 million reported at the end of the prior fiscal year to \$1.4 million. This increase is mainly due to an increase in sales tax collections. Expenses for

**East Carroll Parish Police Jury
Management's Discussion and Analysis (MD&A)
December 31, 2018**

the current fiscal year increased \$168 thousand. This increase is mainly due to the purchase of new construction equipment in 2018. 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 decrease of \$18 thousand mainly due to the increase in salaries and repairs and maintenance expenses.

The Library fund accounts for the public library. The Library's fund balance of \$695 thousand showed a decrease of \$7 thousand for the current fiscal year while the prior fiscal year reported an increase of \$26 thousand. Revenues increased \$19 thousand and expenditures increased \$54 thousand from the amounts reported the prior year. The main reason for the increase in current year expenses is because the Police Jury received an insurance refund in prior year.

The Drainage Maintenance fund accounts for the maintenance of the parish drainage system. This fund showed an increase of \$55 thousand to \$691 thousand. Revenues increased \$16 thousand mainly due to an increase in ad valorem collections. Expenses increased \$26 thousand from the increase in worker' compensation insurance expenses. In prior year, the Police Jury receive a workers' compensation refund reducing prior year's expenses.

The Drainage Capital Project fund accounts for the CDBG grant for drainage improvement within East Carroll Parish. CDBG is a cost reimbursement grant, therefore this fund does not report a fund balance.

The Nonmajor Governmental funds are comprised of the special revenue funds (Rural Fire Protection, LSU Cooperative Extension, Health Unit and Criminal Court), and the debt service fund. The combined funds showed an increase of \$22 thousand to \$1.5 million.

Proprietary Funds The Section 8 Voucher fund accounts for the activity for HUD's Section 8 Housing Choice Voucher program. This fund showed an increase of \$11 thousand from \$67 thousand reported in prior year to \$77 thousand. This increase is mainly due to an increase in HUD funding.

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 \$863 thousand more than the final budget. The charges to the appropriations for the General Fund's original budget were \$215 thousand more than the final budget. These budget reductions were mainly due to decreasing beginning fund balance available for appropriations and a reduction in federal revenues and grant expenditures.

The actual amounts available for appropriations for the General Fund were \$24 thousand less than the amount budgeted. This is due mainly to receiving less in other revenues than estimated. The actual charges to appropriations were \$72 thousand more than budgeted was mostly due to courthouse expenditures being more than estimated.

**East Carroll Parish Police Jury
Management's Discussion and Analysis (MD&A)
December 31, 2018**

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets At December 31, 2018, the Police Jury had \$6.8 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 \$758 thousand or 13%, from last year.

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

	<u>Governmental Activities</u>		<u>Business-Type</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Land	\$ 376	\$ 376	\$ -	\$ -
Construction in progress	1,408	457	-	-
Buildings	930	985	-	-
Furniture and office equipment	84	75	-	-
Construction equipment	828	690	-	-
Vehicles	434	609	13	16
Infrastructure	2,734	2,841	-	-
Total capital assets	<u>\$ 6,794</u>	<u>\$ 6,033</u>	<u>\$ 13</u>	<u>\$ 16</u>

This year's additions of \$1.3 million were comprised of \$27 thousand in furniture & office equipment, \$282 in construction equipment and \$950 thousand increase in construction in progress for ongoing drainage projects. 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.

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.

**East Carroll Parish Police Jury
Management's Discussion and Analysis (MD&A)
December 31, 2018**

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 At the end of this year, the Police Jury had \$70 thousand in general obligation bonds outstanding versus \$135 thousand last year. The Police Jury's general obligation bonds are not rated. The state limits the amount of general obligation debt that parishes can issue up to 10 percent of the assessed value of all taxable property within the parish. The Police Jury's has accumulated \$95 thousand in its debt service fund (fund balance) which is more than enough to pay the remaining balance of the general obligation debt (\$70 thousand) and interest (\$1 thousand) due.

The Police Jury has financed the purchase of various equipment through capital leases during 2018. Outstanding capital leases at December 31, 2018 was \$274 thousand.

Other obligations are accrued vacations and in previous years, the net pension liability which is reported as a net pension asset in the current year. We present more detailed information about our long-term liabilities in 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 2019 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 2018 to 2019. Approximately 41% of total revenue is from ad valorem and sales taxes. We have projected an increase in net position for the 2019 budget year.

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.

East Carroll Parish Police Jury

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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, 2018

Statement A

	PRIMARY GOVERNMENT		
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Cash and cash equivalents	\$ 2,997,756	\$ 49,393	\$ 3,047,149
Investments	742,618	-	742,618
Receivables	2,928,664	211	2,928,875
Internal balances	(4,617)	4,617	-
Prepays	2,926	2,750	5,676
Cash and cash equivalents - restricted	-	9,440	9,440
Net pension asset	145,808	3,785	149,593
Capital assets not being depreciated	2,341,624	-	2,341,624
Capital assets, net of accumulated depreciation	4,452,030	13,206	4,465,236
TOTAL ASSETS	13,606,809	83,402	13,690,211
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	320,021	8,308	328,329
TOTAL DEFERRED OUTFLOWS OF RESOURCES	320,021	8,308	328,329
LIABILITIES			
Accounts, salaries and other payables	563,010	2,501	565,511
Interest payable	1,049	-	1,049
Unearned Revenue	-	399	399
Long-term liabilities			
Due within one year	130,501	-	130,501
Due in more than one year	220,237	-	220,237
TOTAL LIABILITIES	914,797	2,900	917,697
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	439,866	11,419	451,285
TOTAL DEFERRED INFLOWS OF RESOURCES	439,866	11,419	451,285
NET POSITION			
Net investment in capital assets	6,449,637	13,206	6,462,843
Restricted for:			
Road Maintenance	1,446,330	-	1,446,330
Garbage	539,910	-	539,910
Library	732,526	-	732,526
Drainage	728,425	-	728,425
Health Unit	650,289	-	650,289
Criminal Court	16,440	-	16,440
Debt service	97,739	-	97,739
Rural Fire Protection	468,238	-	468,238
LSU Cooperative Extension	249,284	-	249,284
Housing Assistance Payments	-	9,440	9,440
Unrestricted	1,193,349	54,745	1,248,094
TOTAL NET POSITION	\$ 12,572,167	\$ 77,391	\$ 12,649,558

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, 2018

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
<i>Governmental Activities:</i>				
General government:				
Legislative	\$ 71,814	\$ -	\$ -	\$ -
Judicial	675,529	490,671	1,200	-
Elections	31,126	-	-	-
Finance and administrative	242,066	-	-	-
Other general government	728,762	-	-	-
Public safety	316,431	-	69,436	-
Public works	1,736,644	136,941	229,828	950,157
Health and welfare	130,076	-	-	-
Culture and recreation	405,833	11,012	-	-
Economic development and assistance	4,237	-	-	-
Transportation	30,667	2,200	-	-
Interest on long-term debt	9,848	-	-	-
Total Governmental Activities	<u>4,383,033</u>	<u>640,824</u>	<u>300,464</u>	<u>950,157</u>
<i>Business-Type Activities:</i>				
Health and welfare	588,184	-	598,559	-
Total Primary Government	<u>\$ 4,971,217</u>	<u>\$ 640,824</u>	<u>\$ 899,023</u>	<u>\$ 950,157</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>
\$ (71,814)	\$ -	\$ (71,814)
(183,658)	-	(183,658)
(31,126)	-	(31,126)
(242,066)	-	(242,066)
(728,762)	-	(728,762)
(246,995)	-	(246,995)
(419,718)	-	(419,718)
(130,076)	-	(130,076)
(394,821)	-	(394,821)
(4,237)	-	(4,237)
(28,467)	-	(28,467)
(9,848)	-	(9,848)
<u>(2,491,588)</u>	<u>-</u>	<u>(2,491,588)</u>
	10,375	10,375
<u>(2,491,588)</u>	<u>10,375</u>	<u>(2,481,213)</u>
2,372,776	-	2,372,776
76,352	-	76,352
886,140	-	886,140
37,333	-	37,333
106,993	-	106,993
125,498	-	125,498
15,873	78	15,951
124,104	379	124,483
<u>3,745,069</u>	<u>457</u>	<u>3,745,526</u>
1,253,481	10,832	1,264,313
<u>11,318,686</u>	<u>66,559</u>	<u>11,385,245</u>
<u>\$ 12,572,167</u>	<u>\$ 77,391</u>	<u>\$ 12,649,558</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, 2018

	GENERAL	ROAD MAINTENANCE AND CONSTRUCTION	GARBAGE DISTRICT NO. 1	LIBRARY
ASSETS				
Cash and cash equivalents	\$ 608,652	\$ 789,057	\$ 36,197	\$ 183,182
Investments	1,457	198,190	154,547	221,724
Receivables	650,246	679,589	352,638	317,612
Interfund receivables	8,536	36,145	5,932	11,264
Prepays	-	2,926	-	-
TOTAL ASSETS	1,268,891	1,705,907	549,314	733,782
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts, salaries and other payables	30,844	259,577	9,404	1,256
Interfund payables	63,940	-	-	-
Total Liabilities	94,784	259,577	9,404	1,256
Deferred Inflows of Resources:				
Unavailable revenue - property taxes	41,853	37,773	25,175	37,680
Total Deferred inflow of resources	41,853	37,773	25,175	37,680
Fund Balances:				
Nonspendable	-	2,926	-	-
Restricted	-	1,405,631	514,735	694,846
Unassigned	1,132,254	-	-	-
Total Fund Balances	1,132,254	1,408,557	514,735	694,846
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 1,268,891	\$ 1,705,907	\$ 549,314	\$ 733,782

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

Statement C

DRAINAGE MAINTENANCE	DRAINAGE CAPITAL PROJECT	NONMAJOR GOVERNMENTAL	TOTAL
\$ 346,231	\$ 3,714	\$ 1,030,723	\$ 2,997,756
63,803	-	102,897	742,618
318,391	247,000	363,188	2,928,664
-	-	5,982	67,859
-	-	-	2,926
728,425	250,714	1,502,790	6,739,823
-	247,000	14,929	563,010
-	3,714	4,822	72,476
-	250,714	19,751	635,486
37,773	-	32,926	213,180
37,773	-	32,926	213,180
-	-	-	2,926
690,652	-	1,450,113	4,755,977
-	-	-	1,132,254
690,652	-	1,450,113	5,891,157
\$ 728,425	\$ 250,714	\$ 1,502,790	\$ 6,739,823

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, 2018**

Statement D

Total fund balances - governmental funds \$ 5,891,157

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

Costs of capital assets	\$ 23,454,165	
Accumulated depreciation	<u>(16,660,511)</u>	6,793,654

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. 213,180

Net pension asset is not available to pay current period expenditures and therefore are not reported in the governmental funds. 145,808

Deferred outflows of resources related to pensions are not available to pay current period expenditures and therefore are not reported in the governmental funds. 320,021

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. (439,866)

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

Balances at December 31, 2018 are:

Long-term liabilities		
Bonds payable	\$ (70,000)	
Leases payable	(274,017)	
Compensated absences	(6,721)	
Interest payable	<u>(1,049)</u>	<u>(351,787)</u>

Net position of governmental activities \$ 12,572,167

EAST CARROLL PARISH POLICE JURY

GOVERNMENTAL FUNDS
 Statement of Revenues, Expenditures, and Changes
 in Fund Balances
 For the Year Ended December 31, 2018

	GENERAL	ROAD MAINTENANCE AND CONSTRUCTION	GARBAGE DISTRICT NO. 1	LIBRARY
REVENUES				
Local sources:				
Taxes:				
Ad valorem	\$ 404,112	\$ 364,718	\$ 407,057	\$ 363,827
Sales and use	88,614	797,526	-	-
Other taxes	22,729	-	-	-
Licenses and permits	125,498	-	-	-
Fines and forfeitures	-	-	-	-
Fees, charges, and commissions for services	301,901	-	16,635	11,012
Use of money and property	18,153	4,754	3,105	3,148
Other revenues	113,225	557	-	2,754
Intergovernmental revenues:				
State sources:				
Parish transportation funds	-	129,763	-	-
State revenue sharing	25,853	2,622	1,802	8,018
Other	166,203	247,815	-	-
Federal sources - federal grants	53,998	-	-	-
Total Revenues	1,320,286	1,547,755	428,599	388,759
EXPENDITURES				
Current:				
General government:				
Legislative	71,814	-	-	-
Judicial	181,492	-	-	-
Elections	29,100	-	-	-
Finance and administrative	146,490	-	-	-
Other general government	330,756	-	-	-
Public safety	223,040	-	-	-
Public works	159,491	1,034,644	406,593	-
Health and welfare	11,122	-	-	-
Culture and recreation	-	-	-	395,636
Economic development and assistance	4,237	-	-	-
Transportation	2,400	-	-	-
Capital outlay	-	511,653	-	-
Debt service:				
Principal retirement	-	11,565	171,759	-
Interest and bank charges	-	3,066	4,442	-
Total Expenditures	1,159,942	1,560,928	582,794	395,636
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ 160,344	\$ (13,173)	\$ (154,195)	\$ (6,877)

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

Statement E

DRAINAGE MAINTENANCE	DRAINAGE CAPITAL PROJECT	NONMAJOR GOVERNMENTAL	TOTAL
\$ 364,718	\$ -	\$ 395,332	\$ 2,299,764
-	-	-	886,140
-	-	-	22,729
-	-	-	125,498
-	-	384,589	384,589
7,006	-	-	336,554
1,580	-	2,833	33,573
-	-	1,212	117,748
-	-	-	129,763
2,622	-	1,138	42,055
-	-	15,438	429,456
-	702,342	-	756,340
<u>375,926</u>	<u>702,342</u>	<u>800,542</u>	<u>5,564,209</u>
-	-	-	71,814
-	-	484,997	666,489
-	-	-	29,100
-	-	113,494	259,984
-	-	-	330,756
-	-	79,110	302,150
299,676	-	-	1,900,404
-	-	108,562	119,684
-	-	-	395,636
-	-	-	4,237
-	-	-	2,400
-	702,342	-	1,213,995
20,905	-	65,000	269,229
260	-	2,144	9,912
<u>320,841</u>	<u>702,342</u>	<u>853,307</u>	<u>5,575,790</u>
\$ 55,085	\$ -	\$ (52,765)	\$ (11,581)

(Continued)

EAST CARROLL PARISH POLICE JURY

GOVERNMENTAL FUNDS
 Statement of Revenues, Expenditures, and Changes
 in Fund Balances
 For the Year Ended December 31, 2018

	GENERAL	ROAD MAINTENANCE AND CONSTRUCTION	GARBAGE DISTRICT NO. 1	LIBRARY
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ -	\$ -	\$ -
Transfers out	(75,000)	-	-	-
Capital leases	-	155,533	136,395	-
Sale of capital assets	-	109,738	-	-
Total Other Financing Sources (Uses)	(75,000)	265,271	136,395	-
Net Change in Fund Balances	85,344	252,098	(17,800)	(6,877)
FUND BALANCES - BEGINNING	1,046,910	1,156,459	532,535	701,723
FUND BALANCES - ENDING	\$ 1,132,254	\$ 1,408,557	\$ 514,735	\$ 694,846

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

Statement E

DRAINAGE MAINTENANCE	DRAINAGE CAPITAL PROJECT	NONMAJOR GOVERNMENTAL	TOTAL
\$ -	\$ -	\$ 75,000	\$ 75,000
-	-	-	(75,000)
-	-	-	291,928
-	-	-	109,738
-	-	75,000	401,666
55,085	-	22,235	390,085
635,567	-	1,427,878	5,501,072
<u>\$ 690,652</u>	<u>\$ -</u>	<u>\$ 1,450,113</u>	<u>\$ 5,891,157</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, 2018**

	Statement F
Total net change in fund balances - governmental funds	\$ 390,085
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	\$ 1,259,331
Depreciation expense	<u>(498,854)</u>
	760,477
Repayment of bond principal, notes and capital leases are an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.	269,229
Issuance of long-term debt provides current financial resources of governmental funds but has no effect on government-wide net position.	(291,928)
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).	537
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.	(24,347)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds.	149,364
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>64</u>
Change in net position of governmental activities	<u>\$ 1,253,481</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, 2018

	Statement G
	<u>SECTION 8 VOUCHER</u>
ASSETS	
Current Assets:	
Cash and cash equivalents	\$ 49,393
Receivables	211
Interfund receivables	4,617
Prepaid items	2,750
Cash and cash equivalents - restricted	<u>9,440</u>
Total Current Assets	66,411
Non-Current Assets:	
Net pension asset	3,785
Property, plant and equipment (net of accumulated depreciation)	<u>13,206</u>
Total Current Assets	<u>16,991</u>
TOTAL ASSETS	<u>83,402</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	<u>8,308</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>8,308</u>
LIABILITIES	
Current Liabilities:	
Accounts payable	2,501
Unearned Revenue	<u>399</u>
Total Current Liabilities	<u>2,900</u>
TOTAL LIABILITIES	<u>2,900</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred outflows related to pensions	<u>11,419</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>11,419</u>
NET POSITION	
Net investment in capital assets	13,206
Restricted for HAP (Expendable)	9,440
Unrestricted	<u>54,745</u>
TOTAL NET POSITION	<u>\$ 77,391</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, 2018

	Statement H
	<u>SECTION 8 VOUCHER</u>
OPERATING REVENUES	
Federal Grants	\$ 598,559
Miscellaneous income	379
	<u>598,938</u>
Total operating revenues	<u>598,938</u>
OPERATING EXPENSES	
Administration	79,900
Housing assistance payments	504,982
Depreciation	3,302
	<u>588,184</u>
Total operating expenses	<u>588,184</u>
OPERATING INCOME (LOSS) FROM OPERATIONS	10,754
NONOPERATING REVENUES (EXPENSES)	
Interest income	78
	<u>78</u>
NET CHANGE IN NET POSITION	10,832
NET POSITION - BEGINNING OF YEAR	<u>66,559</u>
NET POSITION - END OF YEAR	<u><u>\$ 77,391</u></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, 2018

	Statement I
	<u>SECTION 8</u>
	<u>VOUCHER</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Payments to vendors	\$ (44,645)
Payments to employees	(38,710)
Payments to private landlords and others	(503,735)
Federal grants	598,958
	<u>11,868</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>11,868</u>
CASH FLOW FROM INVESTING ACTIVITIES	
Interest and dividends	78
	<u>78</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>78</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	11,946
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>46,887</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>58,833</u></u>
RECONCILIATION TO THE STATEMENT OF NET POSITION:	
Cash and cash equivalents	49,393
Cash and cash equivalents - restricted	9,440
	<u>58,833</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>58,833</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:	
Operating income (loss)	10,754
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	3,302
(Increase) decrease in accounts receivable	(211)
(Increase) decrease in prepaid expenses	(666)
(Increase) decrease in deferred outflows related to pensions	6,738
(Increase) decrease in net pension asset	(15,199)
Increase (decrease) in accounts payable	(2,079)
Increase (decrease) in unearned revenue	399
Increase (decrease) in compensated absences	(336)
Increase (decrease) in deferred inflows related to pensions	9,166
	<u>11,868</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u><u>\$ 11,868</u></u>

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

**East Carroll Parish Police Jury
Notes to the Financial Statements
December 31, 2018**

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

<u>Component Unit</u>	<u>Method of Inclusion</u>	<u>Fiscal Year End</u>	<u>Criteria Used</u>
Included within the reporting entity:			
Sixth Judicial District Criminal Court (East Carroll Parish)	Blended	December 31	2 and 3
LSU Cooperative Extension Service	Blended	December 31	2 and 3

Not included within the reporting entity:

East Carroll Parish:

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.

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

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

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

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

Drainage Capital Project - This fund accounts for the construction costs funded through CDBG federal grant funds.

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.

East Carroll Parish Police Jury
Notes to the Financial Statements
December 31, 2018

Fund Financial Statements (FFS)

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

With this measurement focus, only current assets, 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.

**East Carroll Parish Police Jury
Notes to the Financial Statements
December 31, 2018**

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.

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.

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

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

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company. 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., 228 St. Charles Avenue, Suite 1123, New Orleans, LA 70130.

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

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.

**East Carroll Parish Police Jury
Notes to the Financial Statements
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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.

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:

**East Carroll Parish Police Jury
Notes to the Financial Statements
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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.

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.

East Carroll Parish Police Jury
Notes to the Financial Statements
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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.

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.

**East Carroll Parish Police Jury
Notes to the Financial Statements
December 31, 2018**

R. SALES TAXES The Police Jury has a one percent sales and use tax, which was passed by the voters on October 16, 1993, for a period of five years. In July 2008, this tax was renewed for five years. The taxing period for the renewal is effective from January 1, 2009 through December 31, 2018. 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, 2018:

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
General Fund	\$ 1,163,229	\$ 1,235,315	\$ (72,086)
Road Maintenance and Construction	1,043,880	1,052,308	(8,428)
Garbage District No. 1	453,772	454,622	(850)
Drainage	314,178	315,664	(1,486)

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	September 2018
Tax bills mailed	November 2018
Due date	December 31, 2018
Lien date	January 1, 2019
Tax sale – 2018 delinquent property	June 2019

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.

**East Carroll Parish Police Jury
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10% land	15% machinery
10% residential improvements	15% commercial improvements
15% industrial improvements	25% public service properties, excluding land

A revaluation of all property is required after 1978 to be completed no less than every four years. The last revaluation was completed in 2016. Louisiana state law exempts the first \$75,000 of assessed value of a taxpayer's primary residence from parish property taxes. For calendar year 2018, the total assessed value was \$49,851,773 and the homestead exemption was \$5,237,220 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 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 2018 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, 2018:

	<u>Maximum Allowed Millage</u>	<u>Levied Millage</u>	<u>Expiration 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	3.25	3.25	2018
Rural fire protection debt service	Variable	1.94	2018
Garbage collection and disposal	11.67	11.67	2020

**East Carroll Parish Police Jury
Notes to the Financial Statements
December 31, 2018**

NOTE 4 - DEPOSITS At December 31, 2018, the Police Jury had cash and cash equivalents (book balances) as follows:

Demand deposits (cash and cash equivalents per Statement A)	\$3,047,149
Demand deposits (cash and cash equivalents - restricted per Statement A)	9,440
Time deposits (reported as investments)	<u>107,232</u>
Total	<u>\$3,163,821</u>

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

Custodial Credit Risk-Deposits. At year end, the Police Jury had a bank balance of \$3,606,484 of which \$607,232 was covered by federal depository insurance and \$2,999,252 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</u> <u>Fair Value</u>
Certificate of deposit	\$ 107,232
LAMP	<u>635,386</u>
Total	<u>\$ 742,618</u>

LAMP is a 2a7-like investment pool. Investments in LAMP are stated at fair value based on quoted market rates (Level 1). The following facts are relevant for 2a7-like 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)

**East Carroll Parish Police Jury
Notes to the Financial Statements
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method. The WAM of LAMP assets is restricted to not more than 60 days and consists of no securities with a maturity in excess of 397 days.

Foreign currency risk: Not applicable to 2a7-like pools.

NOTE 6 - RECEIVABLES The following is a summary of receivables at December 31, 2018:

	<u>Ad Valorem</u>	<u>Other taxes</u>	<u>Intergovernmental</u>	<u>Other</u>	<u>Total</u>
General	\$ 350,588	\$ 9,791	\$ 198,364	\$ 91,503	\$ 650,246
Road Maintenance and Construction	315,769	47,555	316,265	-	679,589
Garbage District No. 1	349,510	-	1,802	1,326	352,638
Library	314,997	-	2,615	-	317,612
Drainage Maintenance	315,769	-	2,622	-	318,391
Drainage Project	-	-	247,000	-	247,000
Nonmajor Governmental	337,083	-	1,138	24,967	363,188
Section 8 Voucher	-	-	211	-	211
Total	<u>\$ 1,983,716</u>	<u>\$ 57,346</u>	<u>\$ 770,017</u>	<u>\$ 117,796</u>	<u>\$ 2,928,875</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 \$4,250 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	Drainage Project	\$ 3,714
General fund	Nonmajor Governmental	4,822
Road Maintenance and Construction	General fund	36,145
Garbage District No. 1	General fund	5,932
Library	General fund	11,264
Nonmajor Governmental	General fund	5,982
Section 8	General fund	4,617
Total		<u>\$ 72,476</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	\$ 75,000
Total		<u>\$ 75,000</u>

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

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

	<u>Balance Beginning</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance Ending</u>
Governmental activities				
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	457,568	950,157	-	1,407,725
Total non-depreciable capital assets	<u>1,391,467</u>	<u>950,157</u>	<u>-</u>	<u>2,341,624</u>
Depreciable capital assets:				
Buildings	2,780,483	-	-	2,780,483
Furniture & office equipment	435,120	27,197	-	462,317
Construction equipment	1,913,626	281,977	-	2,195,603
Vehicles	3,188,241	-	-	3,188,241
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	-	-	430,295
Total depreciable capital assets	<u>20,803,367</u>	<u>309,174</u>	<u>-</u>	<u>21,112,541</u>
Less accumulated depreciation:				
Buildings	1,795,796	54,474	-	1,850,270
Furniture & equipment	359,410	19,451	-	378,861
Construction equipment	1,224,003	143,278	-	1,367,281
Vehicles	2,579,434	174,637	-	2,754,071
Infrastructure:				
Airport	343,107	28,267	-	371,374
Road surface	8,575,315	35,594	-	8,610,909
Bridges	1,275,986	25,941	-	1,301,927
Drainage	8,606	17,212	-	25,818
Total accumulated depreciation	<u>16,161,657</u>	<u>498,854</u>	<u>-</u>	<u>16,660,511</u>
Total depreciable capital assets, net	<u>4,641,710</u>	<u>(189,680)</u>	<u>-</u>	<u>4,452,030</u>
Governmental activities				
Capital assets, net	<u>\$ 6,033,177</u>	<u>\$ 760,477</u>	<u>\$ -</u>	<u>\$ 6,793,654</u>

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

Elections	\$ 2,026
Other general government	7,704
Public Safety	48,204
Public Works	381,016
Health & Welfare	27,701
Culture & Recreation	3,936
Transportation	28,267
Total	<u>\$ 498,854</u>

**East Carroll Parish Police Jury
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The following schedule presents changes in capital assets for the business-type activities.

	<u>Balance Beginning</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance Ending</u>
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	12,365	3,302	-	15,667
Total	<u>15,496</u>	<u>3,302</u>	<u>-</u>	<u>18,798</u>
Business-type activities capital assets, net	<u>\$ 16,508</u>	<u>\$ (3,302)</u>	<u>\$ -</u>	<u>\$ 13,206</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.

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 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.

**East Carroll Parish Police Jury
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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, 2018, the actuarially determined contribution rate was 9.99% of member's compensation. However, the actual rate for fiscal year ending December 31, 2018 was 11.5% or \$139,195. 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 \$14,983 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, 2018, the Police Jury reported a net pension liability (asset) of \$(149,593), \$(145,808) for governmental activities and \$(3,785) for business-type activities, for its proportionate share of the Net Pension Liability (Asset) (NPL). The NPL was measured as of December 31, 2017, 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, 2017, the most recent measurement date, the Police Jury's proportions and the changes in proportion from the prior measurement date was 0.201541%, or a decrease of 0.006285%.

**East Carroll Parish Police Jury
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For the year ended December 31, 2018, the Police Jury recognized a total pension expense of \$179,230, \$174,624 for governmental activities and \$4,606 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:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Differences between expected and actual experience	\$ -	\$ 94,385	\$ -	\$ 2,450	\$ -	\$ 96,835
Changes in assumptions	184,031	-	4,778	-	188,809	-
Net difference between projected and actual earnings on pension plan investments	-	336,858	-	8,745	-	345,603
Changes in proportion and differences between employer contributions and proportionate share of contributions	317	8,623	8	224	325	8,847
Employer contributions subsequent to the measurement date	135,673	-	3,522	-	139,195	-
Total	<u>\$ 320,021</u>	<u>\$ 439,866</u>	<u>\$ 8,308</u>	<u>\$ 11,419</u>	<u>\$ 328,329</u>	<u>\$ 451,285</u>

Deferred outflows of resources related to pensions resulting from the Police Jury's contributions subsequent to the measurement date will be recognized as a reduction of the NPL in the year ended December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
2019	\$ 18,472	\$ 480	\$ 18,952
2020	(25,083)	(651)	(25,734)
2021	(115,397)	(2,996)	(118,393)
2022	(133,510)	(3,466)	(136,976)

**East Carroll Parish Police Jury
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Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of December 31, 2017 are as follows:

Valuation Date	December 31, 2017
Actuarial Cost Method	Entry Age Normal Cost
Expected Remaining Service Lives	4 years
Investment Rate of Return	6.75%, net of investment expense, including inflation
Inflation Rate	2.50%
Mortality	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 were selected for annuitant and beneficiary mortality. For employees, the RP-2000 Employees Sex Distinct Tables (set back 4 years for males and 3 years for females) was selected. The RP-2000 Disabled Lives Mortality Table (set back 5 years for males and set back 3 years for females) was selected for disabled annuitants.
Termination, Disability, Retirement	Projected based on a 5 year (January 1, 2010 - December 31, 2014) experience study
Projected Salary Increases	5.25% (2.75% Merit/2.50% Inflation)
Cost of Living Adjustments	Not substantively automatic

Discount Rate: The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers 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.

The discount rate used in the December 31, 2017 net pension liability (asset) was decreased from the 7.00% used in the December 31, 2016 valuation to 6.75%. 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 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 7.62% for the year ended December 31, 2017.

**East Carroll Parish Police Jury
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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, 2017 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed income	35%	1.24%
Equity	52%	3.57%
Alternatives	11%	0.69%
Real assets	2%	0.12%
Total	<u>100%</u>	<u>5.62%</u>
Inflation		<u>2.00%</u>
Expected arithmetic nominal return		<u>7.62%</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
\$ 737,548	\$ (149,593)	\$ (939,534)

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, 2018, the Police Jury had \$4,707 in payables for the December 2018 employee and employer legally required contributions.

NOTE 10 - ACCOUNTS, SALARIES, AND OTHER PAYABLES Payables at December 31, 2018 are as follows:

	Accounts Payable	Salaries & Benefits Payable	Total
General	\$ 26,593	\$ 4,251	\$ 30,844
Road Maintenance and Construction	251,080	8,497	259,577
Garbage District No. 1	3,135	6,269	9,404
Library	1,231	25	1,256
Drainage Project	247,000	-	247,000
Nonmajor Governmental	13,234	1,695	14,929
Section 8 Voucher	2,265	236	2,501
Total	<u>\$ 544,538</u>	<u>\$ 20,973</u>	<u>\$ 565,511</u>

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NOTE 11 - LONG-TERM LIABILITIES The following is a summary of the long-term liabilities transactions and balances for the year ended December 31, 2018:

Governmental Activities

	Beginning Balance	Additions	Deletions	Ending Balance	Amounts Due Within One year
Governmental Activities:					
Bonds payable:					
General obligation debt	\$ 135,000	\$ -	\$ 65,000	\$ 70,000	\$ 70,000
Other Liabilities:					
Notes payable	186,318	-	186,318	-	-
Capital leases	-	291,928	17,911	274,017	53,780
Compensated absences	7,258	32,150	32,687	6,721	6,721
Net pension liability	416,606	-	416,606	-	-
Governmental Activities					
Long-term liabilities	<u>\$ 745,182</u>	<u>\$ 324,078</u>	<u>\$ 718,522</u>	<u>\$ 350,738</u>	<u>\$ 130,501</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 garbage district no. 1 fund and drainage maintenance fund. The capital leases are paid from the garbage district no. 1 and the road maintenance and construction funds. The net pension liability (asset) will be liquidated through contributions to the pension plan from the governmental fund in which the related salary was paid.

For the current fiscal year, the Parochial Employees' Retirement System of Louisiana's fiduciary net position exceeded its total pension liability, resulting in a net pension asset; therefore, the Police Jury's net proportional share of the System's net pension asset is reported as an asset on the Statement of Net Position. See Note 8 for additional information.

Business-Type Activities

	Beginning Balance	Additions	Deletions	Ending Balance	Amounts Due Within One year
Business-type Activities:					
Other Liabilities:					
Compensated absences	\$ 336	\$ 1,400	\$ 1,736	\$ -	\$ -
Net pension liability	11,414	-	11,414	-	-
Total Business-type Activities					
Long-term liabilities	<u>\$ 11,750</u>	<u>\$ 1,400</u>	<u>\$ 13,150</u>	<u>\$ -</u>	<u>\$ -</u>

**East Carroll Parish Police Jury
Notes to the Financial Statements
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Governmental Activities

The general obligation bonds payable at December 31, 2018 is the following issue:

	Original Amount	Interest Rates	Final Payment Due	Interest to Maturity	Principal Outstanding
2004 Issue	<u>\$750,000</u>	0.75 to 2.25	1-Apr-19	<u>\$787</u>	<u>\$70,000</u>

All principal and interest requirements on the general obligation debt are funded in accordance with Louisiana law by the annual ad valorem tax levy on taxable property within the parish. In accordance with Louisiana Revised Statute 39:562, the Police Jury and its component units are legally restricted from incurring long-term bonded debt in excess of ten percent of the assessed value of taxable property in the parish or district. At December 31, the statutory limit is \$4,985,177. At December 31, 2018, the Police Jury had accumulated \$94,603 in the debt service fund which is more than enough to pay the remaining principal and interest. The final principal and interest payment of \$70,787 is due April 1, 2019.

NOTE 12 - CAPITAL LEASES The Police Jury has two lease agreements for financing the acquisition of equipment and garbage truck. The construction equipment has a ten-year estimated useful life and the garbage truck has a useful life of five years. The assets acquired through capital leases are as follows:

<u>Asset:</u>	<u>Original Cost</u>	<u>Current Year Depreciation</u>	<u>Accumulated Depreciation</u>
Road Maintenance and Construction:			
2017 John Deere 6130M Cab Tractor	\$ 91,332	\$ 4,567	\$ 4,567
2017 John Deere 6130M Cab Tractor	91,845	4,592	4,592
2017 John Deere 5100R Utility Tractor	73,113	3,656	3,656
2017 John Deere 620R Standard Farm Loader	7,548	377	377
Garbage:			
2016 Heil 25 Yard Rear Loader	225,246	45,049	112,623
Totals	\$ 489,084	\$ 58,241	\$ 125,815

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2018, are as follows:

<u>Year Ending June 30,</u>	<u>Governmental Activities</u>
2019	\$ 65,682
2020	65,681
2021	65,682
2022	65,681
2023	43,409
Total minimum lease payments	306,135
Less: amount representing interest	(32,118)
Present value of minimum lease payments	\$ 274,017

**East Carroll Parish Police Jury
Notes to the Financial Statements
December 31, 2018**

NOTE 13 - LITIGATION, CLAIMS AND COMMITMENTS

Litigation At December 31, 2018, 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.

Construction Commitments At year end, the Police Jury has several ongoing construction projects. Construction commitments at year end consists of a DOTD Phase II Project construction contract for \$467,480 with a remaining commitment of \$192,130. This project is funded through state and federal capital grants.

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

NOTE 15 - FUND BALANCE CLASSIFICATION DETAILS

	General Fund	Road Maintenance and Construction	Garbage District No. 1	Library	Drainage Maintenance	Nonmajor Governmental	Total
Nonspendable:							
Prepays	\$ -	\$ 2,926	\$ -	\$ -	\$ -	\$ -	\$ 2,926
Restricted for:							
Road Maintenance and Construction	-	1,405,631	-	-	-	-	1,405,631
Garbage	-	-	514,735	-	-	-	514,735
Library	-	-	-	694,846	-	-	694,846
Drainage Maintenance	-	-	-	-	690,652	-	690,652
Debt Service	-	-	-	-	-	94,603	94,603
Rural Fire Protection	-	-	-	-	-	461,227	461,227
LSU Cooperative Extension	-	-	-	-	-	236,723	236,723
Health Unit	-	-	-	-	-	641,120	641,120
Criminal Court	-	-	-	-	-	16,440	16,440
Unassigned:	1,132,254	-	-	-	-	-	1,132,254
Total	\$ 1,132,254	\$ 1,405,631	\$ 514,735	\$ 694,846	\$ 690,652	\$ 1,450,113	\$ 5,891,157

**East Carroll Parish Police Jury
Notes to the Financial Statements
December 31, 2018**

NOTE 16 - 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, 2018 by authorized millage is as follows:

<u>Tax Code</u>	<u>Millage</u>	<u>Assessed Valuate Lost to ITFP</u>	<u>Estimated Tax Dollar Lost to ITFP</u>
Parish General	6.60	\$ 3,870,055	\$ 25,542
Courthouse Maintenance	2.53	3,870,055	9,791
Road Maintenance & Construction	8.24	3,870,055	31,889
Garbage District #1	11.67	3,870,055	45,164
Library & Bookmobile	8.22	3,870,055	31,812
Drainage Maintenance	8.24	3,870,055	31,889
Health Unit	2.00	3,870,055	7,740
LA Cooperative Extension Program	2.74	3,870,055	10,604
Fire Maintenance	3.25	3,870,055	12,578
Fire Bond	1.94	3,870,055	7,508
			<u>\$ 214,517</u>

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

<u>Governmental Funds</u>	<u>2018</u>	<u>2017</u>
General Fund	Yes	Yes
Road Maintenance and Construction	Yes	Yes
Garbage District No. 1	Yes	Yes
Library	Yes	Yes
Drainage Maintenance	Yes	Yes
Health Unit	No	Yes
Criminal Court	No	Yes
Drainage Capital Project	Yes	Yes

East Carroll Parish Police Jury

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REQUIRED SUPPLEMENTARY INFORMATION

East Carroll Parish Police Jury

**Schedule of Employer's Proportionate Share of the Net Pension Liability (Asset)
Last Four 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 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%

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 Four 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%

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: For amounts reported in 2015, an investment rate of return of 7.25% and an inflation rate of 3.00% were used and expectations and mortality were based on January 1, 2006 – December 31, 2010 experience study. The RP-2000 Combined Healthy Tables set back 1 year for males and RP-2000 Combined Healthy Female Table for females were used for annuitant, beneficiary and employee mortality and the RP-2000 Disabled Lives Mortality Tables for Males and Females were used for disabled annuitants.

For amounts reported in 2016 and later, expectations and mortality were based on a January 2, 2010 – December 31, 2014 experience study. The 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 were used for annuitant and beneficiary mortality, the RP-2000 Employees Sex Distinct Tables (set back 4 years for males and 3 years for females) were used for employee mortality and the RP-2000 Disabled Lives Mortality Tables (set back 5 years for males and set back 3 years for females) were used for disabled annuitants mortality.

For amounts reported in 2016 and later, an inflation rate of 2.50% was used.

For amounts reported in 2016 and 2017, an investment rate of return of 7.00% was used. For amounts reported in 2018, an investment rate of return of 6.75% was used.

East Carroll Parish Police Jury

Budgetary Comparison Schedules

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

GENERAL FUND The general fund accounts for all activities of the Police Jury except those that are accounted for in other funds.

ROAD MAINTENANCE AND CONSTRUCTION The road maintenance 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 The solid waste fund accounts for the operations of the parish-wide landfill project and is funded by a district ad valorem tax.

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

DRAINAGE MAINTENANCE The drainage maintenance fund 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, 2018

Exhibit 2-1

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL	AMOUNTS (BUDGETARY BASIS)	FINAL BUDGET POSITIVE (NEGATIVE)
BUDGETARY FUND BALANCES, BEGINNING	\$ 603,892	\$ 379,610	\$ 379,610	\$ -
Resources (inflows)				
Local sources:				
Taxes:				
Ad valorem	394,559	469,342	469,342	-
Sales and use	60,000	70,191	89,598	19,407
Other taxes	30,328	18,363	18,363	-
Licenses and permits	91,500	101,190	103,112	1,922
Fees, charges, and commissions for services	287,401	307,011	302,711	(4,300)
Use of money and property	24,068	18,125	18,153	28
Other revenues	116,650	159,221	111,717	(47,504)
Intergovernmental revenues:				
State sources:				
State revenue sharing	35,399	37,122	37,122	-
Other	237,036	199,482	205,834	6,352
Federal sources - federal grants	822,329	80,575	80,575	-
Sale of capital assets	525	-	-	-
Amounts available for appropriations	<u>2,703,687</u>	<u>1,840,232</u>	<u>1,816,137</u>	<u>(24,095)</u>
Charges to appropriations (outflows)				
Current:				
General government:				
Legislative	74,988	71,814	71,814	-
Judicial	174,792	177,742	177,742	-
Elections	27,240	29,099	29,100	(1)
Finance and administrative	181,595	145,217	148,191	(2,974)
Other general government	309,482	259,295	328,406	(69,111)
Public safety	326,360	223,041	223,040	1
Public works	220,303	164,262	164,263	(1)
Health and welfare	5,850	11,122	11,122	-
Culture and recreation	700	-	-	-
Economic development and assistance	3,825	4,237	4,237	-
Transportation	3,145	2,400	2,400	-
Transfers Out	50,000	75,000	75,000	-
Total charges to appropriations	<u>1,378,280</u>	<u>1,163,229</u>	<u>1,235,315</u>	<u>(72,086)</u>
BUDGETARY FUND BALANCES, ENDING	<u>\$ 1,325,407</u>	<u>\$ 677,003</u>	<u>\$ 580,822</u>	<u>\$ (96,181)</u>

See independent auditor's report.

EAST CARROLL PARISH POLICE JURY

ROAD MAINTENANCE AND CONSTRUCTION
 Budgetary Comparison Schedule
 For the Year Ended December 31, 2018

Exhibit 2-2

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL	AMOUNTS (BUDGETARY BASIS)	FINAL BUDGET POSITIVE (NEGATIVE)
BUDGETARY FUND BALANCES, BEGINNING	\$ 567,239	\$ 672,832	\$ 672,832	\$ -
Resources (inflows)				
Local sources:				
Taxes:				
Ad valorem	356,097	422,103	423,590	1,487
Sales and use	600,000	735,403	806,384	70,981
Use of money and property	2,650	4,382	4,754	372
Other revenues	500	555	557	2
Intergovernmental revenues:				
State sources:				
Parish transportation funds	161,000	95,278	129,346	34,068
Federal sources- federal grants	-	37,279	37,279	-
Sale of capital assets	-	738	738	-
Amounts available for appropriations	<u>1,687,486</u>	<u>1,968,570</u>	<u>2,075,480</u>	<u>106,910</u>
Charges to appropriations (outflows)				
Current:				
Public works	<u>1,091,948</u>	<u>1,043,880</u>	<u>1,052,308</u>	<u>(8,428)</u>
Total charges to appropriations	<u>1,091,948</u>	<u>1,043,880</u>	<u>1,052,308</u>	<u>(8,428)</u>
BUDGETARY FUND BALANCES, ENDING	<u>\$ 595,538</u>	<u>\$ 924,690</u>	<u>\$ 1,023,172</u>	<u>\$ 98,482</u>

See independent auditor's report.

EAST CARROLL PARISH POLICE JURY

GARBAGE DISTRICT NO. 1
 Budgetary Comparison Schedule
 For the Year Ended December 31, 2018

Exhibit 2-3

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL	AMOUNTS (BUDGETARY BASIS)	FINAL BUDGET POSITIVE (NEGATIVE)
BUDGETARY FUND BALANCES, BEGINNING	\$ 36,940	\$ 164,287	\$ 164,287	\$ -
Resources (inflows)				
Local sources:				
Taxes:				
Ad valorem	403,545	452,723	467,443	14,720
Fees, charges, and commissions for services	15,909	16,554	16,635	81
Use of money and property	1,600	2,816	3,105	289
Amounts available for appropriations	457,994	636,380	651,470	15,090
Charges to appropriations (outflows)				
Current:				
Public works	390,775	412,442	413,292	(850)
Debt service:				
Principal retirement	50,532	41,330	41,330	-
Total charges to appropriations	441,307	453,772	454,622	(850)
BUDGETARY FUND BALANCES, ENDING	\$ 16,687	\$ 182,608	\$ 196,848	\$ 14,240

See independent auditor's report.

EAST CARROLL PARISH POLICE JURY

LIBRARY
 Budgetary Comparison Schedule
 For the Year Ended December 31, 2018

Exhibit 2-4

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL	AMOUNTS (BUDGETARY BASIS)	FINAL BUDGET POSITIVE (NEGATIVE)
BUDGETARY FUND BALANCES, BEGINNING	\$ 427,464	\$ 363,099	\$ 363,099	\$ -
Resources (inflows)				
Local sources:				
Taxes:				
Ad valorem	319,797	319,797	421,068	101,271
Fees, charges, and commissions for services	5,885	5,885	11,012	5,127
Use of money and property	157	157	3,148	2,991
Other revenues	1,537	1,537	2,754	1,217
Intergovernmental revenues:				
State funds:				
State revenue sharing	8,199	8,199	5,403	(2,796)
Amounts available for appropriations	<u>763,039</u>	<u>698,674</u>	<u>806,484</u>	<u>107,810</u>
Charges to appropriations (outflows)				
Current:				
Culture and recreation	<u>397,350</u>	<u>409,350</u>	<u>390,232</u>	<u>19,118</u>
Total charges to appropriations	<u>397,350</u>	<u>409,350</u>	<u>390,232</u>	<u>19,118</u>
BUDGETARY FUND BALANCES, ENDING	<u>\$ 365,689</u>	<u>\$ 289,324</u>	<u>\$ 416,252</u>	<u>\$ 126,928</u>

See independent auditor's report.

EAST CARROLL PARISH POLICE JURY

DRAINAGE MAINTENANCE
 Budgetary Comparison Schedule
 For the Year Ended December 31, 2018

Exhibit 2-5

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL	AMOUNTS (BUDGETARY BASIS)	FINAL BUDGET POSITIVE (NEGATIVE)
BUDGETARY FUND BALANCES, BEGINNING	\$ 1,328	\$ 83,399	\$ 83,399	\$ -
Resources (inflows)				
Local sources:				
Taxes:				
Ad valorem	356,097	410,113	423,590	13,477
Fees, charges, and commissions for services	1,800	7,006	7,006	-
Use of money and property	740	1,460	1,580	120
Intergovernmental revenues:				
Federal sources - federal grants	125,230	210,123	210,123	-
Amounts available for appropriations	485,195	712,101	725,698	13,597
Charges to appropriations (outflows)				
Current:				
Public works	427,387	314,178	315,664	(1,486)
Total charges to appropriations	427,387	314,178	315,664	(1,486)
BUDGETARY FUND BALANCES, ENDING	\$ 57,808	\$ 397,923	\$ 410,034	\$ 12,111

See independent auditor's report.

East Carroll Parish Police Jury

Notes to Budgetary Comparison Schedules
For the Year Ended December 31, 2018

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, 2018, 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>
General Fund	\$ 1,163,229	\$ 1,235,315	\$ (72,086)
Road Maintenance and Construction	1,043,880	1,052,308	(8,428)
Garbage District No. 1	453,772	454,622	(850)
Drainage	314,178	315,664	(1,486)

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, 2018**

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

	General	Road Maintenance and Construction	Garbage District No. 1	Library	Drainage Maintenance
<u>Sources/inflows of resources</u>					
Actual amounts (budgetary basis) "available for appropriation" from the Budgetary Comparison Schedule	\$1,816,137	\$ 2,075,480	\$651,470	\$806,484	\$ 725,698
The fund balance at the beginning of the year is a budgetary resource but is not a current-year revenue for financial reporting purposes	(379,610)	(672,832)	164,287	(363,099)	(83,399)
Sale of capital assets are inflows of budgetary resources but are not revenues for financial reporting purposes	-	738	-	-	-
Adjustments for conversion from cash basis to modified accrual for financial reporting purposes	(116,241)	144,369	(387,158)	(54,626)	(266,373)
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$1,320,286</u>	<u>\$ 1,547,755</u>	<u>\$428,599</u>	<u>\$388,759</u>	<u>\$ 375,926</u>
<u>Uses/Outflows of resources</u>					
Actual amounts (budgetary basis) "Total charges to appropriations" from the Budgetary Comparison Schedule	\$1,235,315	\$ 1,052,308	\$454,622	\$390,232	\$ 315,664
Adjustments for conversion from cash basis to modified accrual for financial reporting purposes	(373)	508,620	128,172	5,404	5,177
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	(75,000)	-	-	-	-
Total expenditures as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$1,159,942</u>	<u>\$1,560,928</u>	<u>\$582,794</u>	<u>\$395,636</u>	<u>\$ 320,841</u>

See independent auditor's report.

East Carroll Parish Police Jury

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SUPPLEMENTARY INFORMATION

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

EAST CARROLL PARISH POLICE JURY

NONMAJOR GOVERNMENTAL FUNDS
 Combining Balance Sheet - By Fund Type
 December 31, 2018

Exhibit 3

	<u>SPECIAL REVENUE</u>	<u>DEBT SERVICE</u>	<u>TOTAL</u>
ASSETS			
Cash and cash equivalents	\$ 990,955	\$ 39,768	\$ 1,030,723
Investments	102,897	-	102,897
Receivables	305,086	58,102	363,188
Interfund receivables	5,064	918	5,982
TOTAL ASSETS	<u>1,404,002</u>	<u>98,788</u>	<u>1,502,790</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities:			
Accounts, salaries and other payables	14,929	-	14,929
Interfund payables	4,822	-	4,822
Total Liabilities	<u>19,751</u>	<u>-</u>	<u>19,751</u>
Deferred Inflows of Resources:			
Unavailable revenue - property taxes	28,741	4,185	32,926
Total Deferred inflow of resources	<u>28,741</u>	<u>4,185</u>	<u>32,926</u>
Fund Balances:			
Restricted	1,355,510	94,603	1,450,113
Total Fund Balances	<u>1,355,510</u>	<u>94,603</u>	<u>1,450,113</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 1,404,002</u>	<u>\$ 98,788</u>	<u>\$ 1,502,790</u>

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, 2018

Exhibit 4

	SPECIAL REVENUE	DEBT SERVICE	TOTAL
REVENUES			
Local sources:			
Taxes:			
Ad valorem	\$ 323,165	\$ 72,167	\$ 395,332
Fines and forfeitures	384,589	-	384,589
Use of money and property	2,800	33	2,833
Other revenues	1,212	-	1,212
Intergovernmental revenues:			
State sources:			
State revenue sharing	1,138	-	1,138
Other	15,438	-	15,438
Total Revenues	728,342	72,200	800,542
EXPENDITURES			
Current:			
General government:			
Judicial	484,997	-	484,997
Finance and administrative	105,166	8,328	113,494
Public Safety	79,110	-	79,110
Health and welfare	108,562	-	108,562
Debt service:			
Principal retirement	-	65,000	65,000
Interest and bank charges	-	2,144	2,144
Total Expenditures	777,835	75,472	853,307
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(49,493)	(3,272)	(52,765)
OTHER FINANCING SOURCES (USES)			
Transfers in	75,000	-	75,000
Total Other Financing Sources (Uses)	75,000	-	75,000
Net Change in Fund Balances	25,507	(3,272)	22,235
FUND BALANCES - BEGINNING	1,330,003	97,875	1,427,878
FUND BALANCES - ENDING	\$ 1,355,510	\$ 94,603	\$ 1,450,113

See independent auditor's report.

East Carroll Parish Police Jury

NONMAJOR SPECIAL REVENUE FUNDS

RURAL FIRE PROTECTION This fund accounts for grant funds provided by USDA, FEMA, and Louisiana Community Development Block Grants. These grants are used to enhance existing equipment, purchase new equipment, emergencies, and construction of a new fire house.

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.

HEALTH UNIT The health unit fund accounts for the parish health center. Financing 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.

EAST CARROLL PARISH POLICE JURY

NONMAJOR SPECIAL REVENUE FUNDS

Combining Balance Sheet

December 31, 2018

	RURAL FIRE PROTECTION	LSU COOPERATIVE EXTENSION	HEALTH UNIT
ASSETS			
Cash and cash equivalents	\$ 299,690	\$ 144,283	\$ 541,275
Investments	73,131	-	29,766
Receivables	97,837	105,001	77,281
Interfund receivables	244	-	4,820
TOTAL ASSETS	470,902	249,284	653,142
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities:			
Accounts, salaries and other payables	2,664	-	2,853
Interfund payables	-	-	-
Total Liabilities	2,664	-	2,853
Deferred Inflows of Resources:			
Unavailable revenue - property taxes	7,011	12,561	9,169
Total Deferred inflow of resources	7,011	12,561	9,169
Fund Balances:			
Restricted	461,227	236,723	641,120
Total Fund Balance	461,227	236,723	641,120
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 470,902	\$ 249,284	\$ 653,142

See independent auditor's report.

Exhibit 5

<u>CRIMINAL COURT</u>	<u>TOTAL</u>
\$ 5,707	\$ 990,955
-	102,897
24,967	305,086
-	5,064
<u>30,674</u>	<u>1,404,002</u>
9,412	14,929
<u>4,822</u>	<u>4,822</u>
<u>14,234</u>	<u>19,751</u>
-	<u>28,741</u>
-	<u>28,741</u>
<u>16,440</u>	<u>1,355,510</u>
<u>16,440</u>	<u>1,355,510</u>
<u>\$ 30,674</u>	<u>\$ 1,404,002</u>

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, 2018

	RURAL FIRE PROTECTION	LSU COOPERATIVE EXTENSION	HEALTH UNIT
REVENUES			
Local sources:			
Taxes:			
Ad valorem	\$ 113,363	\$ 121,277	\$ 88,525
Fines and forfeitures	-	-	-
Use of money and property	1,633	123	1,044
Other revenues	1,212	-	-
Intergovernmental revenues:			
State sources:			
State revenue sharing	501	-	637
Other	15,438	-	-
Total Revenues	<u>132,147</u>	<u>121,400</u>	<u>90,206</u>
EXPENDITURES			
Current:			
General government:			
Judicial	-	-	-
Finance and administrative	-	105,166	-
Public Safety	79,110	-	-
Health and welfare	-	-	108,562
Total Expenditures	<u>79,110</u>	<u>105,166</u>	<u>108,562</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>53,037</u>	<u>16,234</u>	<u>(18,356)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	53,037	16,234	(18,356)
FUND BALANCES - BEGINNING	<u>408,190</u>	<u>220,489</u>	<u>659,476</u>
FUND BALANCES - ENDING	<u>\$ 461,227</u>	<u>\$ 236,723</u>	<u>\$ 641,120</u>

See independent auditor's report.

Exhibit 6

CRIMINAL COURT	TOTAL
\$ -	\$ 323,165
384,589	384,589
-	2,800
-	1,212
-	1,138
-	15,438
<u>384,589</u>	<u>728,342</u>
484,997	484,997
-	105,166
-	79,110
-	108,562
<u>484,997</u>	<u>777,835</u>
<u>(100,408)</u>	<u>(49,493)</u>
<u>75,000</u>	<u>75,000</u>
<u>75,000</u>	<u>75,000</u>
(25,408)	25,507
<u>41,848</u>	<u>1,330,003</u>
<u>\$ 16,440</u>	<u>\$ 1,355,510</u>

East Carroll Parish Police Jury

GENERAL

Exhibit 7

**Schedule of Compensation Paid Police Jurors
For the Year Ended December 31, 2018**

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, 2018

Exhibit 8

Natasha Davis, Secretary Treasurer

Purpose	Amount
Salary	\$ 44,416
Benefits-insurance	5,694
Benefits-retirement	5,108
Benefits-medicare	644
Registration fees	650
Conference travel	1,790
	<u>1,790</u>
	<u>\$ 58,302</u>

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

Exhibit 9

Submission Type: Unaudited	Fiscal Year End: 12/31/18
111 Cash - Unrestricted	\$ 49,393
113 Cash - Other Restricted	9,440
100 Total Cash	<u>58,833</u>
121 Accounts Receivable - PHA Projects	211
142 Prepaid Expenses and Other Assets	2,750
144 Inter Program Due From	4,617
150 Total Current Assets	<u>66,411</u>
164 Furniture, Equipment & Machinery - Administration	32,004
166 Accumulated Depreciation	<u>(18,798)</u>
160 Total Capital Assets, Net of Accumulated Depreciation	13,206
174 Other Assets	3,785
180 Total Non-Current Assets	<u>16,991</u>
200 Deferred Outflow of Resources	<u>8,308</u>
290 Total Assets and Deferred Outflow of Resources	<u><u>\$ 91,710</u></u>
311 Bank Overdraft	
312 Accounts Payable <= 90 Days	\$ 2,179
321 Accrued Wage/Payroll Taxes Payable	236
331 Accounts Payable - HUD PHA Programs	86
342 Unearned Revenue	399
310 Total Current Liabilities	<u>2,900</u>
300 Total Liabilities	<u>2,900</u>
400 Deferred Inflow of Resources	<u>11,419</u>
508.4 Net Investment in Capital Assets	13,206
511.4 Restricted Net Position	9,440
512.4 Unrestricted Net Position	54,745
513 Total Equity - Net Assets / Position	<u>77,391</u>
600 Total Liabilities, Deferred Inflows of Resources and Equity -	<u><u>\$ 91,710</u></u>

(Continued)

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

Exhibit 9

Submission Type: Unaudited

Fiscal Year End: 12/31/18

70600 HUD PHA Operating Grants	\$ 598,559
71100 Investment Income - Unrestricted	78
71500 Other Revenue	379
70000 Total Revenue	<u>599,016</u>
91100 Administrative Salaries	39,458
91200 Auditing Fees	4,100
91500 Employee Benefit contributions - Administrative	11,459
91600 Office Expenses	12,262
91700 Legal Expense	1,700
91800 Travel	4,500
91000 Total Operating - Administrative	<u>73,479</u>
96120 Liability Insurance	2,084
96130 Workmen's Compensation	111
96100 Total insurance Premiums	<u>2,195</u>
96200 Other General Expenses	4,562
96210 Compensated Absences	(336)
96000 Total Other General Expenses	<u>4,226</u>
96900 Total Operating Expenses	<u>79,900</u>
97000 Excess of Operating Revenue over Operating Expenses	519,116
97300 Housing Assistance Payments	504,982
97400 Depreciation Expense	3,302
90000 Total Expenses	<u>588,184</u>
10000 Excess (Deficiency) of Total Revenue Over (Under) Total	<u>10,832</u>
11030 Beginning Equity	66,559
11170 Administrative Fee Equity	67,951
11180 Housing Assistance Payments Equity	<u>\$ 9,440</u>
11190 Unit Months Available	1,704
11210 Number of Unit Months Leased	1,627

(Concluded)

See independent auditor's report.

**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, 2018, and the related notes to the financial statements, which collectively comprise the Police Jury's basic financial statements, and have issued our report thereon dated June 24, 2019. 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 2018-001.

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
June 24, 2019

**REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY UNIFORM GUIDANCE**

Independent Auditor's Report

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

Report on Compliance for Each Major Federal Program

We have audited East Carroll Parish Police Jury's (the Police Jury) compliance with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Police Jury's major federal programs for the year ended December 31, 2018. The Police Jury's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the Police Jury complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2018.

Report on Internal Control Over Compliance

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose. 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
June 24, 2019

East Carroll Parish Police Jury

**Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2018**

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant Number	Expenditures
United States Department of Housing and Urban Development			
Direct Programs			
Section 8 Housing Choice Vouchers	14.871	None	\$ 598,559
Passed through the Louisiana Office of Community Development			
CDBG - State-Administered CDBG			
Community Development Block Grant - Gustav/Ike Recovery	14.228	18PARA3403	<u>702,342</u>
Total United States Department of Housing and Urban Development			<u>1,300,901</u>
United States Department of Homeland Security			
Passed through the Governor's Office of Homeland Security			
Emergency Management Performance Grant	97.042	None	25,584
State Homeland Security Program	97.067	None	<u>28,414</u>
Total United States Department of Homeland Security			<u>53,998</u>
Total Federal Awards			<u>\$ 1,354,899</u>

See notes to the schedule of expenditures of federal awards.

East Carroll Parish Police Jury

**Notes to Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2018**

NOTE 1 - BASIS OF PRESENTATION The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal awards activity of the East Carroll Parish Police Jury (the "Police Jury") under programs of the federal government for the year ended December 31, 2018. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Police Jury, it is not intended to and does not present the financial position or changes in fund balances of the Police Jury.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES Expenditures reported on the schedule are reported using the modified accrual basis of accounting, which is described in Note 1 to the Police Jury's basic financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 - RELATIONSHIP TO BASIC FINANCIAL STATEMENTS Federal awards are reported in the Police Jury's basic financial statements as follows:

Governmental Activities	
General Fund	\$ 53,998
Drainage Capital Project	702,342
Business-Type Activities	
Section 8 Voucher Fund	<u>598,559</u>
	<u>\$ 1,354,899</u>

East Carroll Parish Police Jury

Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2018

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 |

Federal Awards

- | | |
|---|------------|
| 1. Internal control over major programs | |
| a. Material weaknesses identified? | None |
| b. Significant deficiencies identified? | None |
| 2. Type of auditor's report issued on compliance for each major program | Unmodified |
| 3. Audit findings disclosed that are required in accordance with the Uniform Guidance | No |
| 4. Identification of major programs | |
| 14.228 Community Development Block Grant | |
| 5. Dollar threshold used to distinguish between Type A and B programs | \$750,000 |
| 6. Auditee qualified as a low-risk auditee? | No |

East Carroll Parish Police Jury

Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2018

Part II - Findings and Responses Related to the Financial Statements

2018-001 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, 2018, the General Fund had expenditures of \$1,235,315 which exceeded budget amounts of \$1,163,229 resulting in an unfavorable variance of \$72,086 which is a variance of 6.2%.
- 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, 2017**

2017-001 Failure to Amend Budget

This finding has not been resolved. See finding 2018-001.

AGREED-UPON PROCEDURES REPORT

East Carroll Parish Police Jury

Independent Accountant's Report
on Applying Agreed-Upon Procedures

For the Period of January 1, 2018 - December 31, 2018

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, 2018 to December 31, 2018. 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.

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- 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.

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

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).
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 which it is shared by multiple employees. Collections at the Police Jury location are placed in the vault 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 1 of the 10 collections tested was deposited within 1 day of collection. The remaining were deposited within 2 to 8 days of collection. We performed procedures b) and e) without exception.

Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

6. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

Results: We obtained listing and noted that there were 3 locations.

7. For each location selected under #6 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
 - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - b) At least two employees are involved in processing and approving payments to vendors.
 - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
 - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

Results: We noted no exceptions in the performance of these procedures.

8. For each location selected under #6 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and:
 - a) Observe that the disbursement matched the related original invoice/billing statement.
 - b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #7, as applicable.

Results: We noted no exceptions in the performance of these procedures.

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

9. 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.

10. 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 2 out of the 4 cards included finance charges.

11. Using the monthly statements or combined statements selected under #10 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 6 did not have documentation of business/public purpose. We noted that none were for meals and that the bid law was not applicable to any of the charges.

Payroll and Personnel

12. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

Results: Procedure was performed without exception

13. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #12 above, obtain attendance records and leave documentation for the pay period, and:
- a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
 - b) Observe that supervisors approved the attendance and leave of the selected employees/officials.
 - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

Results: Procedure was performed without exception

14. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulative leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.

Results: Management indicated that there were no terminations during the fiscal year.

15. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

Results: We obtained management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums and workers' compensation premiums were paid, and associated forms have been filed by required deadlines.

Ethics

16. Using the 5 randomly selected employees/officials from procedure #12 under "Payroll and Personnel" above, obtain ethics documentation from management, and:
- a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

- b. Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

Results: We noted no exceptions in the performance of the procedures.

* * * * *

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

Covington, LA
June 24, 2019

East Carroll Parish Police Jury

400 First Street, Suite 5
Lake Providence, LA 71254

MEMBERS:

BILLY TRAVIS, Dist. 1
KOFI DARDEN-HAWKINS, Dist. 2
BRIAN BLOCKWOOD, Dist. 3
KENDALL L. THOMPSON, Dist. 4
S. LEE DENNY, Dist. 5

PRESIDENT

S. Lee Denny

VICE-PRESIDENT

Kendall L. Thompson

SECRETARY-TREASURER

Natosha Davis

TELEPHONE 318 / 559-2256

FAX NO. 318 / 559-1502

E-mail: ecpj400@att.net

Mr. Daryl Purpera
Louisiana Legislative Auditor
1600 N 3rd 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 2018 agreed-upon procedures engagement:

1. Management will adopt policies and procedures for Receipts/Collections, Contracting and Debt Service.
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