

**Webster Parish Police Jury
Minden, Louisiana**

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

Webster Parish Police Jury

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(Concluded)

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Independent Auditor's Report

Police Jurors
Webster Parish Police Jury
Minden, Louisiana

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Basis for Adverse Opinion on the Aggregate Discretely Presented Component Units

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

Adverse Opinion

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

Unmodified Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Police Jury as of December 31, 2019, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

As disclosed in Note 8 to the financial statements, the net pension liability for the Police Jury was \$2,375,086 at December 31, 2019, as determined by the Parochial Employees' Retirement System of Louisiana. The related actuarial valuation was performed by the Retirement System's actuary using various assumptions. Because actual experience may differ from the assumptions used, there is a risk that this amount at December 31, 2019, could be under or overstated. Our opinion is not modified with respect to this matter.

As disclosed in Note 16 to the financial statements, the other post-employment benefit (OPEB) liability for the Police Jury was \$7,269,515 at December 31, 2019, as determined by the Police Jury's actuary. The related actuarial valuation was performed using various assumptions. Because actual experience may differ from the assumptions used, there is a risk that this amount at December 31, 2019, could be under or overstated. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of Changes in the Total OPEB Liability and Related Ratios, Schedule of Employer's Proportionate Share of the Net Pension Liability, Schedule of Employer Contributions to Pension Plans, Budgetary Comparison Schedules, and notes to the required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with

auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

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

The accompanying supplementary information, as listed in the table of contents, and schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards*, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information, as listed in the table of contents, and schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards* is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2020 on our consideration of the Police Jury's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Police Jury's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Police Jury's internal control over financial reporting and compliance.



ALLEN, GREEN & WILLIAMSON, LLP
Monroe, Louisiana
June 29, 2020

Webster Parish Police Jury

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REQUIRED SUPPLEMENTARY INFORMATION

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

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

Our discussion and analysis of Webster Parish Police Jury's financial performance provides an overview of the Police Jury's financial activities for the year ended December 31, 2019.

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 2019 by \$22,188,550. Of this amount, the Police Jury reported \$(239,895) in unrestricted net position; which means if the Police Jury had to pay off all of its bills today including all of its non-capital liabilities such as compensated absences, there would be deficit of \$239,895.
- The Police Jury's net position increased by \$97,724, or 0.4% compared to 2018.
- The Police Jury's total general and program revenues were \$14,510,053 in 2019 which is an increase of \$909,788 over 2018. This increase is due to the 2016 Flood Event reimbursement for 75% of the cost of the PW.
- During the year ended December 31, 2019, the Police Jury had total expenses of \$14,412,329, which includes depreciation expense. Expenses for 2018 totaled \$14,417,005. Expenses decreased in 2019 by \$4,676 due to there being no major capital expenditures such as courthouse renovations or no major replacement of equipment as the prior year.

NEW GASB STANDARDS In fiscal year 2019, the Police Jury adopted the following statement of financial accounting standards issued by the Governmental Accounting Standards Board:

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

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

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

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

Required Supplementary Information

Management's Discussion & Analysis (MD&A)

Basic Financial Statements

**Government-wide
Financial Statements**



**Fund
Financial Statements**

Notes to the Financial Statements

Required Supplementary Information

**Schedule of Changes in the Total OPEB Liability and Related Ratios
Schedule of Employer's Proportionate Share of the Net Pension Liability
Schedule of Employer Contributions to Pension Plans
Budgetary Information for Major Funds**

Supplementary Information

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

**Other Reports Required By Government Auditing Standards
And Uniform Guidance**

Other Information

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

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

Reporting the Police Jury as a Whole

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

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

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

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

Reporting the Police Jury's Most Significant Funds

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

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

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

THE POLICE JURY AS A WHOLE The Police Jury's net position was \$22,188,550 at December 31, 2019. Of this amount, \$(239,895) was unrestricted. Restricted net position is reported separately to show legal constraints from debt covenants and enabling legislation that limit the Police Jury's ability to use that net position for day-to-day operations. Our analysis below of the primary government focuses on the net position (Table 1) and change in net position (Table 2) of the Police Jury's governmental activities.

**Table 1
Net Position
December 31,**

	Governmental Activities	
	<u>2019</u>	<u>2018</u>
Other assets	\$ 15,101,469	\$ 14,510,242
Capital assets	15,673,493	16,070,679
Total assets	<u>30,774,962</u>	<u>30,580,921</u>
Deferred outflows of resources	<u>3,373,289</u>	862,883
Other liabilities	492,442	621,918
Long-term liabilities	<u>11,324,222</u>	<u>7,582,425</u>
Total liabilities	<u>11,816,664</u>	<u>8,204,343</u>
Deferred inflows of resources	<u>143,037</u>	<u>1,148,635</u>
Net position		
Net investment in capital assets	14,283,493	14,397,065
Restricted	8,144,952	8,093,127
Unrestricted	<u>(239,895)</u>	<u>(399,366)</u>
Total net position	<u>\$ 22,188,550</u>	<u>\$ 22,090,826</u>

The \$(239,895) in unrestricted net position of governmental activities represents the accumulated results of all past years' operations. It means that, if we had to pay off all of our bills today including all of our noncapital liabilities (compensated absences for example), we would have a deficit of \$239,895.

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

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

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

Revenues:	2019	2018	Increase (Decrease)
Program revenues:			
Charges for services	\$ 214,199	\$ 260,025	\$ (45,826)
Operating grants & contributions	2,127,123	1,239,238	887,885
Capital grants & contributions	24,010	212,574	(188,564)
General revenues:			
Ad valorem taxes	5,574,381	5,450,582	123,799
Sales taxes	3,145,101	3,131,663	13,438
Severance tax	1,075,349	1,201,319	(125,970)
Other revenues	2,349,890	2,104,864	245,026
Total revenues	<u>14,510,053</u>	<u>13,600,265</u>	<u>909,788</u>
Functions/Program Expenses:			
General government	4,067,395	4,073,907	(6,512)
Public safety	2,363,930	2,289,429	74,501
Public works	3,305,579	3,293,475	12,104
Health & welfare	1,131,993	1,267,039	(135,046)
Culture & recreation	3,502,836	3,448,108	54,728
Economic development and assistance	8,431	8,173	258
Interest on long-term debt	32,165	36,874	(4,709)
Total expenses	<u>14,412,329</u>	<u>14,417,005</u>	<u>(4,676)</u>
Increase (decrease) in net position	<u>\$ 97,724</u>	<u>\$ (816,740)</u>	<u>\$ 914,464</u>

Governmental Activities As reported in the Statement of Activities, the cost of all of our governmental activities this year was \$14,412,329. However, the amount that our taxpayers ultimately financed for these activities through Police Jury taxes was only \$12,046,997 because some of the cost was paid by those who benefited from the programs \$214,199 or by other governments and organizations who subsidized certain programs with grants and contributions \$2,151,133.

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

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

**Years Ended December 31,
Governmental Activities**

	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>
	<u>2019</u>	<u>2019</u>	<u>2018</u>	<u>2018</u>
Judicial	\$ 1,850,702	\$ 1,663,484	\$ 1,903,687	\$ 1,672,438
Finance & administrative	1,506,816	1,506,816	1,433,136	1,426,122
Public safety	2,363,930	2,248,404	2,289,429	2,181,117
Public works	3,305,579	1,613,268	3,293,475	2,373,663
Health & welfare	1,131,993	847,286	1,267,039	905,936
Culture & recreation	3,502,836	3,475,855	3,448,108	3,419,332
All others	750,473	691,884	782,131	726,560
Totals	<u>\$14,412,329</u>	<u>\$12,046,997</u>	<u>\$14,417,005</u>	<u>\$12,705,168</u>

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

As the Police Jury completed this year, our governmental funds reported a combined fund balance of \$14,220,314 which is an increase of \$1,018,215 from last year. The primary reasons for this difference is as follows:

Our General fund is our principal operating fund. The fund balance in the General fund increased \$1,200,481 to \$5,055,388. This increase is due mainly to revenue from FEMA 75% share payments for outstanding PW's on the 2016 flood damage to parish.

The Sales Tax fund accounts for funds used for the purpose of blacktopping and sealing parish roads. This fund showed an increase of \$157,689 to \$957,772. This increase is due mainly to increased sales tax revenue for the year.

The Library fund accounts for funds used for maintenance and operation of the parish library. This fund showed a decrease of \$40,942 to \$4,152,860. The decrease is due mainly to decrease in ad valorem revenue.

The Special 2.5 Mill Tax fund accounts for the operation and maintenance of the parish courthouse and health unit financed by a special annual property tax levy. This fund showed an increase of \$67,557 to \$651,065. The increase is due mainly to ad valorem tax revenue received from prior year tax assessments.

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

The Nonmajor Governmental funds are comprised of the capital project fund, debt service fund and special revenue funds (Parish Road, Road District A, Road District B, Solid Waste, Special Library, DA Asset Forfeiture, Criminal Court, and Court Reporter). The combined funds showed a decrease of \$366,570 to \$3,403,229. The decrease was mainly due to courtroom renovations and major plumbing repair and the 4th floor jail from 2018 and 2019.

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

General fund There were quarterly revisions made to the 2019 General fund original budget. The final budgeted amounts available for appropriations as well as charges to appropriations were increased from the original budgeted amount by \$1,247,855 mainly due to increased coroner cost and juvenile cost.

The actual amounts available for appropriations were more than the final budget by \$891,105. This was due to underfunded Criminal Court cost as well as transfers to other funds.. The final budgeted charges to appropriations exceeded actual by \$3,944,659, because of landfill assurance to cover possible landfill cost and contingency funds.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets At December 31, 2019, the Police Jury had \$15,673,493 invested in a broad range of capital assets, including land, construction in progress, buildings, furniture and equipment and infrastructure assets such as roads and bridges. This amount represents a net decrease (including additions, deductions, and depreciation) of \$397,186 or 2.47% from last year. The major additions for 2019 were purchase of three dump trucks, renovation of Library restrooms and completion of well for St James water district.

Capital Assets at Year-end

	Governmental Activities	
	2019	2018
Land	\$ 1,365,640	\$ 1,365,640
Construction in progress	-	243,630
Buildings and improvements	17,236,645	17,190,313
Infrastructure	2,983,470	2,715,830
Furniture, equipment & vehicles	7,278,269	6,890,415
Library books and information materials	1,532,994	1,578,349
Total cost of capital assets	30,397,018	29,984,177
Less: accumulated depreciation	(14,723,525)	(13,913,498)
Total net capital assets	\$ 15,673,493	\$ 16,070,679

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

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

Debt Administration At December 31, 2019, the Police Jury had the following debt obligations.

Outstanding Debt, at Year-end

	Governmental Activities	
	2019	2018
Limited tax certificate of indebtedness (backed by the Police Jury)	<u>\$ 1,390,000</u>	<u>\$ 1,600,000</u>
Total debt	<u>\$ 1,390,000</u>	<u>\$ 1,600,000</u>

Other obligations include accrued vacation pay, other post-employment benefits and net pension liability. We present more detailed information about our long-term liabilities in Note 10 of Notes to the Financial Statements. See Note 8 for additional information regarding the pension plan and Note 16 regarding information on the other post-employment benefit plan.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES Our elected and appointed officials and citizens consider many factors when setting the Police Jury's 2020 year budget and tax rates. One of the most important factors affecting the budget is our ad valorem and sales tax collections. We have budgeted no change in ad valorem and sales tax collections from 2019 to 2020. Approximately 26% of total budgeted revenue is from ad valorem and sales taxes for the fiscal year 2019.

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

Webster Parish Police Jury

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BASIC FINANCIAL STATEMENTS

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

WEBSTER PARISH POLICE JURY

**Statement of Net Position
December 31, 2019**

	Statement A
	PRIMARY GOVERNMENT GOVERNMENTAL ACTIVITIES
ASSETS	
Cash and equivalents	\$ 5,737,507
Investments	2,466,519
Receivables	6,332,992
Prepaid items	564,451
Capital assets not being depreciated	1,365,640
Capital assets, net of accumulated depreciation	<u>14,307,853</u>
TOTAL ASSETS	<u>30,774,962</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to OPEB	1,260,452
Deferred outflows related to pensions	<u>2,112,837</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>3,373,289</u>
LIABILITIES	
Accounts payable vendors	239,351
Accrued payroll liabilities	196,872
Interest payable	10,471
Due to other governments	45,748
Long-term liabilities:	
Due within one year	421,768
Due in more than one year	1,257,853
OPEB liability	7,269,515
Net pension liability	<u>2,375,086</u>
TOTAL LIABILITIES	<u>11,816,664</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred Inflows related to pensions	<u>143,037</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>143,037</u>
NET POSITION	
Net investment in capital assets	14,283,493
Restricted for:	
Solid waste collection, road and jail	900,793
Library	4,712,859
Road	1,789,602
Courthouse and health unit	679,779
DA salaries and benefits	15,964
Criminal court	29,173
Court reporter	16,782
Unrestricted	<u>(239,895)</u>
TOTAL NET POSITION	<u>\$ 22,188,550</u>

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

WEBSTER PARISH POLICE JURY

**Statement of Activities
For the Year Ended December 31, 2019**

Statement B

**PRIMARY
GOVERNMENT
GOVERNMENTAL
ACTIVITIES
NET (EXPENSE)
REVENUE AND
CHANGES IN
NET POSITION**

<u>FUNCTIONS/PROGRAMS</u>	<u>EXPENSES</u>	<u>PROGRAM REVENUES</u>		<u>NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION</u>
		<u>CHARGES FOR SERVICES</u>	<u>OPERATING GRANTS AND CONTRIBUTIONS</u>	<u>CAPITAL GRANTS AND CONTRIBUTIONS</u>
<i>Primary Government: Governmental Activities:</i>				
General Government:				
Legislative	\$ 252,388	\$ -	\$ -	\$ (252,388)
Judicial	1,850,702	187,218	-	(1,663,484)
Elections	55,424	-	-	(55,424)
Finance and administrative	1,506,816	-	-	(1,506,816)
Other general government:	402,065	-	58,589	(343,476)
Public safety	2,363,930	-	115,526	(2,248,404)
Public works	3,305,579	-	1,668,301	(1,613,268)
Health and welfare	1,131,993	-	284,707	(847,286)
Culture and recreation	3,502,836	26,981	-	(3,475,855)
Economic development and assistance	8,431	-	-	(8,431)
Interest on long-term debt	32,165	-	-	(32,165)
Total governmental activities	\$ 14,412,329	\$ 214,199	\$ 2,127,123	\$ 24,010
General revenues:				
Taxes:				
Property taxes, levied for general purposes				5,574,381
Sales taxes, levied for general purposes				3,145,101
State revenue sharing				241,642
Severance tax				1,075,349
Grants and contributions not restricted to specific programs				373,259
Fees, charges and commissions				197,387
Licenses and permits				430,974
Interest and investment earnings				361,629
Miscellaneous				744,999
Total general revenues				12,144,721
Change in net position				97,724
Net position - beginning				22,090,826
Net position - ending				\$ 22,188,550

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

Webster Parish Police Jury

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BASIC FINANCIAL STATEMENTS

Fund Financial Statements (FFS)

WEBSTER PARISH POLICE JURY

**GOVERNMENTAL FUNDS
Balance Sheet
December 31, 2019**

	<u>GENERAL</u>	<u>SALES TAX</u>	<u>LIBRARY</u>
ASSETS			
Cash and cash equivalents	\$ 1,688,471	\$ 592,322	\$ 1,271,217
Investments	1,959,347	-	-
Receivables	1,307,097	320,034	3,126,736
Prepaid items	<u>302,106</u>	<u>56,979</u>	<u>151,648</u>
TOTAL ASSETS	<u>5,257,021</u>	<u>969,335</u>	<u>4,549,601</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Accounts and other payables	61,459	11,563	52,684
Accrued payroll liabilities	32,142	-	111,653
Due to other governments	<u>45,748</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES	<u>139,349</u>	<u>11,563</u>	<u>164,337</u>
Deferred Inflows of Resources:			
Unavailable revenue - property taxes	<u>62,284</u>	<u>-</u>	<u>232,404</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>62,284</u>	<u>-</u>	<u>232,404</u>
Fund balances:			
Nonspendable - prepaid items	302,106	56,979	151,648
Restricted	-	900,793	4,001,212
Committed	2,000,000	-	-
Unassigned	<u>2,753,282</u>	<u>-</u>	<u>-</u>
TOTAL FUND BALANCES	<u>5,055,388</u>	<u>957,772</u>	<u>4,152,860</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 5,257,021</u>	<u>\$ 969,335</u>	<u>\$ 4,549,601</u>

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

Statement C

SPECIAL 2.5 MILL TAX	NONMAJOR GOVERNMENTAL	TOTAL
\$ 33,161	\$ 2,152,336	\$ 5,737,507
-	507,172	2,466,519
699,448	879,677	6,332,992
<u>23,264</u>	<u>30,454</u>	<u>564,451</u>
<u>755,873</u>	<u>3,569,639</u>	<u>15,101,469</u>
27,859	85,786	239,351
24,971	28,106	196,872
<u>-</u>	<u>-</u>	<u>45,748</u>
<u>52,830</u>	<u>113,892</u>	<u>481,971</u>
<u>51,978</u>	<u>52,518</u>	<u>399,184</u>
<u>51,978</u>	<u>52,518</u>	<u>399,184</u>
23,264	30,454	564,451
627,801	2,278,623	7,808,429
-	1,094,152	3,094,152
<u>-</u>	<u>-</u>	<u>2,753,282</u>
<u>651,065</u>	<u>3,403,229</u>	<u>14,220,314</u>
<u>\$ 755,873</u>	<u>\$ 3,569,639</u>	<u>\$ 15,101,469</u>

Webster Parish Police Jury

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WEBSTER PARISH POLICE JURY

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

Statement D

Total fund balances - governmental funds	\$	14,220,314
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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	\$	30,397,018	
Accumulated depreciation		<u>(14,723,525)</u>	15,673,493

Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as deferred inflows of resources - unavailable revenue in the governmental funds.		399,184
--	--	---------

Deferred outflows of resources are not available to pay current period expenditures and, therefore, are not reported in the governmental funds.		3,373,289
---	--	-----------

Deferred inflows of resources are not due and payable in the current period and accordingly are not reported in the governmental funds.		(143,037)
---	--	-----------

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, 2019 are:

Long-term liabilities and related items			
Accrued interest payable	\$	(10,471)	
Limited tax debt payable		(1,390,000)	
Compensated absences payable		(289,621)	
OPEB liability		(7,269,515)	
Net pension liability		<u>(2,375,086)</u>	<u>(11,334,693)</u>

Net position of governmental activities	\$	<u>22,188,550</u>
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THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

WEBSTER PARISH POLICE JURY

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

	<u>GENERAL</u>	<u>SALES TAX</u>	<u>LIBRARY</u>
REVENUES			
Local sources:			
Taxes:			
Ad Valorem	\$ 900,948	\$ -	\$ 3,106,664
Sales and use	-	3,145,101	-
Licenses and permits	430,974	-	-
Intergovernmental revenues:			
Federal grants	1,604,860	-	-
State funds:			
Parish transportation funds	-	-	-
State revenue sharing	66,209	-	67,152
Severance taxes	1,075,349	-	-
Other	384,699	-	-
Fees, charges, and commissions for services	30,015	-	-
Fines and forfeitures	545	-	26,981
Use of money and property	104,302	6,743	26,841
Other revenues	339,002	135,873	17,689
	<u>4,936,903</u>	<u>3,287,717</u>	<u>3,245,327</u>
TOTAL REVENUES	4,936,903	3,287,717	3,245,327
EXPENDITURES			
Current:			
General government:			
Legislative	221,103	-	-
Judicial	664,870	-	-
Elections	51,520	-	-
Finance and administrative	1,181,603	-	-
Other general government	359,607	-	-
Public safety	310,316	1,769,444	-
Public works	22,123	1,033,697	-
Health and welfare	415,792	-	-
Culture and recreation	20,034	-	2,750,515
Economic development and assistance	8,431	-	-
Capital outlay	25,211	287,072	291,967
Debt service:			
Principal retirement	-	-	-
Interest and bank charges	-	-	-
	<u>3,280,610</u>	<u>3,090,213</u>	<u>3,042,482</u>
TOTAL EXPENDITURES	3,280,610	3,090,213	3,042,482
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ 1,656,293</u>	<u>\$ 197,504</u>	<u>\$ 202,845</u>

Statement E

<u>SPECIAL 2.5 MILL TAX</u>	<u>NONMAJOR GOVERNMENTAL</u>	<u>TOTAL</u>
\$ 694,818	\$ 784,942	\$ 5,487,372
-	-	3,145,101
-	-	430,974
-	24,010	1,628,870
-	510,823	510,823
53,639	54,642	241,642
-	-	1,075,349
-	-	384,699
30,579	136,793	197,387
-	186,673	214,199
2,910	220,833	361,629
-	236,066	728,630
<u>781,946</u>	<u>2,154,782</u>	<u>14,406,675</u>
-	-	221,103
-	956,068	1,620,938
-	-	51,520
-	-	1,181,603
34,893	-	394,500
-	72,483	2,152,243
-	1,781,030	2,836,850
621,976	-	1,037,768
-	3,517	2,774,066
-	-	8,431
57,520	213,363	875,133
-	331,608	331,608
-	33,747	33,747
<u>714,389</u>	<u>3,391,816</u>	<u>13,519,510</u>
<u>\$ 67,557</u>	<u>\$ (1,237,034)</u>	<u>\$ 887,165</u>

(CONTINUED)

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

	<u>GENERAL</u>	<u>SALES TAX</u>	<u>LIBRARY</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	\$ 150,000	\$ -	\$ -
Transfers out	(605,812)	(39,815)	(243,787)
Insurance recoveries	-	-	-
	<u> </u>	<u> </u>	<u> </u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(455,812)</u>	<u>(39,815)</u>	<u>(243,787)</u>
NET CHANGE IN FUND BALANCES	1,200,481	157,689	(40,942)
FUND BALANCES - BEGINNING	<u>3,854,907</u>	<u>800,083</u>	<u>4,193,802</u>
FUND BALANCES - ENDING	<u><u>\$ 5,055,388</u></u>	<u><u>\$ 957,772</u></u>	<u><u>\$ 4,152,860</u></u>

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

Statement E

<u>SPECIAL 2.5 MILL TAX</u>	<u>NONMAJOR GOVERNMENTAL</u>	<u>TOTAL</u>
\$ -	\$ 904,414	\$ 1,054,414
-	(165,000)	(1,054,414)
<u>-</u>	<u>131,050</u>	<u>131,050</u>
-	870,464	131,050
67,557	(366,570)	1,018,215
<u>583,508</u>	<u>3,769,799</u>	<u>13,202,099</u>
<u>\$ 651,065</u>	<u>\$ 3,403,229</u>	<u>\$ 14,220,314</u>

(CONCLUDED)

WEBSTER PARISH POLICE JURY

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

		Statement F
Total net change in fund balances - governmental funds	\$	1,018,215
Amounts reported for governmental activities in the Statement of Activities are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeded capital outlays in the period:		
Capital outlay	\$ 875,133	
Depreciation expense	<u>(1,157,639)</u>	(282,506)
Loss on sale of asset		(114,680)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		87,009
In the Statement of Activities, certain operating expenses-compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This year, vacation used (\$206,768) exceeded vacation earned (\$196,630) by \$10,138		10,138
The recognition of pension expense in the Statement of Activities is based on projected benefit payments discounted to actuarial present value and attributed to periods of employee service. Pension expenditures in the fund financial statements are the amounts actually paid.		(505,637)
Other post-employment benefits are reported in the governmental funds as expenditures when paid. The unfunded annual contributions is reported in the Statement of Activities as it accrues.		(448,005)
Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.		1,582
Issuance of long-term debt provides current financial resources of governmental funds, while the repayment consumes the current financial resources in the governmental funds. Neither transaction, however, has any effect on the Statement of Net Position.		
Principal payments on certificate of indebtedness	\$ 210,000	
Principal payments on capital lease	<u>121,608</u>	<u>331,608</u>
Change in net position of governmental activities.	\$	<u><u>97,724</u></u>

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

WEBSTER PARISH POLICE JURY
FIDUCIARY FUND - AGENCY FUNDS
Statement of Fiduciary Assets and Liabilities
December 31, 2019

Statement G

	DRUG SEIZURE AND FORFEITURE	MASTER BANK	TOTAL
ASSETS			
Cash and cash equivalents	\$ 105,057	\$ 165,172	\$ 270,229
Receivables	499	-	499
TOTAL ASSETS	105,556	165,172	270,728
LIABILITIES			
Payroll withholdings	-	165,172	165,172
Amounts pending per court order	105,556	-	105,556
TOTAL LIABILITIES	\$ 105,556	\$ 165,172	\$ 270,728

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

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

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Webster Parish Police Jury
Notes to the Financial Statements
December 31, 2019

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

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

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

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

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

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

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

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

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

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

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

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

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

Governmental Funds

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

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

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

Webster Parish Police Jury
Notes to the Financial Statements
December 31, 2019

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

Fiduciary Funds

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

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

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

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

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

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

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

Webster Parish Police Jury
Notes to the Financial Statements
December 31, 2019

Fund Financial Statements (FFS)

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

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

Revenues Ad valorem taxes and the related state revenue sharing are recorded in the year they are assessed. Ad valorem taxes are assessed on a calendar-year basis and become due on November 15 of each year, and become delinquent on December 31. Ad valorem taxes become delinquent if not paid by December 31. The taxes are normally collected in December of the current year and January and February of the ensuing year. The ad valorem tax receivable at December 31, 2019 was \$5,516,439.

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

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

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

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

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

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

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

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

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

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

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

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

Definitions:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments;
- Imposed by law through constitutional provisions or enabling legislation. \$7,603,790 of the Police Jury's net position is restricted by enabling legislation.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

U. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow or resources (expense/expenditure) until then. The Police Jury does have two items that qualify as deferred outflows of resources, which are related to OPEB and pension obligations. See Note 8 for additional information related to pensions and Note 16 for additional information related to OPEB.

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

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

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

Property Tax Calendar

Millage rates adopted/levied	July 2, 2019
Tax bills mailed	On or about November 1, 2019
Due date	December 31, 2019
Collection dates	December 31, 2019 through April 2020
Penalty and interest accrues	January 1, 2020
Tax sale – 2019 property	May 2020

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

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

A revaluation of all property is required after 1978 to be completed no less than every four years. The last revaluation was completed for the roll of January 1, 2017. Total assessed value was \$310,981,140 in calendar year 2018. Louisiana state law exempts the first \$75,000 of assessed value of a taxpayer's primary residence from parish property taxes. This homestead exemption was \$55,269,138 of the assessed value in calendar year 2019.

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

The calendar year tax roll is prepared by the parish tax assessor in November of each year. The amount of property taxes to be collected occurs in December 2019 and January and February 2020. All property taxes are recorded in the general, special revenue and debt service funds. The Police Jury considers the lien date (January 1, 2020) as the date an enforceable legal claim occurs for 2019 property taxes. Property tax revenue is recognized in the period for which the taxes are levied (budgeted).

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

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

<u>Parish-wide taxes:</u>	<u>Maximum Millage Rate</u>	<u>Authorized/ Levied Rate</u>
General maintenance	6.39	6.39
Library maintenance and operation	12.43	12.43
Courthouse, health unit, and agricultural extension service maintenance and operation	2.78	2.78
<u>District taxes:</u>		
Road District A construction and maintenance	2.70	2.65
Road District B construction and maintenance	4.18	3.92

NOTE 3 - DEPOSITS At December 31, 2019, the Police Jury had cash and cash equivalents (book balances) as follows:

Demand deposits (cash and cash equivalents per Statement A)	\$ 5,737,282
Time deposits (reported as investments per Statement A)	2,462,929
Demand deposits (cash and cash equivalents per Statement G – Agency funds)	270,229
Petty cash (cash and cash equivalents per Statement A)	225
Total	<u><u>\$ 8,470,665</u></u>

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

Custodial Credit Risk-Deposits: At year-end the bank balance for the Police Jury was \$8,795,336. Of the bank balance, \$2,241,150 was covered by federal depository insurance. The remaining balance, \$6,554,186 was collateralized with securities held by the pledging financial institution's trust department or agent but not in the Police Jury's name.

Even though the pledged securities are considered uncollateralized under the provisions of GASB Statement No. 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Police Jury that the fiscal agent has failed to pay deposited funds upon demand. The Police Jury's policy does not address custodial credit risk.

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

Webster Parish Police Jury
Notes to the Financial Statements
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NOTE 4 - INVESTMENTS At year end, the Police Jury investment balances were as follows:

<u>Investment</u>	<u>Maturities</u>	<u>Credit Rating</u>	<u>Fair Value Carrying Amount</u>	<u>% of Investments</u>
External investment pool - LAMP	< 1 year	AAAm	\$ 3,590	100%
Total investments			<u>3,590</u>	
Time deposits reported as investments			<u>2,462,929</u>	
Total investments reported as Statement A			<u>\$ 2,466,519</u>	

Investments held at December 31, 2019 consist of \$3,590 in the Louisiana Asset Management Pool (LAMP), a local government investment pool. LAMP is a 2a7-like investment pool. The following facts are relevant for 2a7-like investment pools:

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

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

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

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

NOTE 5 - RECEIVABLES The following is a summary of receivables at December 31, 2019:

<u>Class of Receivables</u>	<u>General</u>	<u>Sales Tax</u>	<u>Library</u>	<u>Special 2.5 Mill Tax</u>	<u>Nonmajor Governmental</u>	<u>Total</u>
Ad valorem taxes	\$ 902,169	\$ -	\$ 3,126,693	\$ 699,292	\$ 788,285	\$ 5,516,439
Sales and use taxes	-	320,034	-	-	-	320,034
Intergovernmental	397,086	-	-	-	53,799	450,885
Fees, charges, and commissions for services	1,481	-	-	-	17,216	18,697
Other	6,361	-	43	156	20,377	26,937
Total	<u>\$ 1,307,097</u>	<u>\$ 320,034</u>	<u>\$ 3,126,736</u>	<u>\$ 699,448</u>	<u>\$ 879,677</u>	<u>\$ 6,332,992</u>

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

Webster Parish Police Jury
Notes to the Financial Statements
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NOTE 6 - CAPITAL ASSETS The following schedule presents changes in capital assets for governmental activities:

	<u>Balance at Beginning</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at Ending</u>
Governmental activities				
Capital assets, not being depreciated				
Land	\$ 1,365,640	\$ -	\$ -	\$ 1,365,640
Construction in progress	243,630	24,010	267,640	-
Total capital assets, not being depreciated	<u>1,609,270</u>	<u>24,010</u>	<u>267,640</u>	<u>1,365,640</u>
Capital assets, being depreciated				
Buildings and improvements	17,190,313	46,332	-	17,236,645
Infrastructure	2,715,830	267,640	-	2,983,470
Furniture, equipment & vehicles	6,890,415	512,824	124,970	7,278,269
Library books and information materials	1,578,349	291,967	337,322	1,532,994
Total capital assets, being depreciated	<u>28,374,907</u>	<u>1,118,763</u>	<u>462,292</u>	<u>29,031,378</u>
Less accumulated depreciation:				
Buildings and improvements	7,499,987	458,346	-	7,958,333
Infrastructure	540,970	75,032	-	616,002
Furniture, equipment & vehicles	5,040,690	325,109	16,482	5,349,317
Library books and information materials	831,851	299,152	331,130	799,873
Total accumulated depreciation	<u>13,913,498</u>	<u>1,157,639</u>	<u>347,612</u>	<u>14,723,525</u>
Total capital assets, being depreciated, net	<u>14,461,409</u>	<u>(38,876)</u>	<u>114,680</u>	<u>14,307,853</u>
Governmental activities capital assets, net	<u>\$ 16,070,679</u>	<u>\$ (14,866)</u>	<u>\$ 382,320</u>	<u>\$ 15,673,493</u>

Depreciation expense was charged to the governmental activities as follows:

Judicial	\$ 9,470
Finance & administrative	239,995
Other general government	4,609
Public safety	10,645
Public works	319,375
Health & welfare	44,895
Culture & recreation	528,650
Total	<u>\$1,157,639</u>

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

NOTE 7 - ACCOUNTS PAYABLE VENDORS The accounts payable for December 31, 2019 fiscal year end are as follows:

	General Fund	Sales Tax	Library	Special 2.5 Mill Tax	Nonmajor Governmental	Total
Vendors	\$ 61,459	\$ 8,802	\$ 41,714	\$ 4,913	\$ 85,786	\$ 202,674
Utilities	-	2,761	10,970	22,946	-	36,677
	<u>\$ 61,459</u>	<u>\$ 11,563</u>	<u>\$ 52,684</u>	<u>\$ 27,859</u>	<u>\$ 85,786</u>	<u>\$ 239,351</u>

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

General Information about the Pension Plan

Plan Description/Benefits Provided:

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

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

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

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

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

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Deferred Retirement Option Plan

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

Cost of Living Adjustments

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

Contributions

Contributions for all members are established by statute at 9.5% of compensation and are deducted from the member's salary and remitted by the participating employer. According to state statute, contributions for all employers are actuarially determined each year. For the year ended December 31, 2019, the actuarially determined contribution rate was 9.99%, based on the December 2018 report and the actual contribution rate was 11.5% or \$375,564. For fiscal year ended December 31, 2019, the actual contribution rate was 11.5% or \$376,241. 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 \$40,892 and was recognized as revenue by the Police Jury.

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

At December 31, 2019, the Police Jury reported a liability of \$2,375,086 for its proportionate share of the Net Pension Liability (NPL). The NPL was measured as of December 31, 2018, and the total pension assets and liabilities used to calculate the NPL were determined by actuarial valuations as of that date. This liability will be liquidated by the General fund and special revenue funds with recorded salaries. The Police Jury's proportions of the NPL were based on projections of the Police Jury's long-term share of contributions to the pension plan relative to the projected contribution of all participating employers, actuarially determined. As of December 31, 2018, the most recent measurement date, the Police Jury's proportions and the changes in proportion from the prior measurement date were .535127%, or an increase of .0149460%.

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

The following reflects the changes in the net pension liability (asset):

Beginning Balances	Additions	Deletions	Ending Bance
\$ (386,103)	\$ 3,137,430	\$ 376,241	\$ 2,375,086

For the year ended December 31, 2019, the Police Jury recognized a total pension expense of \$922,562. 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:

	Deferred Outflows	Deferred Inflows
Differences between expected and actual experience	\$ -	\$ 144,696
Change in assumptions	593,849	-
Net difference between projected and actual earnings on pension plan investments	1,136,961	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	5,786	(1,659)
Employer contributions afte measurement date	376,241	-
Total	\$ 2,112,837	\$ 143,037

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

2020	\$	546,830
2021		298,994
2022		245,486
2023		502,249

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

Actuarial Assumptions

The total pension liability for PERS in the December 31, 2018, actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurements:

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

The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the CAPM pricing model (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward looking basis in equilibrium, in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.00% and an adjustment for the effect of rebalancing/diversification. The resulting expected long term rate of return is 7.43% for the year ended December 31, 2018. Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of December 31, 2018, are summarized in the following table:

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

Webster Parish Police Jury
Notes to the Financial Statements
December 31, 2019

Discount Rate. The discount rate used to measure the total pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions from participating employers will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

<u>1.0% Decrease</u>	<u>Current Discount Rate 6.50%</u>	<u>1.0% Increase</u>
\$ 5,044,045	\$ 2,375,086	\$ 144,067

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

Payables to the Pension Plan. At December 31, 2019, the Police Jury had \$150,212 in payables for the December 2019 employee and employer legally required contributions.

NOTE 9 - COMPENSATED ABSENCES At December 31, 2019, employees of the Police Jury, Library, and Criminal Court had accumulated and vested \$289,621 of employee leave benefits. The liability for compensated absences includes salary related benefits.

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

	Beginning Balance	Additions	Deletions	Ending Balance	Amounts Due Within One year
Governmental Activities:					
Direct Borrowing and Private Placement:					
Limited tax certificate of indebtedness	\$ 1,600,000	\$ -	\$ 210,000	\$ 1,390,000	\$ 215,000
Capital lease	121,608	-	121,608	-	-
Compensated absences	299,759	196,630	206,768	289,621	206,768
Total	\$ 2,021,367	\$ 196,630	\$ 538,376	\$ 1,679,621	\$ 421,768

The compensated absence liability will be liquidated by General fund 14%, Special Revenue funds 39%, and Library fund 35% with the remaining 12% being liquidated by various other funds.

The Direct Borrowing and Private Placement debt at December 31 is as follows:

2014 Limited Tax Certificates of Indebtedness:	Amount
\$2,200,000 Certificate of Indebtedness, dated 10/15/2014; due in annual principal installments of \$195,000 - \$250,000 through March 1, 2025; interest at 2.260%; secured by levy and collection of ad valorem taxes	\$ 1,390,000

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

The annual requirement to amortize long-term debt outstanding as of December 31, 2019, including interest payments are as follows:

	Principal Payments	Interest Payments	Total
2020	\$ 215,000	\$ 28,985	\$ 243,985
2021	220,000	24,069	244,069
2022	230,000	18,984	248,984
2023	235,000	13,729	248,729
2024	240,000	8,362	248,362
2025	250,000	2,825	252,825
	\$ 1,390,000	\$ 96,954	\$ 1,486,954

At December 31, 2019, \$360 was available in Debt Service fund to service the limited tax certificate of indebtedness.

In accordance with Louisiana Revised Statute 39:562, the Police Jury and its component units are legally restricted from incurring long-term bonded general obligation debt in excess of ten percent of the assessed value of taxable property in the parish or district. At December 31, 2019, the statutory limit is \$31,098,114 and net outstanding bonded general obligation debt totaled \$0. The Police Jury is within limits required by statute.

In accordance with Louisiana Revised Statute 39:742.2, the principal and interest due on limited tax certificates of indebtedness in any year on the amount so borrowed for and on behalf of any political subdivision in anticipation of the revenues to be received from a special ad valorem tax shall not exceed seventy-five percent of the revenues estimated to be realized from the levy of such special tax in the year in which such bonds are issued.

Pledged Revenue: In October 2014, the Police Jury issued \$2,200,000 in limited tax certificates of indebtedness to finance the acquiring, constructing, improving, furnishing and equipping public libraries in Webster Parish. The Police Jury has pledged, as security, a portion of the 12.43 mills Library ad valorem tax. The certificates are payable solely from the library ad valorem tax collected and are payable through fiscal year end 2025. The principal and interest payments are estimated to be 8.0% over the next 6 years. The total principal and interest remaining to be paid is \$1,390,000 and \$96,954, respectively. For fiscal year ended December 31, 2019, the Police Jury received \$3,106,664 from the collection of the 12.43 mills and paid \$210,000 in principal and \$33,787 in interest obligations for the 2014 certificates of indebtedness.

Capital Lease: During the fiscal year ended December 31, 2019, the Police Jury completed payments on two dump trucks purchased under a capital lease in the fiscal year ended December 31, 2018. The total cost of the dump trucks was \$236,700, in which accumulated depreciation at December 31, 2019 was \$18,739. One of the trucks was involved in an accident in April 2019. See Note 23 for more information.

NOTE 11 - CRIMINAL COURT FUND Louisiana Revised Statute 15:571.11 requires that one-half of any balance remaining in the criminal court fund at year end-be transferred to the parish General fund. Criminal Court had a fund balance at the end of the year of \$47,090. Due to the General fund transferring \$486,000 during the fiscal year to the criminal court fund to cover excess expenses, the General fund chose not to transfer one-half of the remaining fund balance from the criminal court fund and decided to leave the fund balance intact to assist in a reduction of future transfers from the General fund to the criminal court for excess expenses.

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

NOTE 12 - INTERFUND TRANSACTIONS (FFS LEVEL ONLY)

Transfers In/Out

<u>Transferred In</u>	<u>Transferred Out</u>	<u>Amount</u>
General fund	Nonmajor Governmental	\$ 150,000
Nonmajor Governmental	Sales Tax	39,815
Nonmajor Governmental	General fund	605,812
Nonmajor Governmental	Library	243,787
Nonmajor Governmental	Nonmajor Governmental	15,000
		<u>\$ 1,054,414</u>

Transfers were made from the Solid Waste to the General fund to help cover shortfalls within the fund per the budget. Transfers from the General fund to the Nonmajor Governmental funds were to cover shortfalls in the Criminal Court fund. The General fund and Sales Tax fund transferred monies to the Nonmajor Governmental to cover shortfalls in Road District A from repairs to roads. Additionally, the transfer from the Library fund was to the Nonmajor Governmental - debt service fund due to the required sinking fund payment. The Nonmajor Governmental Court Reporter fund transferred \$15,000 to the Nonmajor Governmental Criminal Court fund to cover expenses associated with the court reporter.

NOTE 13 - LITIGATION AND CLAIMS

Litigation Per legal counsel, the Police Jury was not involved in any lawsuits at December 31, 2019.

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 based on the total received in the fiscal year. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under terms of the grant.

Head Start Program Disallowance The Department of Health and Human Services' (HHS), Administration for Children and Families conducted a monitoring review of the 2012 Head Start program year at the Webster Parish Office of Community Services, a discretely presented component unit of the Police Jury. The monitoring reported findings resulted in disallowed costs by the Office of Community Services in the amount of \$273,251. Although this is a liability being reported by the Office of Community Services, the communication to the Office of Community Services by HHS has been addressed to the Webster Parish Police Jury. The Webster Parish Police Jury and the Office of Community Services are currently waiting to hear back from the Department of Health and Human Services on the final outcome. The repayment of this liability is expected to be paid by the Office of Community Services; therefore, the Police Jury has not recorded a liability at December 31, 2019 for the disallowance nor any accrued interest.

FEMA Contractor In 2016, the Police Jury hired a 3rd party contractor to assist with the oversight of the reporting of project worksheets, reimbursement request forms, and quarterly reports, that are required to be submitted to the State of Louisiana for the expenditures incurred for repairs resulting from flood damages. The contractor has submitted invoices for their costs of time spent from 2016-2019 to the Police Jury totaling \$1,236,901 in which the Police Jury had paid \$248,111 in previous years. The remaining balance of \$988,790 is being questioned by the Police Jury regarding the validity of these costs. Therefore, the Police Jury has not recorded a liability at December 31, 2019 for these outstanding invoices.

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

NOTE 14 - RISK MANAGEMENT The Police Jury is at risk for property damage, liability and theft which are covered by commercial insurance through the Traveler’s Insurance Company. The Police Jury is responsible only for the payment of premiums. Settled claims resulting from these risks have not exceeded the commercial insurance coverage in any of the past three years.

NOTE 15 - LANDFILL CLOSURE AND POST-CLOSURE CARE COST State and federal laws and regulations requires the Police Jury to place a final cover on its landfill site when it stops receiving waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. In August 1997, the Police Jury entered into a long term lease of the landfill. At this time the Police Jury had completed closure costs on the landfill cells it had used under the terms of the lease, the new operator will be responsible for closure of all landfill cells it utilizes and will also be responsible for all required post-closure activities related to such areas. The closure cost and post-closure cost estimate completed in 2019 was \$5,638,333. Louisiana Department of Environmental Quality (LDEQ) considers the owner of the landfill to be responsible for the closure costs; however the Police Jury has an agreement with the operator to cover their portion of the closure costs. Therefore, no long-term debt due to landfill closure and post closure costs as defined in Governmental Accounting Standard No. 18 has been accrued by the Police Jury. The Police Jury has \$2,000,000 in investments in the General fund, which are committed for any future landfill closure or post-closure costs. Additionally, the landfill operator maintains a surety bond to cover the landfill closure or post-closure costs of \$1,500,000.

NOTE 16 - OTHER POST EMPLOYMENT BENEFITS (OPEB)

Plan description - The Police Jury provides certain continuing health care and life insurance benefits for its retired employees on a pay-as-you-go basis. The Police Jury’s OPEB plan is a single-employer defined benefit “substantive plan” as understood by past practices of the Police Jury and its employees. Although no written plan or trust currently exists or is sanctioned by law, the OPEB plan is reported based on communication to plan members. Substantially all of the Police Jury’s employees become eligible for these benefits if they reach normal retirement age while working for the Police Jury. The benefits and similar benefits for active employees are provided through an insurance program, whose monthly premiums are paid jointly by the employee and the Police Jury. The OPEB plan does not issue a stand-alone financial report. Additionally, no assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Benefits Provided and Funding Policy - The insurance for retired individuals is provided through the Police Jury’s group plan, which covers both active and retired members. Employees do not contribute to their post-employment benefits cost until they become retirees and begin receiving those benefits. Contribution amounts are approximately 13% retiree/87% employer of the stated costs of healthcare coverage. The retiree pays 100% of any elected dependent medical coverage and for dental and life insurance elected in retirement.

Employees Covered by Benefit Terms - At December 31, 2019, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit	20
Inactive employees entitled to but not yet receiving benefit payments	0
Active employees	49
Total	69

Total OPEB Liability - The Police Jury’s total OPEB liability of \$7,269,515 was measured as of December 31, 2019 and was determined by an actuarial valuation as of December 31, 2018. The OPEB liability will be liquidated by the general fund.

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

Actuarial Assumptions and Other Inputs - The total OPEB liability for December 31, 2019 in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial method	Individual entry age normal cost - Level percentage of projected salary
Discount rate	2.74% Bond Pay GO-20 bond index
Healthcare trend	Level 5.00% trend rate
Mortality	RPH-2014 total table with projection MP-2019
Turnover	Range from 25% with zero years of service to 1% with twenty plus years of service
Retirement rates	Range from 15% for age 45 to 1% for age 65
Salary increase	3.50%
Retirees' share of benefit-related costs	13%

Changes in the Total OPEB Liability:

	<u>Total OPEB Liability</u>
Balance at January 1, 2019	\$ 5,561,058
Changes for the year:	
Service cost	180,295
Interest	232,528
Changes in assumptions and other inputs	1,435,515
Benefit payments	<u>(139,881)</u>
Net changes	<u>1,708,457</u>
Balance at December 31, 2019	<u><u>\$ 7,269,515</u></u>

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate - The following presents the total OPEB liability of the Police Jury, as well as what the Police Jury's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower and one percentage point higher than the current discount rate.

	1% Decrease <u>(1.74%)</u>	Discount Rate <u>(2.74%)</u>	1% Increase <u>(3.74%)</u>
Total OPEB liability	\$ 8,852,129	\$ 7,269,515	\$ 6,041,689

Webster Parish Police Jury
Notes to the Financial Statements
December 31, 2019

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates - The following presents the total OPEB liability of the Police Jury, as well as what the Police Jury's total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower and one percentage point higher than the current healthcare cost trend rates.

	1% Decrease (4.00%)	Trend Rate (5.00%)	1% Increase (6.00%)
Total OPEB liability	\$ 5,884,295	\$ 7,269,515	\$ 9,144,835

OPEB Expense and Deferred Outflows of Resources Related to OPEB - For the year ended December 31, 2019, the Police Jury recognized OPEB expense of \$587,886. At December 31, 2019 the Police Jury reported deferred outflows of resources related to OPEB from the following source:

	<u>Deferred Outflows</u>
Change in assumptions	\$ 1,260,452

Amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

2020	\$	175,063
2021		175,063
2022		175,063
2023		175,063
2024		175,063
2025+		385,137

NOTE 17 - OPERATING LEASES The Police Jury leases postage machines and printers under noncancelable operating leases. Total costs paid for such leases were \$20,906 for the year ended December 31, 2019. The minimum lease payments for these leases are as follows:

Year Ending December 31,	<u>Amount</u>
2020	\$ 20,361
2021	12,769
2022	5,973
2023	1,218

Webster Parish Police Jury
Notes to the Financial Statements
December 31, 2019

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

	<u>General Fund</u>	<u>Sales Tax</u>	<u>Library</u>	<u>Special 2.5 Mill Tax</u>	<u>Nonmajor Governmental</u>	<u>Total</u>
Non-spendable:						
Prepaid items	\$ 302,106	\$ 56,979	\$ 151,648	\$ 23,264	\$ 30,454	\$ 564,451
Restricted for:						
Solid waste collection, road and jail	-	900,793	-	-	-	900,793
Road	-	-	-	-	1,737,101	1,737,101
Library	-	-	4,001,212	-	479,243	4,480,455
Debt Service	-	-	-	-	360	360
Operations & maintenance of courthouse & health unit	-	-	-	627,801	-	627,801
DA salary and benefits	-	-	-	-	15,964	15,964
Criminal court	-	-	-	-	29,173	29,173
Court reporter	-	-	-	-	16,782	16,782
Committed to:						
Solid Waste Landfill	-	-	-	-	1,094,152	1,094,152
	2,000,000	-	-	-	-	2,000,000
Unassigned:						
General fund	2,753,282	-	-	-	-	2,753,282
Total	<u>\$ 5,055,388</u>	<u>\$ 957,772</u>	<u>\$ 4,152,860</u>	<u>\$ 651,065</u>	<u>\$ 3,403,229</u>	<u>\$ 14,220,314</u>

NOTE 19 - NEW GASB STANDARDS In fiscal year 2019, the Police Jury adopted the following statement of financial accounting standard issued by the Governmental Accounting Standards Board:

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

The adoption of this standard had no impact on the School Board’s governmental fund or government-wide financial statements.

NOTE 20 - TAX ABATEMENTS The Police Jury is subject to tax abatements granted by the Louisiana Department of Economic Development, Office of Commerce and Industry: Industrial Tax Exemption Program (ITEP). 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.

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

The amount of tax abatement under this program during the fiscal year ended December 31, 2019 by authorized millage is as follows:

<u>Tax Code</u>	<u>Millage</u>	<u>Assessed Valuate Lost to ITEP</u>	<u>Estimated Tax Dollar Lost to ITEP</u>
General maintenance	6.39	\$ 20,390,310	\$ 85,284
Library maintenance and operation	12.43	20,390,313	253,452
Courthouse, health unit, and agricultural extension service	2.78	20,390,313	56,685
Road District A construction and maintenance	2.65	15,606,155	41,356
Road District B construction and maintenance	3.92	4,784,161	18,754
			<u>\$ 455,531</u>

NOTE 21 - SUBSEQUENT EVENTS In March 2020, the United States Government and citizens had begun responding to the Coronavirus Pandemic (COVID-19). As part of this response, the State of Louisiana had issued a stay-at-home order for the citizens, which had also called for nonessential businesses to temporarily halt operations. Governments that collect sales tax as a main source of revenue are in the early stages of determining what impact the stay-at-home and other health safety measures will have on the economy and the tax revenues that governments traditionally have collected. Early signs indicate that sales tax collection, at least in the short run, will have a material unfavorable impact to the taxing body. However, because of the unknown ramifications of COVID-19 and related corresponding Governor’s stay-at-home orders and proclamations, the exact financial impact to the Police Jury cannot be determined at this point. Accordingly, these financial statements do not include any adjustment for the downward trend in sales tax collections nor any other unfavorable revenue decline.

NOTE 22 - CHANGE IN PRESENTATION The following funds were reported as major funds for the fiscal years ended December 31,

Governmental Funds	<u>2018</u>	<u>2019</u>
General Fund	Yes	Yes
Sales Tax	Yes	Yes
Library	Yes	Yes
Special 2.5 Mill Tax	Yes	Yes
Solid Waste	Yes	No

NOTE 23 - INSURANCE RECOVERIES The Police Jury received \$131,050 in insurance proceeds in the current fiscal year as a result of vehicle damage that occurred in April 2019. The vehicle was a total loss.

Webster Parish Police Jury

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REQUIRED SUPPLEMENTARY INFORMATION

Webster Parish Police Jury

**Schedule of Changes in the Total OPEB Liability and Related Ratios
December 31, 2019**

Exhibit 1

Total OPEB Liability	<u>2019</u>	<u>2018</u>
Service costs	\$ 180,295	\$ 173,194
Interest	232,528	221,939
Changes in assumptions and other inputs	1,435,515	-
Benefit payments	<u>(139,881)</u>	<u>(148,065)</u>
Net change in total OPEB liability	1,708,457	247,068
Total OPEB liability - Beginning	<u>5,561,058</u>	<u>5,313,990</u>
Total OPEB liability - Ending	<u><u>\$ 7,269,515</u></u>	<u><u>\$ 5,561,058</u></u>
Covered employee payroll	2,365,677	2,356,132
Total OPEB liability as a percentage of covered employ	307.29%	236.02%

Changes of Assumptions

No changes in assumptions in fiscal year 2019.

The following is the discount rate used:

2019	2.74%
2018	4.10%

In fiscal year December 31, 2019, the mortality projection assumption was updated to the MP-2019 scale from the MP-2018 used in the December 31, 2018 valuation.

Notes:

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.

No assets are accumulated in a trust that meets the criteria in GASB 75, paragraph 4, to pay related benefits.

Webster Parish Police Jury

**Schedule of Employer's Proportionate Share of the Net Pension Liability
December 31, 2019**

Exhibit 2-1

<u>Fiscal Year</u>	<u>Employer's Proportion of the Net Pension Liability (Asset)</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>
Parochial Employees' Retirement System of Louisiana					
2015	0.507982%	\$ 142,257	\$ 2,831,304	5%	99.15%
2016	0.533967%	1,405,555	3,061,552	46%	92.23%
2017	0.530874%	1,093,342	3,148,370	35%	94.15%
2018	0.520181%	(386,103)	3,201,800	-12%	101.98%
2019	0.535127%	2,375,086	3,265,770	73%	88.86%

Notes:

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

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

Webster Parish Police Jury

**Schedule of Employer Contributions to Pension Plans
December 31, 2019**

Exhibit 2-2

<u>Fiscal Year</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Payroll</u>	<u>Contributions as a Percentage of Covered Employee Payroll</u>
Parochial Employees' Retirement System of Louisiana					
2015	\$ 443,925	\$ 443,925	\$ -	\$ 3,061,552	14.5%
2016	409,289	409,289	-	3,148,370	13.0%
2017	400,225	400,225	-	3,201,800	12.5%
2018	375,564	375,564	-	3,265,770	11.5%
2019	376,241	376,241	-	3,271,655	11.5%

Notes:

The amounts presented were determined as of fiscal year end.

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

Webster Parish Police Jury

Notes to the Required Supplementary Information for Pensions December 31, 2019

Change in Assumptions Changes in actuarial assumptions used in the December 31, 2018 valuation from the assumptions used in the December 31, 2017 actuarial valuation are as follows:

Valuation Date	<u>December 31, 2018</u>	<u>December 31, 2017</u>
Investment Rate of Return (Discount Rate)	6.50%	6.75%
Inflation Rate	2.40%	2.50%
Mortality	Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males and 125% for females with full general projection using the MP2018 scale for annuitant and beneficiary mortality. For employees, the Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males and 125% for females using MP2018 scale.'Pub- 2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females using MP2018 scale for disabled annuitants.	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, 2013 - December 31, 2017) experience study	Projected based on a 5 year (January 1, 2010 - December 31, 2014) experience study
Projected Salary Increases	4.75% (2.35% Merit/2.40% Inflation)	5.25% (2.75% Merit/2.50% Inflation)
Expected arithmetic nominal return	7.43%	7.62%

Webster Parish Police Jury
Budgetary Comparison Schedules

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

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

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

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

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

WEBSTER PARISH POLICE JURY
GENERAL FUND
Budgetary Comparison Schedule
For the year ended December 31, 2019

Exhibit 3-1

	BUDGETED AMOUNT		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
BUDGETARY FUND BALANCES, BEGINNING	\$ 2,602,320	\$ 2,602,320	\$ 3,854,907	\$ 1,252,587
Resources (inflows)				
Local sources:				
Taxes:				
Ad Valorem	900,000	900,000	900,948	948
Licenses and permits	411,050	434,050	430,974	(3,076)
Intergovernmental revenues:				
Federal grants	524,500	1,705,300	1,604,860	(100,440)
State funds:				
State revenue sharing	50,000	50,000	66,209	16,209
Severance taxes	1,200,000	1,200,000	1,075,349	(124,651)
Other	407,500	405,640	384,699	(20,941)
Fees, charges, and commissions for services	30,000	30,015	30,015	-
Fines and forfeitures	-	-	545	545
Use of money and property	21,980	58,880	104,302	45,422
Other revenues	355,500	364,500	339,002	(25,498)
Transfers from other funds	300,000	300,000	150,000	(150,000)
	<u>6,802,850</u>	<u>8,050,705</u>	<u>8,941,810</u>	<u>891,105</u>
Amounts available for appropriations				
Charges to appropriations (outflows)				
Current:				
General government:				
Legislative	224,300	219,174	221,103	(1,929)
Judicial	637,000	672,000	664,870	7,130
Elections	55,100	51,400	51,520	(120)
Finance and administrative	1,293,975	1,272,900	1,181,603	91,297
Other general government	2,904,343	2,897,809	359,607	2,538,202
Public safety	614,566	1,819,854	310,316	1,509,538
Public works	74,000	28,300	22,123	6,177
Health and welfare	342,942	418,092	415,792	2,300
Culture and recreation	23,000	23,000	20,034	2,966
Economic development and assistance	9,000	8,500	8,431	69
Capital outlay	5,000	20,052	25,211	(5,159)
Transfers to other funds	400,000	400,000	605,812	(205,812)
	<u>6,583,226</u>	<u>7,831,081</u>	<u>3,886,422</u>	<u>3,944,659</u>
Total charges to appropriations				
BUDGETARY FUND BALANCES, ENDING	<u>\$ 219,624</u>	<u>\$ 219,624</u>	<u>\$ 5,055,388</u>	<u>\$ 4,835,764</u>

WEBSTER PARISH POLICE JURY

**SALES TAX
Budgetary Comparison Schedule
For the year ended December 31, 2019**

Exhibit 3-2

	BUDGETED AMOUNT		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
BUDGETARY FUND BALANCES, BEGINNING	\$ 488,930	\$ 488,930	\$ 800,083	\$ 311,153
Resources (inflows)				
Local sources:				
Taxes:				
Sales and use	3,100,000	3,100,000	3,145,101	45,101
Use of money and property	2,000	6,500	6,743	243
Other revenues	100,000	117,000	135,873	18,873
Amounts available for appropriations	<u>3,690,930</u>	<u>3,712,430</u>	<u>4,087,800</u>	<u>375,370</u>
Charges to appropriations (outflows)				
Current:				
Public safety	1,886,550	1,771,800	1,769,444	2,356
Public works	1,604,380	1,640,630	1,033,697	606,933
Capital outlay	200,000	300,000	287,072	12,928
Transfers to other funds	-	-	39,815	(39,815)
Total charges to appropriations	<u>3,690,930</u>	<u>3,712,430</u>	<u>3,130,028</u>	<u>582,402</u>
BUDGETARY FUND BALANCES, ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 957,772</u>	<u>\$ 957,772</u>

WEBSTER PARISH POLICE JURY

**LIBRARY
Budgetary Comparison Schedule
For the year ended December 31, 2019**

Exhibit 3-3

	BUDGETED AMOUNT		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
BUDGETARY FUND BALANCES, BEGINNING	\$ 1,414,191	\$ 1,414,191	\$ 4,193,802	\$ 2,779,611
Resources (inflows)				
Local sources:				
Taxes:				
Ad Valorem	1,972,622	2,904,877	3,106,664	201,787
Intergovernmental revenues:				
State funds:				
State revenue sharing	64,000	64,000	67,152	3,152
Fines and forfeitures	28,000	25,000	26,981	1,981
Use of money and property	10,000	24,384	26,841	2,457
Other revenues	8,900	10,474	17,689	7,215
Amounts available for appropriations	<u>3,497,713</u>	<u>4,442,926</u>	<u>7,439,129</u>	<u>2,996,203</u>
Charges to appropriations (outflows)				
Current:				
Culture and recreation	2,804,926	3,599,139	2,750,515	848,624
Capital outlay	449,000	600,000	291,967	308,033
Debt service:				
Principal retirement	210,000	210,000	-	210,000
Interest and bank charges	33,787	33,787	-	33,787
Transfers to other funds	-	-	243,787	(243,787)
Total charges to appropriations	<u>3,497,713</u>	<u>4,442,926</u>	<u>3,286,269</u>	<u>1,156,657</u>
BUDGETARY FUND BALANCES, ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,152,860</u>	<u>\$ 4,152,860</u>

WEBSTER PARISH POLICE JURY
SPECIAL 2.5 MILL TAX
Budgetary Comparison Schedule
For the year ended December 31, 2019

Exhibit 3-4

	<u>BUDGETED AMOUNT</u>		<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
BUDGETARY FUND BALANCES, BEGINNING	\$ 1	\$ 1	\$ 583,508	\$ 583,507
Resources (inflows)				
Local sources:				
Taxes:				
Ad Valorem	670,000	670,000	694,818	24,818
Intergovernmental revenues:				
State funds:				
State revenue sharing	40,000	40,000	53,639	13,639
Fees, charges, and commissions for services	5,000	30,000	30,579	579
Use of money and property	1,000	3,000	2,910	(90)
Amounts available for appropriations	<u>716,001</u>	<u>743,001</u>	<u>1,365,454</u>	<u>622,453</u>
Charges to appropriations (outflows)				
Current:				
General government:				
Other general government	92,301	61,701	34,893	26,808
Health and welfare	613,700	681,300	621,976	59,324
Capital outlay	10,000	-	57,520	(57,520)
Total charges to appropriations	<u>716,001</u>	<u>743,001</u>	<u>714,389</u>	<u>28,612</u>
BUDGETARY FUND BALANCES, ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 651,065</u>	<u>\$ 651,065</u>

Webster Parish Police Jury

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

A. BUDGETS

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

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

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

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

The 2019 budget was amended quarterly. The Police Jury's final amended budget was approved December 3, 2019.

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

Budget Basis of Accounting All governmental funds' budgets are prepared on the modified accrual basis of accounting. Budgeted amounts are as originally adopted or as amended by the Police Jury. Legally, the Police 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 Police 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.

Webster Parish Police Jury

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

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

<u>Sources/inflows of resources:</u>	General	Sales Tax	Library	Special 2.5 Mill Tax
Actual amounts (budgetary basis) "available for appropriation" from the Budgetary Comparison Schedule	\$ 8,941,810	\$ 4,087,800	\$ 7,439,129	\$ 1,365,454
Adjustment to revenue for transfers in are inflows of budgetary resources but are not revenues for financial statement purposes	(150,000)	-	-	-
The fund balance at the beginning of the year is a budgetary resource but is not a current-year revenue for financial reporting purposes	<u>(3,854,907)</u>	<u>(800,083)</u>	<u>(4,193,802)</u>	<u>(583,508)</u>
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u><u>\$ 4,936,903</u></u>	<u><u>\$ 3,287,717</u></u>	<u><u>\$ 3,245,327</u></u>	<u><u>\$ 781,946</u></u>
 <u>Uses/Outflows of resources:</u>				
Actual amounts (budgetary basis) "Total charges to appropriations" from the Budgetary Comparison Schedule	\$ 3,886,422	\$ 3,130,028	\$ 3,286,269	\$ 714,389
Transfers to other funds classified as expenditures for budgetary purposes and as an operating transfer for financial reporting	<u>(605,812)</u>	<u>(39,815)</u>	<u>(243,787)</u>	<u>-</u>
Total expenditures as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u><u>\$ 3,280,610</u></u>	<u><u>\$ 3,090,213</u></u>	<u><u>\$ 3,042,482</u></u>	<u><u>\$ 714,389</u></u>

SUPPLEMENTARY INFORMATION

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

Webster Parish Police Jury

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

Exhibit 4

	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	TOTAL
ASSETS				
Cash and cash equivalents	\$ 2,151,959	\$ 360	\$ 17	\$ 2,152,336
Investments	507,172	-	-	507,172
Receivables	879,677	-	-	879,677
Prepaid items	29,810	-	644	30,454
TOTAL ASSETS	3,568,618	360	661	3,569,639
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts and other payables	85,786	-	-	85,786
Accrued payroll liabilities	28,106	-	-	28,106
TOTAL LIABILITIES	113,892	-	-	113,892
Deferred Inflows of Resources:				
Unavailable revenue - property taxes	52,518	-	-	52,518
TOTAL DEFERRED INFLOWS OF RESOURCES	52,518	-	-	52,518
Fund balances:				
Nonspendable - prepaid items	29,810	-	644	30,454
Restricted	2,278,246	360	17	2,278,623
Committed	1,094,152	-	-	1,094,152
TOTAL FUND BALANCES	3,402,208	360	661	3,403,229
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 3,568,618	\$ 360	\$ 661	\$ 3,569,639

WEBSTER PARISH POLICE JURY

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

Exhibit 5

	<u>SPECIAL REVENUE</u>	<u>DEBT SERVICE</u>	<u>CAPITAL PROJECTS</u>	<u>TOTAL</u>
REVENUES				
Local sources:				
Taxes:				
Ad Valorem	\$ 784,936	\$ 6	\$ -	\$ 784,942
Intergovernmental revenues:				
Federal grants	-	-	24,010	24,010
State funds:				
Parish transportation funds	510,823	-	-	510,823
State revenue sharing	54,642	-	-	54,642
Fees, charges, and commissions for services	136,793	-	-	136,793
Fines and forfeitures	186,673	-	-	186,673
Use of money and property	220,500	76	257	220,833
Other revenues	235,276	-	790	236,066
	<u>2,129,643</u>	<u>82</u>	<u>25,057</u>	<u>2,154,782</u>
TOTAL REVENUES				
EXPENDITURES				
Current:				
General government:				
Judicial	956,068	-	-	956,068
Public safety	72,483	-	-	72,483
Public works	1,781,030	-	-	1,781,030
Culture and Recreation	200	-	3,317	3,517
Capital outlay	143,021	-	70,342	213,363
Debt service:				
Principal retirement	121,608	210,000	-	331,608
Interest and bank charges	-	33,747	-	33,747
	<u>3,074,410</u>	<u>243,747</u>	<u>73,659</u>	<u>3,391,816</u>
TOTAL EXPENDITURES				
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(944,767)</u>	<u>(243,665)</u>	<u>(48,602)</u>	<u>(1,237,034)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	660,627	243,787	-	904,414
Transfers out	(165,000)	-	-	(165,000)
Insurance recoveries	131,050	-	-	131,050
	<u>626,677</u>	<u>243,787</u>	<u>-</u>	<u>870,464</u>
TOTAL OTHER FINANCING SOURCES (USES)				
NET CHANGE IN FUND BALANCES	(318,090)	122	(48,602)	(366,570)
FUND BALANCES - BEGINNING	3,720,298	238	49,263	3,769,799
FUND BALANCES - ENDING	<u>\$ 3,402,208</u>	<u>\$ 360</u>	<u>\$ 661</u>	<u>\$ 3,403,229</u>

Webster Parish Police Jury

NONMAJOR SPECIAL REVENUE FUNDS

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

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

SOLID WASTE FUND The Solid Waste fund accounts for the receipt of tipping fees for use of the landfill and the operation of the solid waste fund.

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

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

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

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

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

WEBSTER PARISH POLICE JURY
NONMAJOR SPECIAL REVENUE FUNDS
Combining Balance Sheet
December 31, 2019

	<u>PARISH ROAD</u>	<u>ROAD DISTRICT A</u>	<u>ROAD DISTRICT B</u>	<u>SOLID WASTE</u>
ASSETS				
Cash and cash equivalents	\$ 437,888	\$ 2,310	\$ 576,086	\$ 625,517
Investments	-	-	-	507,172
Receivables	40,744	397,685	390,600	14,419
Prepaid items	-	-	-	11,893
TOTAL ASSETS	<u>478,632</u>	<u>399,995</u>	<u>966,686</u>	<u>1,159,001</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts and other payables	2,436	25,095	74	52,956
Accrued payroll liabilities	-	14,312	13,794	-
TOTAL LIABILITIES	<u>2,436</u>	<u>39,407</u>	<u>13,868</u>	<u>52,956</u>
Deferred Inflows of Resources:				
Unavailable revenue - property taxes	-	43,357	9,161	-
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>43,357</u>	<u>9,161</u>	<u>-</u>
Fund balances:				
Nonspendable - prepaid items	-	-	-	11,893
Restricted	476,196	317,231	943,657	-
Committed	-	-	-	1,094,152
TOTAL FUND BALANCES	<u>476,196</u>	<u>317,231</u>	<u>943,657</u>	<u>1,106,045</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 478,632</u>	<u>\$ 399,995</u>	<u>\$ 966,686</u>	<u>\$ 1,159,001</u>

Exhibit 6

<u>SPECIAL LIBRARY</u>	<u>DA ASSET FORFEITURE</u>	<u>CRIMINAL COURT</u>	<u>COURT REPORTER</u>	<u>TOTAL</u>
\$ 479,193	\$ 13,774	\$ 906	\$ 16,285	\$ 2,151,959
-	-	-	-	507,172
50	2,190	33,492	497	879,677
-	-	17,917	-	29,810
<u>479,243</u>	<u>15,964</u>	<u>52,315</u>	<u>16,782</u>	<u>3,568,618</u>
-	-	5,225	-	85,786
-	-	-	-	28,106
-	-	5,225	-	113,892
-	-	-	-	52,518
-	-	-	-	52,518
-	-	17,917	-	29,810
479,243	15,964	29,173	16,782	2,278,246
-	-	-	-	1,094,152
<u>479,243</u>	<u>15,964</u>	<u>47,090</u>	<u>16,782</u>	<u>3,402,208</u>
<u>\$ 479,243</u>	<u>\$ 15,964</u>	<u>\$ 52,315</u>	<u>\$ 16,782</u>	<u>\$ 3,568,618</u>

WEBSTER PARISH POLICE JURY

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

	<u>PARISH ROAD</u>	<u>ROAD DISTRICT A</u>	<u>ROAD DISTRICT B</u>	<u>SOLID WASTE</u>
REVENUES				
Local sources:				
Taxes:				
Ad Valorem	\$ -	\$ 391,546	\$ 393,390	\$ -
Intergovernmental revenues:				
State funds:				
Parish transportation funds	510,823	-	-	-
State revenue sharing	-	31,727	22,915	-
Fees, charges, and commissions for services	16,667	-	-	-
Fines and forfeitures	-	-	-	-
Use of money and property	6,429	4,300	8,351	195,633
Other revenues	3,455	297	-	-
	<u>537,374</u>	<u>427,870</u>	<u>424,656</u>	<u>195,633</u>
TOTAL REVENUES				
EXPENDITURES				
Current:				
General government:				
Judicial	-	-	-	-
Public safety	-	-	-	72,483
Public works	392,597	906,653	321,034	160,746
Culture and recreation	-	-	-	-
Capital outlay	120,090	-	-	-
Debt service:				
Principal retirement	121,608	-	-	-
	<u>634,295</u>	<u>906,653</u>	<u>321,034</u>	<u>233,229</u>
TOTAL EXPENDITURES				
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(96,921)</u>	<u>(478,783)</u>	<u>103,622</u>	<u>(37,596)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	159,504	-	123
Transfers out	-	-	-	(150,000)
Insurance recoveries	131,050	-	-	-
	<u>131,050</u>	<u>159,504</u>	<u>-</u>	<u>(149,877)</u>
TOTAL OTHER FINANCING SOURCES (USES)				
NET CHANGE IN FUND BALANCES	34,129	(319,279)	103,622	(187,473)
FUND BALANCES - BEGINNING	<u>442,067</u>	<u>636,510</u>	<u>840,035</u>	<u>1,293,518</u>
FUND BALANCES - ENDING	<u>\$ 476,196</u>	<u>\$ 317,231</u>	<u>\$ 943,657</u>	<u>\$ 1,106,045</u>

Exhibit 7

<u>SPECIAL LIBRARY</u>	<u>DA ASSET FORFEITURE</u>	<u>CRIMINAL COURT</u>	<u>COURT REPORTER</u>	<u>TOTAL</u>
\$ -	\$ -	\$ -	\$ -	\$ 784,936
-	-	-	-	510,823
-	-	-	-	54,642
42,743	-	52,506	24,877	136,793
-	4,354	182,319	-	186,673
5,671	-	-	116	220,500
-	69,329	162,195	-	235,276
<u>48,414</u>	<u>73,683</u>	<u>397,020</u>	<u>24,993</u>	<u>2,129,643</u>
-	63,600	882,742	9,726	956,068
-	-	-	-	72,483
-	-	-	-	1,781,030
200	-	-	-	200
22,931	-	-	-	143,021
-	-	-	-	121,608
<u>23,131</u>	<u>63,600</u>	<u>882,742</u>	<u>9,726</u>	<u>3,074,410</u>
<u>25,283</u>	<u>10,083</u>	<u>(485,722)</u>	<u>15,267</u>	<u>(944,767)</u>
-	-	501,000	-	660,627
-	-	-	(15,000)	(165,000)
-	-	-	-	131,050
-	-	501,000	(15,000)	626,677
25,283	10,083	15,278	267	(318,090)
<u>453,960</u>	<u>5,881</u>	<u>31,812</u>	<u>16,515</u>	<u>3,720,298</u>
<u>\$ 479,243</u>	<u>\$ 15,964</u>	<u>\$ 47,090</u>	<u>\$ 16,782</u>	<u>\$ 3,402,208</u>

Webster Parish Police Jury

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

Exhibit 8

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

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

Webster Parish Police Jury

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

Exhibit 9

Agency Head Name: Ronda Carnahan, Secretary-Treasurer

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 89,918
Benefits-insurance	16,691
Benefits-retirement	10,341
Benefits-medicare	1,304
Reimbursement	134
Cell phone	936

Webster Parish Police Jury

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**OTHER REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS
AND UNIFORM GUIDANCE**



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Audit Manager: Margie Williamson, CPA

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

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

Independent Auditor's Report

Police Jurors
Webster Parish Police Jury
Minden, Louisiana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Webster Parish Police Jury as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Police Jury's basic financial statements, and have issued our report thereon dated June 29, 2020. We issued an adverse opinion on the aggregate discretely presented component units and an unmodified opinion on the governmental activities, each major fund, and the aggregate remaining fund information.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

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 Office of the Louisiana Legislative Auditor as a public document.



ALLEN, GREEN & WILLIAMSON, LLP
Monroe, Louisiana
June 29, 2020



ALLEN, GREEN & WILLIAMSON, LLP

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Report on Compliance for Each Major Federal Program; Report on Internal Control over Compliance Required by the Uniform Guidance

Independent Auditor's Report

Police Jurors
Webster Parish Police Jury
Minden, Louisiana

Report on Compliance for Each Major Federal Program

We have audited Webster Parish Police Jury's 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, 2019. The Police Jury's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Police Jury's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Costs 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, 2019.

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 Police Jury's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is 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 Office of the Louisiana Legislative Auditor as a public document.



ALLEN, GREEN & WILLIAMSON, LLP
Monroe, Louisiana
June 29, 2020

**Webster Parish Police Jury
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2019**

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM NAME	CFDA <u>Number</u>	Pass-Through <u>Grantor No.</u>	<u>Expenditures</u>
FEDERAL AWARDS			
United States Department of Transportation			
Passed Through Louisiana Department of Transportation and Development			
Formula Grant for Rural Area FTA Section 5311 (full amount passed through to Webster Parish Community Services Agency)	20.509	LA-18-X028 LA-2019-011	<u>\$ 284,707</u>
Total U. S. Department of Transportation			<u>284,707</u>
United States Department of Homeland Security			
Passed Through Louisiana Governor's Office of Homeland Security and Emergency Preparedness:			
Disaster Grant - Public Assistance	97.036	PW383, PW444, PW470, PW498, PW502, PW608, PW609, PW610, PW880, PW915	1,157,478
Emergency Management Performance Grant	97.042	EMT-2019-EP-00006-S01; EMT-2018-EP-00003-S01	56,119
State Homeland Security Grant	97.067	EMW-2017-SS-00058-S01; EMW-2018-SS-00016-S01; EMW-2019-SS-00014-S01	<u>47,967</u>
Total United States Department of Homeland Security			<u>1,261,564</u>
U. S. Department of Interior			
Direct	15.226	N/A	38,108
Passed Through Louisiana Department of Wildlife and Fisheries			
Forestry - Payment in Lieu of Taxes	15.226	N/A	<u>20,481</u>
Total United States Department of Interior			<u>58,589</u>
U. S. Department of Housing and Urban Development			
Passed Through Louisiana Office of Community Development			
Community Development Block Grant	14.228	2000219405	<u>24,010</u>
Total United States Department of Housing and Urban Development			<u>24,010</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u><u>\$ 1,628,870</u></u>

Webster Parish Police Jury
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2019

NOTE 1 - GENERAL The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of the Webster Parish Police Jury, Minden, Louisiana. The Webster Parish Police Jury (the "Police Jury") reporting entity is defined in Note 1 to the Police Jury's financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, is included on the schedule. 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 of Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of operations of the Police Jury, it is not intended to and does not present the financial position or changes in net position of the Police Jury.

NOTE 2 - BASIS OF ACCOUNTING The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note 1 to the Police Jury's financial statements. Such expenses are recognized following the cost principles contains in the Uniform Guidance, wherein certain types of expenses are not allowable or are limited as to reimbursement.

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

	<u>Federal Sources</u>
Major Fund:	
General Fund	\$ 1,604,860
Nonmajor Governmental Funds - Capital Projects	24,010
Total	\$ 1,628,870

NOTE 4 - RELATIONSHIP TO FEDERAL FINANCIAL REPORTS Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports except for changes made to reflect amounts in accordance with accounting principles generally accepted in the United States of America.

NOTE 5 - FEDERAL AWARDS For those funds that have matching revenues and state funding, federal expenditures were determined by deducting matching revenues from total expenditures. Federal awards do not include the Police Jury's operating income from rents or investment (or other non-federal source). In addition, the entire amount of operating subsidy received during the fiscal year is considered to be "expended during the fiscal year."

NOTE 6 - INDIRECT COST RATE The Police Jury has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Webster Parish Police Jury
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2019

PART I - Summary of the Auditor's Results

Financial Statement Audit

- i. The type of audit report issued was an adverse opinion on the aggregate discretely presented component units and an unmodified opinion on the governmental activities, each major fund, and the aggregate remaining fund information.
- ii. There were no significant deficiencies required to be disclosed by *Government Auditing Standards* issued by the Comptroller General of the United States of America.
- iii. There were no instances of noncompliance, as defined by the *Government Auditing Standards*, to the basic financial statements.

Audit of Federal Awards

- iv. There were no significant deficiencies required to be disclosed by the Uniform Guidance (2CFR 200).
- v. The type of report the auditor issued on compliance for major programs was unmodified.
- vi. The audit disclosed no audit findings which the auditor is required to report in accordance with 2 CFR 200.516(a).
- vii. The major federal programs is:
 - CFDA# 97.036 Disaster Grants – Public Assistance (FEMA)
- viii. The dollar threshold used to distinguish between Type A and Type B programs as described in the Uniform Guidance was \$750,000.
- ix. The auditee does not qualify as a low-risk auditee under the Uniform Guidance.

Webster Parish Police Jury

Other Information



Webster Parish Police Jury

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President

Vera Davison
Vice-President

Ronda Carnahan
Secretary-Treasurer

Lisa Balkom
Asst. Secretary
Treasurer

MEMBERS:
Bruce Blanton
District #1

Allen Gilbert
District #2

Daniel Thomas
District #3

Randy Thomas
District #4

Bernard Hudson
District #5

Jim Borsari
District #6

Steve Lemmons
District #7

Nick Cox
District #8

Jerril M. Lee
District #9

Vera Davison
District #10

Steve Ramsey
District #11

Dustin Mincey
District #12

Summary Schedule of Prior Year Audit Findings and Questioned Costs For Year Ended December 31, 2019

<u>Reference # and title:</u>	<u>2018-001</u>	<u>CDBG Allowable Costs</u>	
<u>Federal program and specific federal award identification:</u>			<u>CFDA Number</u>
<u>Years</u>			<u>Award</u>
FEDERAL GRANTOR/ PASS THROUGH GRANTOR/PROGRAM NAME			
United States Department of Housing and Urban Development			
Pass through Louisiana Division of Administration (LCDBG)			
Louisiana Community Development Block Grant	14.228		2016

Condition: According to 2 CFR 200 as well as best practices, expenditures of the federal program should be processed in accordance with the entity's policy and recorded accurately and timely in the entity's official book of records.

In testing expenditures charged to the federal program, it was noted that disbursements were not always signed by one of the two individuals required to sign in accordance with the Police Jury's policy in relation to the federal program; however, the expenditures in question were used for the purpose of the grant. It was further noted that the Police Jury kept manual records of the expenditures and receipts of the grant; however, these transactions were not recorded in the official books of the Police Jury.

Corrective action taken: The Police Jury set a procedure to ensure that the checks for the Federal Programs were signed by the person designated on the signature cards for the specific grant. Will incorporate the activity of the LCDBG into our centralized general ledger.

This finding is considered to be cleared.

Respectfully submitted,

Ronda C. Carnahan
Secretary-Treasurer

**Webster Parish Police Jury
Status of Prior Year Management Letter Item
December 31, 2019**

2018-M1 Year End Accruals

Comment: Through the testing of year end accounts payable, it was noted that the Police Jury's payable balance was not complete and accurate. Adjustments were proposed to the Police Jury in order to correct the balance.

Recommendation: The Police Jury should establish procedures to ensure all payable balances are complete and accurate for financial reporting.

Management's response: The Police Jury currently has procedures in place to capture year end accruals. One of the items identified as a possible payable, was not included based on documentation provided by the State of Louisiana for the annual permit. However, we have researched the nature of the item and have determined the accounting treatment for permits and similar payments in the future, to support whether they will be included as payables. The other item identified was an oversight due to a pass through payment not being made timely, and was not identified in our normal procedures. We will be incorporating these types of expenditures into year-end procedures in the future.

AGREED-UPON PROCEDURES



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(Retired) 1963 - 2000

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING STATEWIDE AGREED-UPON PROCEDURES

Police Jurors
Webster Parish Police Jury
Minden, Louisiana

We have performed the procedures enumerated below, which were agreed to by the management of Webster Parish Police Jury, Minden, Louisiana, and the Louisiana Legislative Auditor (LLA), on the control and compliance areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal year ended December 31, 2019. The Police Jury's management is responsible for the control and compliance areas identified in these Statewide Agreed-Upon Procedures. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards* issued by the Comptroller General of the United States. The sufficiency of these procedures is solely the responsibility of the specified users of the reports. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain 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) **Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

Comment: There were no exceptions noted as a result of applying agreed upon procedures.

Bank Reconciliations

2. Obtain a listing of client bank accounts from management and management's representation that the listing is complete. Ask management to identify the entity's main bank operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). If more than 5 accounts). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
 - b) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
 - c) Bank reconciliations include evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
 - d) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Comment: Bank account reconciliations were tested for the month of December for five bank accounts. It was noted that bank reconciliations for the Louisiana Community Development Block Grant (LCDBG), Retiree, and Jury-Witness accounts did not have proper documentation reflecting that the reconciliations were completed within two months of the statement closing date. The Retiree and Jury-Witness accounts also do not show evidence of a member of management/board member reviewing the reconciliation.

Management's Response: Bank Reconciliations will be performed within 2 months of the statement closing date. The review of the bank reconciliation will be performed by the finance committee members and approved by the jury. Bank reconciliations will be dated and signed to indicate written evidence of their review.

Collections

3. Obtain a listing of deposit sites for the fiscal period where deposits for cash/check/money order (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).
4. 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 collections locations for 5 deposit sites), obtain and inspect written policies and procedures related to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that 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.
5. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

6. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #2 under “Bank Reconciliations” above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* 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.

Comment: There are three cash collection locations, all of which were tested. Two exceptions were noted where the employees share the same cash drawer. Due to the limited cash collected at the Library locations, employees share the same cash drawer. However, it was determined that the Library has implemented mitigating controls in which two staff members not responsible for cash collections perform the daily cash reconciliation. Additionally, the Library has added that employees are required to enter their assigned identification number when posting the receipt into the cash register.

In testing 10 deposits from the bank accounts selected in procedure #2 above, the following exceptions were noted:

- Both deposits selected from the Mack Memorial Library account could not be traced to pre-numbered receipts.

Management’s Response: Due to the number of employees that work at our Minden and Springhill locations that require access to the cash drawers, it is not feasible for each employee to have their own cash drawer; however, we have put in place several control measures to prevent/monitor any malicious activity. At the end of the day, a daily report is printed from the Cash Register system and the automated system. This report provides us with a monetary amount for monies collected. The daily reports and monies collected are locked in the safe overnight. Each morning, the branch manager as well as another employee reconciles the monies received to the daily reports to ensure accuracy. They are then given to the HR Coordinator. It is the branch manager’s responsibility to document any discrepancies when comparing the daily report to the amount of monies collected. In the case of discrepancies, the branch manager is able to successfully identify who was operating the ILS system at the time of occurrence. Every employee is required to use their employee username login when performing a circulation transaction. This allows us to monitor who is responsible for every transaction that takes place. The director runs a monthly report which shows all fines that are collected by each branch at the end of the month. At this time discrepancies are identified as well to ensure nothing goes undocumented by the branch managers. Upon receipt, the HR Coordinator counts the money a second time and prepares the deposit slip. The HR Coordinator makes daily deposits at the bank and takes the validated deposit slip and the deposit slip prepared by the Library to the Police Jury on a weekly basis.

The receipts given to patrons have not changed and they are not sequentially numbered; however, we have the ability to track and identify each transaction by running a report through our ILS System. The report provides us with a time stamp, a transaction reason, the employee responsible for the transaction, a transaction location, the patron barcode, and an amount collected. Therefore, even though each receipt is not sequentially numbered, we have a way to monitor and can recollect every circulation activity that takes place.

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

7. 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).
8. For each location selected under #7 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.
9. For each location under #7 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) Observed 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 above, as applicable.

Comment: Disbursement processes were tested at all three disbursement locations. One exception noted is related to the personnel at the Police Jury Office responsible for processing payments, in which the same employee has the ability to add vendors to the purchasing system and no periodic reviews are being performed by another employee for changes to vendor files. One exception was noted where checks are not being mailed by an employee that has signatory authority or who is not responsible for processing payments.

Management's Response: In the event an employee needs to add or change a vendor, then the Secretary-Treasurer will sign off approval of the change on the disbursement journal.

The signature stamps will be locked up in the Secretary-Treasurer's office. Dual signatures are required on checks. While three separate employees process payments for separate transactions, these payments will be stamped and mailed by an employee that was responsible for the transaction. The disbursement journal will require initials of the employee that is processing the payment. The check register is approved in the finance committee meeting.

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those control and compliance 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 control and compliance areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

Allen, Green & Williamson, LLP

Allen, Green & Williamson, LLP

Monroe, Louisiana

June 29, 2020