

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

**Annual Financial Report
As of and for the Year Ended December 31, 2020**



East Carroll Parish Police Jury

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East Carroll Parish Police Jury

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Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the East Carroll Parish Police Jury (the Police Jury) as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the basic financial statements of the Police Jury's primary government as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Basis for Adverse Opinion on Aggregate Discretely Presented Component Units

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

Adverse Opinion on Aggregate Discretely Presented Component Units

In our opinion, because of the significance of the matter described in the "Basis for Adverse Opinion on Aggregate Discretely Presented Component Units" paragraph, the financial statements referred to above do not present fairly the financial position of the aggregate discretely presented component units of the East Carroll Parish Police Jury as of December 31, 2020, or the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities; the business-type activities, each major fund, and the aggregate remaining fund information of the primary government of the East Carroll Parish Police Jury as of December 31, 2020, and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis beginning on page 10, the budgetary comparison schedules beginning on page 67, and the supplementary schedules required by Governmental Accounting Standards Board Statement No. 68 on pages 65 and 66 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB), who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the primary government financial statements that collectively comprise the East Carroll Parish Police Jury's primary government financial statements. The schedules listed in the table of contents as Exhibits 3 through 10 are presented for purposes of additional analysis and are not a required part of the Police Jury's basic financial statements. The schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is also not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2021, on our consideration of the Police Jury's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the East Carroll Parish Police Jury's internal control over financial reporting and compliance.



A Professional Accounting Corporation

Baton Rouge, LA
December 15, 2021

East Carroll Parish Police Jury

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REQUIRED SUPPLEMENTARY INFORMATION

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

**East Carroll Parish Police Jury
Management's Discussion and Analysis (MD&A)
December 31, 2020**

Our discussion and analysis of East Carroll Parish Police Jury's financial performance provides an overview of the Police Jury's financial activities for the year ended December 31, 2020. Separate financial statements may be obtained from component units not included.

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

The assets and deferred outflows of resources of the Police Jury exceeded its liabilities and deferred inflows of resources at the close of fiscal year 2020 by \$12,182,019 (net position). Of this amount, \$576,404 represents unrestricted net position, which may be used to meet the government's ongoing obligations to citizens and creditors.

The Police Jury total net position changed \$(257,864) mainly because of a reduction in charges for services due to the shut-down for the COVID-19 pandemic offset by the overall decrease in expenses related to the changes in net pension (asset)/liability and related deferred outflows and inflows in comparison with prior year.

At the end of 2020, the Police Jury's governmental funds reported combined fund balances of \$6,624,915, an increase of \$418,322 in comparison with prior year. \$980,279 or 15% of the combined fund balance is available for spending at the government's discretion (unassigned fund balance). All unassigned fund balance is reported in the General fund.

Total spending for all our governmental activities was \$4,417,465 for the year. Most of the Police Jury's property and sales taxes were used to support the net cost (after deducting restricted grants and fees charged to users) of these six areas: judicial \$198,933, finance and administrative \$282,481, other general government \$392,989, public safety \$345,377, public works \$1,721,629, and culture and recreation \$360,094.

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

**East Carroll Parish Police Jury
Management's Discussion and Analysis (MD&A)
December 31, 2020**

Required Supplementary Information

Management's Discussion & Analysis (MD&A)

Basic Financial Statements

**Government-wide
Financial Statements**

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**Fund
Financial Statements**

Notes to the Financial Statements

Required Supplementary Information

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Schedule of the Police Jury's Contributions to Pension Plan
Budgetary Comparison Schedules**

Supplementary Information

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Schedule of Compensation, Benefits and Other Payments to Agency Head
Justice System Funding Schedule – Receiving Entity
Financial Data Schedule**

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

Reporting the Police Jury as a Whole

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

**East Carroll Parish Police Jury
Management's Discussion and Analysis (MD&A)
December 31, 2020**

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

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

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

Business-type activities - The Police Jury manages the Section 8 Housing Choice Voucher program and receives an administrative fee for the activities. The Police Jury is the owner of the East Carroll Housing Development Corporation and receives a developer fee for its activities. These programs are reported here.

Reporting the Police Jury's Most Significant Funds

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

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

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

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

**East Carroll Parish Police Jury
Management's Discussion and Analysis (MD&A)
December 31, 2020**

THE POLICE JURY AS A WHOLE As noted earlier, net position over time, may serve as a useful indicator of a government's financial position. The Police Jury's assets and deferred outflows of resources exceeded liabilities and deferred inflows by \$12,182,019. Our analysis below focuses on the net position (Table 1) and change in net position (Table 2) of the Police Jury's governmental and business-type activities.

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

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
	Other assets	\$ 7,020,458	\$ 6,536,752	\$ 114,610	\$ 63,887	\$ 7,135,068
Capital assets	6,598,750	7,086,100	11,182	9,905	6,609,932	7,096,005
Total assets	<u>13,619,208</u>	<u>13,622,852</u>	<u>125,792</u>	<u>73,792</u>	<u>13,745,000</u>	<u>13,696,644</u>
Deferred outflows of resources	<u>294,724</u>	<u>836,909</u>	<u>7,395</u>	<u>22,199</u>	<u>302,119</u>	<u>859,108</u>
Other liabilities	146,935	151,277	4,279	10,471	151,214	161,748
Long-term liabilities	<u>1,234,381</u>	<u>1,856,039</u>	<u>1,183</u>	<u>25,814</u>	<u>1,235,564</u>	<u>1,881,853</u>
Total liabilities	<u>1,381,316</u>	<u>2,007,316</u>	<u>5,462</u>	<u>36,285</u>	<u>1,386,778</u>	<u>2,043,601</u>
Deferred inflows of resources	<u>466,614</u>	<u>70,401</u>	<u>11,708</u>	<u>1,867</u>	<u>478,322</u>	<u>72,268</u>
Net position						
Net investment in capital assets	5,829,280	6,180,508	11,182	9,905	5,840,462	6,190,413
Restricted	5,765,153	5,003,650	-	2,286	5,765,153	5,005,936
Unrestricted	471,569	1,197,886	104,835	45,648	576,404	1,243,534
Total net position	<u>\$ 12,066,002</u>	<u>\$ 12,382,044</u>	<u>\$ 116,017</u>	<u>\$ 57,839</u>	<u>\$ 12,182,019</u>	<u>\$ 12,439,883</u>

The largest portion of the Police Jury's combined net position (\$5,840,462 or 48%) reflects its investment in capital assets (e.g., land, buildings, equipment, vehicles and infrastructure), less accumulated depreciation and any related outstanding debt that was used to acquire those assets. The Police Jury uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending. Although the Police Jury's investments in capital assets are reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Police Jury's combined net position (\$5,765,153 or 47%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$576,404 is unrestricted net position and may be used to meet the Police Jury's obligations to its citizens and creditors.

At the end of the current fiscal year, the Police Jury is able to report positive balances in all reported categories of net position, both for the government as a whole, as well as for the separate governmental and business-type activities. The same situation held true for the prior fiscal year. The Police Jury's overall net position changed \$(257,864) from the prior year. The reasons for this overall change are discussed in the following sections for governmental activities and business-type activities.

**East Carroll Parish Police Jury
Management's Discussion and Analysis (MD&A)
December 31, 2020**

Governmental Activities During the current fiscal year, net position for the governmental activities changed \$(316,042) from the prior fiscal year for an ending balance of \$12,066,002. The Police Jury's governmental activities experienced an overall decrease in revenues of \$423,808. Revenues received from charges for services (\$566,932), operating grants & contributions (\$240,736), capital grants & contributions (\$0), ad valorem taxes (\$2,371,171), licenses and permits (\$83,968), and other general revenues (\$199,009) experienced a decline in revenues from the amounts reported in the prior fiscal year while sales taxes revenues (\$639,607) experienced an increase in revenues. The decrease in revenues can mainly be contributed to the reduction in judicial charges for services and capital grants and contributions. In prior year, the Police Jury completed its drainage maintenance capital project that was funded through capital grants. Expenses changed from \$4,715,354 reported in prior year to \$4,417,465. This change can mainly be contributed to a decrease in overall expenses related to the changes in net pension asset/liability and related deferred outflows and inflows in comparison with prior year.

Business-type Activities The Police Jury's business-type activities experienced a change of \$58,178 in net position from the prior fiscal year for an ending balance of \$116,017. Current year operating grants revenues experienced an increase of \$90,613 due to the receipt of COVID-19 grant funding and an increase in HUD housing assistance grants. Expenses increased by \$37,726 mainly due to the increase in housing assistance payments. The East Carroll Housing Development, a new fund for the current year, received \$25,000 in developer fees in the current fiscal year.

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

**East Carroll Parish Police Jury
Management's Discussion and Analysis (MD&A)
December 31, 2020**

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

	Governmental Activities			Business-Type Activities		
	2020	2019	Increase (Decrease)	2020	2019	Increase (Decrease)
Revenues:						
Program revenues						
Charges for services	\$ 566,932	\$ 689,549	\$(122,617)	\$ -	\$ -	\$ -
Operating grants & contributions	240,736	248,674	(7,938)	674,285	583,672	90,613
Capital grants & contributions	-	193,834	(193,834)	-	-	-
General Revenues						
Ad valorem taxes	2,371,171	2,407,301	(36,130)	-	-	-
Sales taxes	639,607	588,443	51,164	-	-	-
Licenses and permits	83,968	138,630	(54,662)	-	-	-
Other general revenues	199,009	258,800	(59,791)	25,477	634	24,843
Total revenues	<u>4,101,423</u>	<u>4,525,231</u>	<u>(423,808)</u>	<u>699,762</u>	<u>584,306</u>	<u>115,456</u>
Functions/Program Expenses:						
General government:						
Legislative	66,481	70,600	(4,119)	-	-	-
Judicial	622,769	718,238	(95,469)	-	-	-
Elections	42,435	36,598	5,837	-	-	-
Finance and administrative	284,867	250,520	34,347	-	-	-
Other general government	392,989	406,669	(13,680)	-	-	-
Public safety	360,303	376,639	(16,336)	-	-	-
Public works	2,064,788	2,238,559	(173,771)	-	-	-
Health and welfare	129,209	124,601	4,608	641,584	603,858	37,726
Culture and recreation	378,580	427,640	(49,060)	-	-	-
Economic development and assistance	-	6,835	(6,835)	-	-	-
Transportation	30,933	29,330	1,603	-	-	-
Interest on long-term debt	44,111	29,125	14,986	-	-	-
Total expenses	<u>4,417,465</u>	<u>4,715,354</u>	<u>(297,889)</u>	<u>641,584</u>	<u>603,858</u>	<u>37,726</u>
Increase (decrease) in net position	(316,042)	(190,123)	(125,919)	58,178	(19,552)	77,730
Net position - beginning	<u>12,382,044</u>	<u>12,572,167</u>	<u>(190,123)</u>	<u>57,839</u>	<u>77,391</u>	<u>(19,552)</u>
Net position - ending	<u>\$ 12,066,002</u>	<u>\$12,382,044</u>	<u>\$(316,042)</u>	<u>\$116,017</u>	<u>\$ 57,839</u>	<u>\$ 58,178</u>

Governmental Activities – Cost of Services As reported in the Statement of Activities, the cost of all of our governmental activities this year was \$4,417,465. However, the amount that our taxpayers ultimately financed for these activities through Police Jury taxes was only \$3,609,797, because some of the cost was paid by those who benefited from the programs \$566,932 or by other governments and organizations who subsidized certain programs with grants and contributions \$240,736. We paid for the remaining "public benefit" portion of our governmental activities with taxes and with our other revenues, like interest and general entitlements.

**East Carroll Parish Police Jury
Management's Discussion and Analysis (MD&A)
December 31, 2020**

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

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

	Governmental Activities			
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
	2020	2020	2019	2019
Judicial	\$ 622,769	\$ 198,933	\$ 718,238	\$ 186,515
Finance and administrative	284,867	282,481	250,520	250,520
Other general government	392,989	392,989	406,669	406,669
Public safety	360,303	345,377	376,639	298,705
Public works	2,064,788	1,721,629	2,238,559	1,731,701
Culture and Recreation	378,580	360,094	427,640	417,598
All others	313,169	308,294	297,089	291,589
Totals	<u>\$ 4,417,465</u>	<u>\$ 3,609,797</u>	<u>\$ 4,715,354</u>	<u>\$ 3,583,297</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.

Governmental Funds As the Police Jury completed this year, our governmental funds reported a combined fund balance of \$6,624,915 which is a change of \$418,322 from prior year. The primary reasons for the changes in fund balances are:

The General fund, our principal operating fund, experienced a change of \$(287,176) to reach an ending fund balance of \$998,272. At the end of the current fiscal year, unassigned fund balance of the general fund was \$980,279 or approximately 81% of total general fund expenditures. Revenues for the current fiscal year decreased primarily from a reduction in licenses and permits, garbage collection fees and federal grants. In October 2020, the Police Jury transferred the garbage collection operations to the Garbage District No. 1 fund. Expenditures for the current fiscal year increased mainly due to the increases in other general government and public works functions. The General fund also supplements the Criminal Court fund through transfers. The General fund transferred \$125,507 to Criminal Court fund during the current fiscal year, \$65,783 more than the amount transferred in prior year.

The Road Maintenance and Construction fund accounts for funds used to maintain the parish roads and streets. This fund showed a change of \$149,034 from the amount reported at the end of the prior fiscal year to \$1,697,321. The primary reasons for this change include an increase in sales tax collections and the receipt of FEMA funding for the reimbursement of costs incurred from the 2019 flooding.

**East Carroll Parish Police Jury
Management's Discussion and Analysis (MD&A)
December 31, 2020**

The Garbage District No. 1 accounts for the parish garbage collection services. This fund showed a fund balance change of \$(32,794) from \$541,396 reported in the prior fiscal year to \$508,602. This change is mainly due to the decrease in ad valorem tax collections. In October 2020, the Police Jury transferred the garbage collection operations from the General fund to the Garbage District No. 1 fund.

The Library fund accounts for the public library. The Library's fund balance of \$765,446 showed an increase of \$39,470 thousand for the current fiscal. Significant changes include a \$26,502 reduction in ad valorem collections and a \$17,755 overall reduction in expenditures of from the amounts reported the prior year.

The Drainage Maintenance fund accounts for the maintenance of the parish drainage system. This fund showed a change of \$16,420 to \$696,649. This change is primarily due to a reduction in capital asset purchases in the current fiscal year offset by a decrease in ad valorem collections in comparison with prior year.

The Criminal Court fund accounts for the activities of the parish court. This fund changed \$22,936 from \$3,971 reported in prior year to \$26,907. Criminal Court's fines and forfeitures revenues experienced a decline as well as court attendance, L.A.C.E program, and wages expenditures due to the COVID-19 shut-down. The General fund transferred \$125,507 to Criminal Court fund during the current fiscal year, \$65,783 more than the amount transferred in prior year.

The Nonmajor Governmental funds are comprised of the special revenue funds (Rural Fire Protection, LSU Cooperative Extension, and Health Unit), the Fire Bond Debt Service fund and the Drainage Capital Project fund. The combined funds showed an increase of \$510,432 to \$1,931,718. The Fire Bond Debt Service fund issued \$450,000 in general obligation bonds during fiscal year 2020. Spending of the bond proceeds will begin in fiscal year 2021.

Proprietary Funds

The Section 8 Voucher fund accounts for the activity for HUD's Section 8 Housing Choice Voucher program. This fund showed a change of \$33,178 from \$57,839 reported in prior year to \$91,017. This increase is mainly due to the receipt of \$36,956 in HUD COVID-19 grant funding in current fiscal year.

The East Carroll Housing Development fund, a new fund for fiscal year 2020, accounts for the activity of the Police Jury's not-for-profit corporation, East Carroll Parish Development Corporation. This corporation was established to assist in providing affordable housing to East Carroll Parish and had an ending net position of \$25,000. The Corporation received \$25,000 in developer fees in the current fiscal year.

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

The amounts available for appropriations for the General fund's final budget were \$214,415 more than the original budget mainly due to an increase in beginning fund balance offset by a decrease in garbage collection fees. The charges to the appropriations for the General Fund's original budget were \$316,449 more than the final budget. These budget reductions were mainly due to a reduction in grant expenditures and a reduction in garbage collection expenses. In October 2020, the Police Jury transferred the garbage collection fees and costs to the Garbage District No. 1 fund.

**East Carroll Parish Police Jury
Management's Discussion and Analysis (MD&A)
December 31, 2020**

The actual amounts available for appropriations for the General fund were \$410,514 less than the amount budgeted. This is due mainly to receiving less in ad valorem taxes, licenses and permits and other state revenues than estimated. The actual charges to appropriations were \$115,290 more than budgeted primarily due to spending more for other general government expenditures than estimated.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets At December 31, 2020, the Police Jury had \$6,609,932 invested in a broad range of capital assets, including land, buildings, furniture and equipment and infrastructure assets such as roads and bridges. This amount represents a net decrease (including additions, deductions, and depreciation) of \$486,073 or 7%, from last year.

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

	<u>Governmental Activities</u>		<u>Business-Type</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Land	\$ 375,665	\$ 375,665	\$ -	\$ -
Construction in progress	-	11,622	-	-
Buildings	824,851	876,934	-	-
Furniture and office equipment	70,809	88,805	4,579	-
Construction equipment	1,109,306	1,216,086	-	-
Vehicles	432,835	571,084	6,603	9,905
Infrastructure	3,785,284	3,945,904	-	-
Total capital assets	<u>\$ 6,598,750</u>	<u>\$ 7,086,100</u>	<u>\$ 11,182</u>	<u>\$ 9,905</u>

This year's additions of \$99,932 were comprised of \$2,299 in office equipment and \$97,633 in construction equipment for governmental activities and \$5,088 in office equipment for business-type activities. We present more detailed information about our capital assets at Note 7 in the notes to the financial statements.

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

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

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

**East Carroll Parish Police Jury
Management's Discussion and Analysis (MD&A)
December 31, 2020**

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

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

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

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

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

Debt On April 1, 2020, the Police Jury issued \$450,000 in general obligation bonds to fund constructing and improving buildings, machinery and equipment to be used in giving fire protection to the citizens of East Carroll Parish. \$338,000 of the private placement general obligation bonds were issued with an interest rate of 3.5% and \$112,000 were issued with an interest rate of 1.75%. The bonds are payable over 15 years with the final payment due on March 1, 2035.

The Police Jury has financed the purchase of various equipment thorough notes payable. Outstanding balance of notes payable at December 31, 2020 is \$769,470.

Other debt consists of accrued vacations (compensated absences). We present more detailed information about our long-term debt in Note 11 of the notes to the financial statements.

Information about the net pension (assets)/liabilities is presented in Note 9 of the notes to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES Our elected and appointed officials and citizens consider many factors when setting the Police Jury's 2021 year's budget and tax rates. One of the most important factors affecting the budget is our ad valorem and sales tax collections. We have budgeted very little change in ad valorem and sales tax collections from 2020 to 2021. Approximately 70% of total revenue is from ad valorem and sales taxes. We have projected an increase in net position for the 2021 budget year.

The Police Jury is expected to receive \$1.3 million in COVID-19 grants in late 2021 or early 2022.

**East Carroll Parish Police Jury
Management's Discussion and Analysis (MD&A)
December 31, 2020**

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

East Carroll Parish Police Jury

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BASIC FINANCIAL STATEMENTS

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

East Carroll Parish Police Jury

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EAST CARROLL PARISH POLICE JURY

STATEMENT OF NET POSITION

December 31, 2020

Statement A

	PRIMARY GOVERNMENT		
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Cash and cash equivalents	\$ 3,533,099	\$ 87,870	\$ 3,620,969
Investments	744,167	-	744,167
Receivables, net	2,682,258	3,044	2,685,302
Internal balances	(22,451)	22,451	-
Prepaid items	83,385	1,245	84,630
Capital assets not being depreciated	933,899	-	933,899
Capital assets, net of accumulated depreciation	5,664,851	11,182	5,676,033
TOTAL ASSETS	13,619,208	125,792	13,745,000
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	294,724	7,395	302,119
TOTAL DEFERRED OUTFLOWS OF RESOURCES	294,724	7,395	302,119
LIABILITIES			
Accounts, salaries, and other payables	135,518	346	135,864
Interest payable	11,417	-	11,417
Unearned Revenue	-	3,933	3,933
Long-term liabilities			
Due within one year:			
Long-term debt: Bonds, notes and compenstated absences	147,393	942	148,335
Due in more than one year:			
Long-term debt: Bonds, notes and compenstated absences	1,077,375	-	1,077,375
Net pension liability	9,613	241	9,854
TOTAL LIABILITIES	1,381,316	5,462	1,386,778
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	466,614	11,708	478,322
TOTAL DEFERRED INFLOWS OF RESOURCES	466,614	11,708	478,322
NET POSITION			
Net investment in capital assets	5,829,280	11,182	5,840,462
Restricted for:			
Road Maintenance	1,719,409	-	1,719,409
Garbage	544,165	-	544,165
Library	804,035	-	804,035
Drainage	718,737	-	718,737
Health Unit	636,666	-	636,666
Criminal Court	26,907	-	26,907
Debt service	472,678	-	472,678
Rural Fire Protection	530,864	-	530,864
LSU Cooperative Extension	311,692	-	311,692
Unrestricted	471,569	104,835	576,404
TOTAL NET POSITION	\$ 12,066,002	\$ 116,017	\$ 12,182,019

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

EAST CARROLL PARISH POLICE JURY

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2020

FUNCTIONS/PROGRAMS	PROGRAM REVENUES		
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS
<i>Governmental Activities:</i>			
General government:			
Legislative	\$ 66,481	\$ -	\$ -
Judicial	622,769	422,636	1,200
Elections	42,435	-	-
Finance and administrative	284,867	-	2,386
Other general government	392,989	-	-
Public safety	360,303	-	14,926
Public works	2,064,788	134,349	208,810
Health and welfare	129,209	-	-
Culture and recreation	378,580	5,072	13,414
Transportation	30,933	4,875	-
Interest on long-term debt	44,111	-	-
Total Governmental Activities	<u>4,417,465</u>	<u>566,932</u>	<u>240,736</u>
<i>Business-Type Activities:</i>			
Health and welfare	<u>641,584</u>	-	<u>674,285</u>
Total Primary Government	<u>\$ 5,059,049</u>	<u>\$ 566,932</u>	<u>\$ 915,021</u>

General revenues:

Taxes:

- Property taxes, levied for general purposes
- Property taxes, levied for debt services
- Sales taxes, levied for general purposes
- Other taxes

Grants and contributions not restricted to specific programs

Licenses and permits

Interest and investment earnings

Miscellaneous

Total general revenues

Changes in net position

Net position - beginning

Net position - ending

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

Statement B

PRIMARY GOVERNMENT

NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION

GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
\$ (66,481)	\$ -	\$ (66,481)
(198,933)	-	(198,933)
(42,435)	-	(42,435)
(282,481)	-	(282,481)
(392,989)	-	(392,989)
(345,377)	-	(345,377)
(1,721,629)	-	(1,721,629)
(129,209)	-	(129,209)
(360,094)	-	(360,094)
(26,058)	-	(26,058)
(44,111)	-	(44,111)
<u>(3,609,797)</u>	<u>-</u>	<u>(3,609,797)</u>
	32,701	32,701
<u>(3,609,797)</u>	<u>32,701</u>	<u>(3,577,096)</u>
2,335,916	-	2,335,916
35,255	-	35,255
639,607	-	639,607
30,839	-	30,839
102,628	-	102,628
83,968	-	83,968
8,052	7	8,059
57,490	25,470	82,960
<u>3,293,755</u>	<u>25,477</u>	<u>3,319,232</u>
(316,042)	58,178	(257,864)
<u>12,382,044</u>	<u>57,839</u>	<u>12,439,883</u>
<u>\$ 12,066,002</u>	<u>\$ 116,017</u>	<u>\$ 12,182,019</u>

East Carroll Parish Police Jury

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BASIC FINANCIAL STATEMENTS

Fund Financial Statements (FFS)

EAST CARROLL PARISH POLICE JURY

GOVERNMENTAL FUNDS

Balance Sheet

December 31, 2020

	<u>GENERAL</u>	<u>ROAD MAINTENANCE AND CONSTRUCTION</u>	<u>GARBAGE DISTRICT NO. 1</u>
ASSETS			
Cash and cash equivalents	\$ 657,154	\$ 771,695	\$ 17,421
Investments	1,500	203,998	138,926
Receivables, net	533,591	473,236	473,216
Interfund receivables	89,888	282,307	-
Prepaid items	17,993	18,260	18,260
TOTAL ASSETS	<u>1,300,126</u>	<u>1,749,496</u>	<u>647,823</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities:			
Accounts, salaries, and other payables	52,433	11,827	13,503
Interfund payables	204,715	-	71,895
Total Liabilities	<u>257,148</u>	<u>11,827</u>	<u>85,398</u>
Deferred Inflows of Resources:			
Unavailable revenue - property taxes	44,706	40,348	53,823
Total Deferred inflow of resources	<u>44,706</u>	<u>40,348</u>	<u>53,823</u>
Fund Balances:			
Nonspendable	17,993	18,260	18,260
Restricted	-	1,679,061	490,342
Unassigned	980,279	-	-
Total Fund Balances	<u>998,272</u>	<u>1,697,321</u>	<u>508,602</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 1,300,126</u>	<u>\$ 1,749,496</u>	<u>\$ 647,823</u>

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

Statement C

<u>LIBRARY</u>	<u>DRAINAGE MAINTENANCE</u>	<u>CRIMINAL COURT</u>	<u>NONMAJOR GOVERNMENTAL</u>	<u>TOTAL</u>
\$ 194,127	\$ 374,234	\$ 18,318	\$ 1,500,150	\$ 3,533,099
228,157	65,673	-	105,913	744,167
389,658	390,617	54,075	367,865	2,682,258
-	-	-	22,190	394,385
1,660	18,260	-	8,952	83,385
<u>813,602</u>	<u>848,784</u>	<u>72,393</u>	<u>2,005,070</u>	<u>7,437,294</u>
4,668	3,179	45,486	4,422	135,518
3,239	108,608	-	28,379	416,836
<u>7,907</u>	<u>111,787</u>	<u>45,486</u>	<u>32,801</u>	<u>552,354</u>
40,249	40,348	-	40,551	260,025
<u>40,249</u>	<u>40,348</u>	<u>-</u>	<u>40,551</u>	<u>260,025</u>
1,660	18,260	-	8,952	83,385
763,786	678,389	26,907	1,922,766	5,561,251
-	-	-	-	980,279
<u>765,446</u>	<u>696,649</u>	<u>26,907</u>	<u>1,931,718</u>	<u>6,624,915</u>
<u>\$ 813,602</u>	<u>\$ 848,784</u>	<u>\$ 72,393</u>	<u>\$ 2,005,070</u>	<u>\$ 7,437,294</u>

East Carroll Parish Police Jury

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EAST CARROLL PARISH POLICE JURY

**Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Position
December 31, 2020**

		Statement D
Total fund balances - governmental funds		\$ 6,624,915
<p>The cost of capital assets (land, buildings, furniture and equipment and infrastructure) purchased or constructed is reported as an expenditure in governmental funds. The Statement of Net Position includes those capital assets among the assets of the Police Jury as a whole. The cost of those capital assets is allocated over their estimated useful lives (as depreciation expense) to the various programs reported as governmental activities in the Statement of Activities. Because depreciation expense does not affect financial resources, it is not reported in governmental funds.</p>		
Costs of capital assets	\$ 24,302,820	
Accumulated depreciation	<u>(17,704,070)</u>	6,598,750
<p>Long-term assets that are not available to pay current period expenditures are reported as deferred inflows of resources: unavailable revenue - property taxes in the governmental funds and are reported as revenue in the government-wide statements.</p>		
		260,025
<p>Deferred outflows of resources related to pensions are not available to pay current period expenditures and therefore are not reported in the governmental funds.</p>		
		294,724
<p>Deferred inflows of resources related to pensions are not due and payable in the current period and accordingly are not reported in the governmental funds.</p>		
		(466,614)
<p>Long-term liabilities applicable to the Police Jury's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities - both current and long term - are reported in the Statement of Net Position.</p>		
Balances at December 31, 2019 are:		
Long-term liabilities		
Bonds payable	(450,000)	
Notes payable	(769,470)	
Compensated absences	(5,298)	
Net pension liability	(9,613)	
Interest payable	<u>(11,417)</u>	
		<u>(1,245,798)</u>
Net position of governmental activities		<u>\$ 12,066,002</u>

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

EAST CARROLL PARISH POLICE JURY

GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures, and Changes
in Fund Balances
For the Year Ended December 31, 2020

	<u>GENERAL</u>	<u>ROAD MAINTENANCE AND CONSTRUCTION</u>	<u>GARBAGE DISTRICT NO. 1</u>
REVENUES			
Local sources:			
Taxes:			
Ad valorem	\$ 412,947	\$ 372,690	\$ 414,953
Sales and use	64,261	575,346	-
Other taxes	14,314	-	-
Licenses and permits	83,968	-	-
Fines and forfeitures	-	-	-
Fees, charges, and commissions for services	273,610	-	44,956
Use of money and property	16,975	1,974	1,050
Other revenues	103,322	21,784	9,680
Intergovernmental revenues:			
State sources:			
Parish transportation funds	-	118,211	-
State revenue sharing	8,494	7,667	5,395
Other	64,139	-	-
Federal sources - federal grants	2,066	90,599	-
Total Revenues	<u>1,044,096</u>	<u>1,188,271</u>	<u>476,034</u>
EXPENDITURES			
Current:			
General government:			
Legislative	66,481	-	-
Judicial	186,527	-	-
Elections	40,409	-	-
Finance and administrative	198,645	-	-
Other general government	384,616	-	-
Public safety	197,815	-	-
Public works	119,236	944,650	433,389
Health and welfare	9,370	-	-
Culture and recreation	-	-	-
Transportation	2,666	-	-
Debt service:			
Principal retirement	-	72,950	63,172
Interest and bank charges	-	21,637	12,267
Bond issuance costs	-	-	-
Total Expenditures	<u>1,205,765</u>	<u>1,039,237</u>	<u>508,828</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>\$ (161,669)</u>	<u>\$ 149,034</u>	<u>\$ (32,794)</u>

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

Statement E

LIBRARY	DRAINAGE MAINTENANCE	CRIMINAL COURT	NONMAJOR GOVERNMENTAL	TOTAL
\$ 371,786	\$ 372,689	\$ -	\$ 346,173	\$ 2,291,238
-	-	-	-	639,607
-	-	-	-	14,314
-	-	-	-	83,968
-	-	328,990	-	328,990
5,072	7,058	-	-	330,696
765	841	-	1,447	23,052
4,073	-	346	1,128	140,333
-	-	-	-	118,211
7,648	7,667	-	3,138	40,009
-	-	-	14,926	79,065
10,785	-	-	-	103,450
<u>400,129</u>	<u>388,255</u>	<u>329,336</u>	<u>366,812</u>	<u>4,192,933</u>
-	-	-	-	66,481
-	-	431,907	-	618,434
-	-	-	-	40,409
-	-	-	97,107	295,752
-	-	-	-	384,616
-	-	-	94,273	292,088
-	371,835	-	-	1,869,110
-	-	-	108,085	117,455
374,091	-	-	-	374,091
-	-	-	-	2,666
-	-	-	-	136,122
-	-	-	-	33,904
-	-	-	6,915	6,915
<u>374,091</u>	<u>371,835</u>	<u>431,907</u>	<u>306,380</u>	<u>4,238,043</u>
\$ 26,038	\$ 16,420	\$ (102,571)	\$ 60,432	\$ (45,110)

(Continued)

EAST CARROLL PARISH POLICE JURY

GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures, and Changes
in Fund Balances
For the Year Ended December 31, 2020

	GENERAL	ROAD MAINTENANCE AND CONSTRUCTION	GARBAGE DISTRICT NO. 1
OTHER FINANCING SOURCES (USES)			
Transfers in	\$ -	\$ -	\$ -
Transfers out	(125,507)	-	-
Bond proceeds	-	-	-
Insurance proceeds	-	-	-
Total Other Financing Sources (Uses)	(125,507)	-	-
Net Change in Fund Balances	(287,176)	149,034	(32,794)
FUND BALANCES - BEGINNING	1,285,448	1,548,287	541,396
FUND BALANCES - ENDING	\$ 998,272	\$ 1,697,321	\$ 508,602

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

Statement E

LIBRARY	DRAINAGE MAINTENANCE	CRIMINAL COURT	NONMAJOR GOVERNMENTAL	TOTAL
\$ -	\$ -	\$ 125,507	\$ -	\$ 125,507
-	-	-	-	(125,507)
-	-	-	450,000	450,000
13,432	-	-	-	13,432
13,432	-	125,507	450,000	463,432
39,470	16,420	22,936	510,432	418,322
725,976	680,229	3,971	1,421,286	6,206,593
<u>\$ 765,446</u>	<u>\$ 696,649</u>	<u>\$ 26,907</u>	<u>\$ 1,931,718</u>	<u>\$ 6,624,915</u>

(Concluded)

EAST CARROLL PARISH POLICE JURY

**Reconciliation of the Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
to the Statement of Activities
For the Year Ended December 31, 2020**

		Statement F
Total net change in fund balances - governmental funds	\$	418,322
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 exceeded capital outlays expense in the period.		
Capital outlay	\$ 88,310	
Depreciation expense	<u>(575,660)</u>	(487,350)
Repayment of bond principal and notes payable are an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		136,122
Issuance of long-term debt provides current financial resources of governmental funds but has no effect on government-wide net position.		(450,000)
In the Statement of Activities, certain operating expenses-compensated absences (vacations and sick leave) - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid).		3,007
The recognition of pension expense in the Statement of Activities is based on projected benefit payments discounted to actuarial present value and attributed to periods of employee service. Pension expenditures in the governmental funds are the amounts actually paid.		(5,869)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds.		79,933
Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.		<u>(10,207)</u>
Change in net position of governmental activities	\$	<u>(316,042)</u>

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

EAST CARROLL PARISH POLICE JURY
PROPRIETARY FUND TYPE - ENTERPRISE FUNDS
Statement of Net Position
December 31, 2020

Statement G

	SECTION 8 VOUCHER	EAST CARROLL HOUSING DEVELOPMENT	TOTAL
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 87,870	\$ -	\$ 87,870
Receivables	3,044	-	3,044
Interfund receivables	-	25,000	25,000
Prepaid items	1,245	-	1,245
Total Current Assets	92,159	25,000	117,159
Non-Current Assets:			
Property, plant and equipment (net of accumulated depreciation)	11,182	-	11,182
Total Non-Current Assets	11,182	-	11,182
TOTAL ASSETS	103,341	25,000	128,341
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	7,395	-	7,395
TOTAL DEFERRED OUTFLOWS OF RESOURCES	7,395	-	7,395
LIABILITIES			
Current Liabilities:			
Accounts payable	346	-	346
Interfund payables	2,549	-	2,549
Unearned Revenue	3,933	-	3,933
Compensated absences payable	942	-	942
Total Current Liabilities	7,770	-	7,770
Noncurrent Liabilities:			
Net pension liability	241	-	241
Total Noncurrent Liabilities	241	-	241
TOTAL LIABILITIES	8,011	-	8,011
DEFERRED INFLOWS OF RESOURCES			
Deferred outflows related to pensions	11,708	-	11,708
TOTAL DEFERRED INFLOWS OF RESOURCES	11,708	-	11,708
NET POSITION			
Net investment in capital assets	11,182	-	11,182
Restricted for HAP (Expendable)	-	-	-
Unrestricted	79,835	25,000	104,835
TOTAL NET POSITION	\$ 91,017	\$ 25,000	\$ 116,017

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

EAST CARROLL PARISH POLICE JURY

PROPRIETARY FUND TYPE - ENTERPRISE FUNDS

**Statement of Revenues, Expenses,
and Changes in Fund Net Position
For the Year Ended December 31, 2020**

Statement H

	SECTION 8 VOUCHER	EAST CARROLL HOUSING DEVELOPMENT	TOTAL
OPERATING REVENUES			
Federal Grants	\$ 674,285	\$ -	\$ 674,285
Miscellaneous income	470	-	470
Total operating revenues	674,755	-	674,755
OPERATING EXPENSES			
Administration	86,039	-	86,039
Housing assistance payments	551,734	-	551,734
Depreciation	3,811	-	3,811
Total operating expenses	641,584	-	641,584
OPERATING INCOME (LOSS) FROM OPERATIONS	33,171	-	33,171
NONOPERATING REVENUES (EXPENSES)			
Interest income	7	-	7
Other nonoperating revenue (expenses)	-	25,000	25,000
	7	25,000	25,007
NET CHANGE IN NET POSITION	33,178	25,000	58,178
NET POSITION - BEGINNING OF YEAR	57,839	-	57,839
NET POSITION - END OF YEAR	\$ 91,017	\$ 25,000	\$ 116,017

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

EAST CARROLL PARISH POLICE JURY

PROPRIETARY FUND TYPE - ENTERPRISE FUND

Statement of Cash Flows

For the Year Ended December 31, 2020

Statement I

**SECTION 8
VOUCHER**

CASH FLOWS FROM OPERATING ACTIVITIES	
Payments to vendors	\$ (43,370)
Payments to employees	(41,571)
Payments to private landlords and others	(552,991)
Federal grants	<u>666,249</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>28,317</u>
CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchase of capital assets	<u>(5,088)</u>
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(5,088)</u>
CASH FLOW FROM INVESTING ACTIVITIES	
Interest and dividends	<u>7</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>7</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	23,236
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>64,634</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>\$ 87,870</u></u>
RECONCILIATION TO THE STATEMENT OF NET POSITION:	
Cash and cash equivalents	<u>\$ 87,870</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>\$ 87,870</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:	
Operating income (loss)	\$ 33,171
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	3,811
(Increase) decrease in accounts receivable	(3,044)
(Increase) decrease in prepaid expenses	(5)
(Increase) decrease in deferred outflows related to pensions	14,804
(Increase) decrease in net pension liability	(24,749)
Increase (decrease) in accounts payable	(1,200)
Increase (decrease) in interfund payable	562
Increase (decrease) in unearned revenue	(4,992)
Increase (decrease) in compensated absences	118
Increase (decrease) in deferred inflows related to pensions	<u>9,841</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u><u>\$ 28,317</u></u>

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

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

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East Carroll Parish Police Jury
Notes to the Financial Statements
December 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES The East Carroll Parish Police Jury (the Police Jury) is the governing authority for East Carroll Parish and is a political subdivision of the state of Louisiana. The Police Jury is governed by five jurors representing the various districts within the parish. The jurors serve four-year terms which expire December 2023.

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

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

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

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

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

**East Carroll Parish Police Jury
Notes to the Financial Statements
December 31, 2020**

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

<u>Component Unit</u>	<u>Method of Inclusion</u>	<u>Fiscal Year End</u>	<u>Criteria Used</u>
Included within the reporting entity:			
Sixth Judicial District Criminal Court (East Carroll Parish)	Blended	December 31	2 and 3
LSU Cooperative Extension Service	Blended	December 31	2 and 3
East Carroll Housing Development Corporation	Blended	December 31	1 and 3
Not included within the reporting entity:			
East Carroll Parish:			
Sheriff	Discrete	June 30	3
Assessor	Discrete	December 31	3
Clerk of Court	Discrete	June 30	3
Community Action Agency of East Carroll Parish	Discrete	December 31	2 and 3

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

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

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

East Carroll Housing Development Corporation (Corporation) is a legally separate entity, which is a not-for-profit corporation and has a December 31st year end. Per the Bylaws, the Board of Directors of the Corporation is the same individuals that serve as the East Carroll Parish Police Jury members. This provides the Police Jury with a voting majority of the governing body of the Corporation. Additionally, the Corporation imposes a financial benefit and burden on the Police Jury. Based on the above, the Corporation is considered to be a component unit of the Police Jury and should be included under blended presentation.

In 2018, Lakeshore Family Homes GP II, LLC ('GP II') was created as a legally separate entity, which is a Louisiana limited liability company. The operating agreement of GP II lists East Carroll Housing Development Corporation as having 100% membership and the managing member. The Corporation has the power to bind and the power to impose its will on GP II as well as the Board of GP II is made up of the members of the Police Jury. Therefore, GP II is considered to be a component unit of the Police Jury and should be included under blended presentation. Based on the information provided by the Police Jury, there was no activity for the GP II as of and for the year ended December 31, 2020.

In 2018, Lakeshore Family Homes GP, LLC was created as a legally separate entity, which is a Louisiana limited liability company. In the operating agreement for Lakeshore Family Homes GP, LLC, lists Lakeshore

**East Carroll Parish Police Jury
Notes to the Financial Statements
December 31, 2020**

Family Homes GP II, LLC as having 51% membership; however, GP II is not the managing partner. The GP II has the power to bind and the power to impose its will on Lakeshore Family Homes GP, LLC. Therefore, Lakeshore Family Homes GP, LLC is considered to a component unit of the Police Jury under discrete presentation.

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

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

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

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

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

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

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

Criminal Court - This fund accounts for the activities of the parish court. The main source of revenue is fines and forfeitures.

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

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

East Carroll Housing Development - This fund accounts for the activity of the Police Jury's not-for-profit corporation, East Carroll Parish Development Corporation. This corporation was established to assist tax credit partnerships in providing affordable housing in East Carroll Parish.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Government-Wide Financial Statements (GWFS) The Statement of Net Position and the Statement of Activities displays information about the reporting government as a whole. The Statement of Net Position and the Statement of Activities was prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, liabilities and deferred inflows/outflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, liabilities and deferred inflows/outflows of resources resulting

East Carroll Parish Police Jury
Notes to the Financial Statements
December 31, 2020

from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33 "Accounting and Financial Reporting for Nonexchange Transactions." Fiduciary funds are not included in the government-wide financial statements.

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

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

Fund Financial Statements (FFS)

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

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

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

Sales taxes are susceptible to accrual.

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

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

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

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

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

**East Carroll Parish Police Jury
Notes to the Financial Statements
December 31, 2020**

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

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

Proprietary Funds

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

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

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

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

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

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

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

Definitions:

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

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

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

**East Carroll Parish Police Jury
Notes to the Financial Statements
December 31, 2020**

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

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

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

LAMP issues financial reports. These financial reports can be obtained by writing: LAMP, Inc., 650 Poydras Street, Suite 2220, New Orleans, LA 70130 or at www.lampool.com.

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

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

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

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

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

East Carroll Parish Police Jury
Notes to the Financial Statements
December 31, 2020

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

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

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

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

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

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

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

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

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

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

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

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

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

M. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow or resources (expense/expenditure) until then. The

**East Carroll Parish Police Jury
Notes to the Financial Statements
December 31, 2020**

Police Jury has one item, deferred outflows related to pensions that qualifies in this category and is reported only in the governmental activities.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Excess of Actual Expenditures Over Budgeted Expenditures in Individual Funds The following funds had actual expenditures which exceeded budgeted expenditures for the year ended December 31, 2020:

	Final Budget	Actual	Variance
General Fund	\$ 1,042,133	\$ 1,157,423	\$ (115,290)
Road Maintenance and Construction	1,058,438	1,073,342	(14,904)
Garbage District No. 1	524,781	526,262	(1,481)

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

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

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

Property Tax Calendar

Jury Levy date	July 2019
Tax bills mailed	November 2019
Due date	December 31, 2019
Lien date	January 1, 2020
Tax sale – 2020 delinquent property	August 26, 2020

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

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

A revaluation of all property is required after 1978 to be completed no less than every four years. The last revaluation was completed in 2020. Louisiana state law exempts the first \$75,000 of assessed value of a taxpayer's primary residence from parish property taxes. For calendar year 2020, the total assessed value was \$54,839,695 and the homestead exemption was \$5,502,748 of the assessed value.

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

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

The tax roll is prepared by the parish tax assessor in November of each year; therefore, the amount of 2020 property taxes to be collected occurs in December and January and February of the next year. Historically, virtually all ad valorem taxes receivable were collected since they are secured by property; therefore, there is no allowance for uncollectible taxes.

**East Carroll Parish Police Jury
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The following is a summary of authorized and levied ad valorem taxes for the year ended December 31, 2020:

	<u>Maximum Allowed Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
Parish-wide taxes:			
General fund	6.60	6.60	Indefinite
Courthouse maintenance	2.53	2.53	2024
Roads and bridges	8.24	8.24	2022
Drainage maintenance	8.24	8.24	2022
Library and bookmobile	8.22	8.22	2024
Health unit	2.00	2.00	2027
Cooperative extension program	2.74	2.74	2024
District taxes:			
Rural fire protection	2.76	2.76	2028
Rural fire protection debt service	Variable	1.00	2034
Garbage collection and disposal	11.67	11.67	2020

NOTE 4 - DEPOSITS At December 31, 2020, the Police Jury had cash and cash equivalents (book balances) as follows:

Demand deposits (cash and cash equivalents per Statement A)	\$ 3,620,969
Time deposits (reported as investments)	<u>110,309</u>
Total	<u>\$ 3,731,278</u>

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

Custodial Credit Risk-Deposits. At year end, the Police Jury had a bank balance of \$3,844,054 of which \$610,309 was covered by federal depository insurance and \$3,233,745 was secured by collateral held by the Police Jury's agent but not in the Police Jury's name. The Police Jury's policy does not address custodial credit risk.

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

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

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

<u>Type of investment</u>	<u>Carrying Amount Fair Value</u>
Certificate of deposit	S 110,309
LAMP	633,858
Total	<u>S 744,167</u>

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

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

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

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

Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days and consists of no securities with a maturity in excess of 397 days or 762 days for U.S. Government floating/variable rate investments. The weighted average maturity at December 31, 2020 was 47 days.

Foreign currency risk: Not applicable.

NOTE 6 - RECEIVABLES The following is a summary of receivables at December 31, 2020:

	<u>Ad Valorem</u>	<u>Other taxes</u>	<u>Intergovernmental</u>	<u>Other</u>	<u>Total</u>
General	\$ 430,051	\$ 8,769	\$ 39,965	\$ 54,806	\$ 533,591
Road Maintenance and Construction	388,130	60,008	11,228	13,870	473,236
Garbage District No. 1	445,628	-	1,742	25,846	473,216
Library	387,177	-	2,481	-	389,658
Drainage Maintenance	388,130	-	2,487	-	390,617
Criminal Court	-	-	-	54,075	54,075
Nonmajor Governmental	366,849	-	1,016	-	367,865
Section 8 Voucher	-	-	3,044	-	3,044
Total	<u>\$ 2,405,965</u>	<u>\$ 68,777</u>	<u>\$ 61,963</u>	<u>\$ 148,597</u>	<u>\$ 2,685,302</u>

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

East Carroll Parish Police Jury
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NOTE 7 - CAPITAL ASSETS The following schedule presents changes in capital assets for the Police Jury:

	Balance Beginning	Additions	Deletions	Balance Ending
Governmental activities				
Nondepreciable capital assets:				
Land	\$ 274,665	\$ -	\$ -	\$ 274,665
Airport land	101,000	-	-	101,000
Infrastructure: Road right-of-way	558,234	-	-	558,234
Construction in progress	11,622	7,311	18,933	-
Total non-depreciable capital assets	<u>945,521</u>	<u>7,311</u>	<u>18,933</u>	<u>933,899</u>
Depreciable capital assets:				
Buildings	2,780,483	-	-	2,780,483
Furniture & office equipment	484,854	2,299	-	487,153
Construction equipment	2,736,677	97,633	-	2,834,310
Vehicles	3,435,350	-	-	3,435,350
Infrastructure:				
Airport	1,155,666	-	-	1,155,666
Road surface	9,140,845	-	-	9,140,845
Bridges	1,759,091	-	-	1,759,091
Drainage	1,776,023	-	-	1,776,023
Total depreciable capital assets	<u>23,268,989</u>	<u>99,932</u>	<u>-</u>	<u>23,368,921</u>
Less accumulated depreciation:				
Buildings	1,903,549	52,083	-	1,955,632
Furniture & equipment	396,049	20,295	-	416,344
Construction equipment	1,520,591	204,413	-	1,725,004
Vehicles	2,864,266	138,249	-	3,002,515
Infrastructure:				
Airport	399,640	28,267	-	427,907
Road surface	8,646,504	35,594	-	8,682,098
Bridges	1,327,867	25,718	-	1,353,585
Drainage	69,944	71,041	-	140,985
Total accumulated depreciation	<u>17,128,410</u>	<u>575,660</u>	<u>-</u>	<u>17,704,070</u>
Total depreciable capital assets, net	<u>6,140,579</u>	<u>(475,728)</u>	<u>-</u>	<u>5,664,851</u>
Governmental activities				
Capital assets, net	<u>\$ 7,086,100</u>	<u>\$ (468,417)</u>	<u>\$ 18,933</u>	<u>\$ 6,598,750</u>

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

Elections	\$ 2,026
Other general government	5,513
Public Safety	76,268
Public Works	434,593
Health & Welfare	27,797
Culture & Recreation	1,196
Transportation	28,267
Total	<u>\$ 575,660</u>

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

	<u>Balance Beginning</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance Ending</u>
Business-type activities				
Depreciable capital assets				
Furniture & fixtures	\$ 3,131	\$ 5,088	\$ -	\$ 8,219
Vehicles	28,873	-	-	28,873
Total	<u>32,004</u>	<u>5,088</u>	<u>-</u>	<u>37,092</u>
Less accumulated depreciation				
Furniture & equipment	3,131	509	-	3,640
Vehicles	18,968	3,302	-	22,270
Total	<u>22,099</u>	<u>3,811</u>	<u>-</u>	<u>25,910</u>
Business-type activities capital assets, net	<u>\$ 9,905</u>	<u>\$ 1,277</u>	<u>\$ -</u>	<u>\$ 11,182</u>

NOTE 8 - INTERFUND TRANSACTIONS (FFS LEVEL ONLY)

Interfund receivable/payable:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General fund	Garbage District No. 1	\$ 71,895
General fund	Library	3,239
General fund	Drainage Maintenance	8,608
General fund	Nonmajor Governmental	3,597
Road Maintenance and Construction	General fund	157,525
Road Maintenance and Construction	Drainage Maintenance	100,000
Road Maintenance and Construction	Nonmajor Governmental	24,782
Nonmajor Governmental	General fund	22,190
General fund	Section 8	2,549
East Carroll Housing Development	General fund	25,000
Total		<u>\$ 419,385</u>

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

Interfund transfers:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
Nonmajor Governmental	General fund	\$ 125,507
Total		<u>\$ 125,507</u>

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

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

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General Information about the Pension Plan

Plan Descriptions/Benefits Provided

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

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

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

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

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

Deferred Retirement Option Plan

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

Cost of Living Adjustments

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

**East Carroll Parish Police Jury
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General Information about the Pension Plan

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, 2020, the actuarially determined contribution rate was 11.11% of member's compensation. However, the actual rate for fiscal year ending December 31, 2020 was 12.25% or \$160,267. According to state statute, the System also receives ¼ of 1% of ad valorem taxes collected within the respective parishes except for Orleans and East Baton Rouge parishes. The System also receives revenue sharing funds each year as appropriated by the Legislature. Tax monies and revenue sharing monies are apportioned between Plan A and Plan B in proportion to the member's compensation. These additional sources of income are used as additional employer contributions and are considered support from non-contributing entities. The Police Jury's proportionate share of nonemployer contributions was \$16,940 and was recognized as revenue by the Police Jury.

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

At December 31, 2020, the Police Jury reported a net pension liability (asset) of \$9,854, \$9,613 for governmental activities and \$241 for business-type activities, for its proportionate share of the net pension liability (asset) (NPL). The NPL will be liquidated through contributions to the pension plan from the governmental fund in which the related salary was paid. The NPL was measured as of December 31, 2019, and the total pension liability (assets) used to calculate the NPL were determined by actuarial valuations as of that date. The allocation method used in determining each employer's proportion was based on each employer's contributions to the plan during the fiscal year December 31, 2019 as compared to the total of all employers' contributions received by the plan during the fiscal year ended December 31, 2019. As of December 31, 2019, the most recent measurement date, the Police Jury's proportions and the changes in proportion from the prior measurement date was 0.209337%, or a decrease of 0.008566%.

For the year ended December 31, 2020, the Police Jury recognized a total pension expense of \$183,554, \$179,061 for governmental activities and \$4,493 for business-type activities. The Police Jury reported deferred outflows of resources and deferred inflows of resources related to pensions as components of unrestricted net position from the following sources:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Differences between expected and actual experience	\$ -	\$ 86,060	\$ -	\$ 2,159	\$ -	\$ 88,219
Changes in assumptions	134,261	-	3,369	-	137,630	-
Net difference between projected and actual earnings on pension plan investments	-	360,354	-	9,042	-	369,396
Changes in proportion and differences between employer contributions and proportionate share of contributions	4,119	20,200	103	507	4,222	20,707
Employer contributions subsequent to the measurement date	156,344	-	3,923	-	160,267	-
Total	\$ 294,724	\$ 466,614	\$ 7,395	\$ 11,708	\$ 302,119	\$ 478,322

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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, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	Governmental Activities	Business-Type Activities	Total
2021	\$ (76,057)	\$ (1,908)	\$ (77,965)
2022	(94,966)	(2,383)	(97,349)
2022	5,022	126	5,148
2023	(162,233)	(4,071)	(166,304)

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of December 31, 2019 are as follows:

Valuation Date	December 31, 2019
Actuarial Cost Method	Entry Age Normal Cost
Expected Remaining Service Lives	4 years
Investment Rate of Return	6.50%, net of investment expense, including inflation
Inflation Rate	2.40%
Mortality	For annuitant and beneficiary mortality, the Pub-2010 Public Retirement Plans Mortality Table for General Healthy Retirees was used. For employees, the Pub-2010 Public Retirement Plans Mortality Table for General Employees was used. For disabled annuitants, the Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees was used. These mortality tables were multiplied by 130% for males and 125% for females, each with full generational projection using the MP2018 scale.
Termination, Disability, Retirement	Projected based on a 5 year (January 1, 2013 - December 31, 2017) experience study
Projected Salary Increases	4.75% (2.35% Merit/2.40% Inflation)
Cost of Living Adjustments	Not substantively automatic

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

The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the capital asset pricing model (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward-looking basis in equilibrium, in which best-estimates of expected future real rates of return (expected returns, net of pension

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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 7.18% for the year ended December 31, 2019.

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, 2019 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed income	35%	1.05%
Equity	52%	3.41%
Alternatives	11%	0.61%
Real assets	2%	0.11%
Total	<u>100%</u>	<u>5.18%</u>
Inflation		<u>2.00%</u>
Expected arithmetic nominal return		<u>7.18%</u>

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

1.0% Decrease	Current Discount Rate	1.0% Increase
5.50%	6.50%	7.50%
\$ 1,065,084	\$ 9,854	\$ (874,407)

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, 2020, the Police Jury had \$18,943 in payables for the December 2020 employee and employer legally required contributions.

NOTE 10 - ACCOUNTS, SALARIES, AND OTHER PAYABLES Payables at December 31, 2020 are as follows:

	Accounts Payable	Salaries Payable	Total
General	\$ 52,433	\$ -	\$ 52,433
Road Maintenance and Construction	10,502	1,325	11,827
Garbage District No. 1	9,915	3,588	13,503
Library	4,668	-	4,668
Drainage Maintenance	3,179	-	3,179
Criminal Court	45,486	-	45,486
Nonmajor Governmental	4,000	422	4,422
Section 8 Voucher	346	-	346
Total	<u>\$ 130,529</u>	<u>\$ 5,335</u>	<u>\$ 135,864</u>

**East Carroll Parish Police Jury
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NOTE 11 - LONG-TERM DEBT The following is a summary of the long-term debt transactions and balances for the year ended December 31, 2020:

Governmental Activities

	Beginning Balance	Additions	Deletions	Ending Balance	Amounts Due Within One year
Governmental Activities:					
Direct Placement: Bonds payable:					
General obligation debt	\$ -	\$ 450,000	\$ -	\$ 450,000	\$ -
Other Debt:					
Notes payable	905,592	-	136,122	769,470	142,095
Compensated absences	8,305	35,032	38,039	5,298	5,298
Total Governmental Activities					
Long-term debt	<u>\$ 913,897</u>	<u>\$ 485,032</u>	<u>\$ 174,161</u>	<u>\$ 1,224,768</u>	<u>\$ 147,393</u>

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

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

The general obligation bond payable at December 31, 2020 consists of the following issue:

	Original Amount	Interest Rates	Final Payment Due	Interest to Maturity	Principal Outstanding
Series 2020	<u>\$450,000</u>	1.75% - 3.50%	1-Mar-35	<u>\$134,546</u>	<u>\$450,000</u>

All principal and interest requirements on the general obligation debt are funded in accordance with Louisiana law by the annual ad valorem tax levy on taxable property within the parish. In accordance with Louisiana Revised Statute 39:562, the Police Jury and its component units are legally restricted from incurring long-term bonded debt in excess of ten percent of the assessed value of taxable property in the parish or district. At December 31, 2020 the statutory limit is \$5,483,969 and the debt service fund balance is \$479,483.

Notes payable at December 31, 2020 consists of the following:

	Original Amount	Interest Rate	Final Payment Due	Interest to Maturity	Principal Outstanding
2018	\$ 136,395	4.651%	March 20, 2023	\$ 3,486	\$ 64,181
2018	155,533	4.875%	July 5, 2023	5,642	85,070
2019	235,903	4.450%	March 29, 2025	17,240	173,465
2019	500,000	3.550%	September 16, 2029	73,628	446,754
				<u>\$ 99,996</u>	<u>\$ 769,470</u>

**East Carroll Parish Police Jury
Notes to the Financial Statements
December 31, 2020**

The bonds and notes payable are due as follows:

	<u>BONDS PAYABLE</u>		<u>NOTES PAYABLE</u>		<u>TOTAL</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ -	\$ 19,536	\$ 142,095	\$ 27,930	\$ 142,095	\$ 47,466
2022	-	13,790	148,335	21,691	148,335	35,481
2023	29,000	13,405	115,670	15,691	144,670	29,096
2024	30,000	12,618	92,628	11,716	122,628	24,334
2025	31,000	11,795	62,217	8,473	93,217	20,268
2026-2030	165,000	45,850	208,525	14,495	373,525	60,345
2031-2035	195,000	17,552	-	-	195,000	17,552
	<u>\$ 450,000</u>	<u>\$ 134,546</u>	<u>\$ 769,470</u>	<u>\$ 99,996</u>	<u>\$ 1,219,470</u>	<u>\$ 234,542</u>

Business-Type Activities

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One year</u>
Business-type Activities:					
Other debt:					
Compensated absences	\$ 824	\$ 3,014	\$ 2,896	\$ 942	\$ 942
Total Business-type Activities					
Long-term debt	\$ 824	\$ 3,014	\$ 2,896	\$ 942	\$ 942

NOTE 12 - LITIGATION, CLAIMS AND COMMITMENTS

Litigation At December 31, 2020, the Police Jury is not involved in any litigation, therefore, they have not sought legal counsel.

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

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

East Carroll Parish Police Jury
Notes to the Financial Statements
December 31, 2020

NOTE 14 - FUND BALANCE CLASSIFICATION DETAILS

	General Fund	Road Maintenance and Construction	Garbage District No. 1	Library	Drainage Maintenance	Criminal Court	Nonmajor Governmental	Total
Nonspendable:								
Prepays	\$ 17,993	\$ 18,260	\$ 18,260	\$ 1,660	\$ 18,260	\$ -	\$ 8,952	\$ 83,385
Restricted for:								
Road Maintenance and Construction	-	1,679,061	-	-	-	-	-	1,679,061
Garbage	-	-	490,342	-	-	-	-	490,342
Library	-	-	-	763,786	-	-	-	763,786
Drainage Maintenance	-	-	-	-	678,389	-	-	678,389
Debt Service	-	-	-	-	-	-	479,483	479,483
Rural Fire Protection	-	-	-	-	-	-	518,135	518,135
LSU Cooperative Extension	-	-	-	-	-	-	298,275	298,275
Health Unit	-	-	-	-	-	-	626,873	626,873
Criminal Court	-	-	-	-	-	26,907	-	26,907
Unassigned	980,279	-	-	-	-	-	-	980,279
Total	<u>\$ 998,272</u>	<u>\$ 1,697,321</u>	<u>\$ 508,602</u>	<u>\$ 765,446</u>	<u>\$ 696,649</u>	<u>\$ 26,907</u>	<u>\$ 1,931,718</u>	<u>\$ 6,624,915</u>

NOTE 15 - TAX ABATEMENTS The Police Jury is subject to tax abatements granted by the Louisiana Department of Economic Development, Office of Commerce and Industry. Louisiana has a ten-year industrial exemption law that provides any manufacturing establishment entering Louisiana, or any manufacturing establishment expanding its Louisiana facilities is eligible to receive exemption on buildings and equipment from state, parish and local property taxes for a period of ten years. The exemption is for the “contract” value of buildings or equipment used by the business. When the exemption expires, the property is to be placed on the tax roll at 15% of its current market value. The amount of tax abatement under this program during the fiscal year ended December 31, 2020 by authorized millage is as follows:

<u>Tax Code</u>	<u>Millage</u>	<u>Assessed Valuate Lost to ITEP</u>	<u>Estimated Tax Dollar Lost to ITEP</u>
Parish General	6.60	\$ 32,307	\$ 213
Courthouse Maintenance	2.53	32,307	82
Road Maintenance & Construction	8.24	32,307	266
Garbage District #1	11.67	32,307	377
Library & Bookmobile	8.22	32,307	266
Drainage Maintenance	8.24	32,307	266
Health Unit	2.00	32,307	65
LA Cooperative Extension Program	2.74	32,307	89
Fire Maintenance	2.76	32,307	89
Fire Bond	1.00	32,307	32
			<u>\$ 1,745</u>

**East Carroll Parish Police Jury
Notes to the Financial Statements
December 31, 2020**

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

<u>Governmental Funds</u>	<u>2020</u>	<u>2019</u>
General Fund	Yes	Yes
Road Maintenance and Construction	Yes	Yes
Garbage District No. 1	Yes	Yes
Library	Yes	Yes
Drainage Maintenance	Yes	Yes
Criminal Court	Yes	No

NOTE 17 - NEW GASB STANDARD In fiscal year 2020, the Police Jury adopted the following new statement of financial accounting standard issued by the Governmental Accounting Standards Board:

Statement No. 95 – Postponement of the Effective Dates of Certain Authoritative Guidance. This statement extended the effective dates of certain accounting and financial reporting provisions in Statements and Implementation Guides. The primary objective of GASB Statement No. 95 was to provide temporary relief to governments and other stakeholders in the light of the COVID-19 pandemic.

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

REQUIRED SUPPLEMENTARY INFORMATION

East Carroll Parish Police Jury

**Schedule of the Police Jury's Proportionate Share of the Net Pension Liability (Asset)
Last Six Fiscal Years**

Exhibit 1-1

<u>Fiscal Year</u>	<u>Police Jury's Proportion of the Net Pension Liability</u>	<u>Police Jury's Proportionate Share of the Net Pension Liability (Asset)</u>	<u>Police Jury's Covered Payroll</u>	<u>Police Jury's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
2015	0.216628%	\$ 60,666	\$ 1,080,876	5.6%	99.15%
2016	0.209121%	550,467	1,180,476	46.6%	92.23%
2017	0.207826%	428,020	1,211,777	35.3%	94.15%
2018	0.201541%	(149,593)	1,198,208	-12.5%	101.98%
2019	0.217903%	967,132	1,210,391	79.9%	88.86%
2020	0.209337%	9,854	1,286,870	0.8%	99.89%

Notes:

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

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

**Schedule of the Police Jury's Contributions to Pension Plan
Last Six Fiscal Years**

Exhibit 1-2

<u>Fiscal Year</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Police Jury's Covered Payroll</u>	<u>Contributions as a Percentage of Covered Employee Payroll</u>
2015	\$ 171,169	\$ 171,169	\$ -	\$ 1,180,476	14.50%
2016	157,531	157,531	-	1,211,777	13.00%
2017	149,776	149,776	-	1,198,208	12.50%
2018	139,195	139,195	-	1,210,391	11.50%
2019	147,990	147,990	-	1,286,870	11.50%
2020	160,267	160,267	-	1,308,302	12.25%

Notes:

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

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

See independent auditor's report.

East Carroll Parish Police Jury

Notes to Required Supplementary Information for Pensions

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

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

Report Date	Valuation Date	Investment Rate of Return	Inflation Rate	Mortality Rate - Annuitant and Beneficiary	Mortality Rate - Employees	Mortality Rate - Disabled Annuitants	Salary Increases
	December 31,						
2015	2014	7.25%	3.00%	RP-2000 Healthy Annuitant Mortality Table set back 1 year for males and RP-2000 Combined Healthy Female Table for females	RP-2000 Employee Mortality Table set back 1 year for males and females	RP-2000 Disabled Lives Mortality Table	5.75%
2016 & 2017	2015 & 2016	7.00%	2.50%	RP-2000 Healthy Annuitant Sex Distinct Tables set forward 2 years for males and set forward 1 year for females projected to 2031 using Scale AA	RP-2000 Employees Sex Distinct Tables set back 4 years for males and 3 years for females	RP-2000 Disabled Lives Mortality Table set back 5 years for males and 3 years for females	5.25%
2018	2017	6.75%	2.50%	RP-2000 Healthy Annuitant Sex Distinct Tables set forward 2 years for males and set forward 1 year for females projected to 2031 using Scale AA	RP-2000 Employees Sex Distinct Tables set back 4 years for males and 3 years for females	RP-2000 Disabled Lives Mortality Table set back 5 years for males and 3 years for females	5.25%
2019 & 2020	2018 & 2019	6.50%	2.40%	Pub-2010 Public Retirement Plans Mortality Table for General Healthy Retirees multiplied by 130% for males and 125% for females, each with full generational projection using the MP2018 scale	Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males and 125% for females, each with full generational projection using the MP2018 scale	Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females, each with full generational projection using the MP2018 scale	4.75%

See independent auditor's report.

East Carroll Parish Police Jury

Budgetary Comparison Schedules

General Fund and Major Special Revenue Funds with Legally Adopted Annual Budgets

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

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

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

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

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

EAST CARROLL PARISH POLICE JURY

**GENERAL FUND
Budgetary Comparison Schedule
For the Year Ended December 31, 2020**

Exhibit 2-1

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL	AMOUNTS	FINAL BUDGET
			(BUDGETARY BASIS)	POSITIVE (NEGATIVE)
BUDGETARY FUND BALANCES, BEGINNING	\$ 379,610	\$ 672,225	\$ 672,225	\$ -
Resources (inflows)				
Local sources:				
Taxes:				
Ad valorem	445,476	445,476	328,242	(117,234)
Sales and use	60,000	60,000	62,710	2,710
Other taxes	29,254	17,918	19,566	1,648
Licenses and permits	221,056	221,056	127,590	(93,466)
Fees, charges, and commissions				
for services	320,601	281,001	273,610	(7,391)
Use of money and property	27,068	25,579	16,975	(8,604)
Other revenues	119,150	107,650	104,772	(2,878)
Intergovernmental revenues:				
State sources:				
State revenue sharing	30,477	30,477	8,608	(21,869)
Other	178,105	163,830	66,686	(97,144)
Federal sources - federal grants	75,584	75,584	9,298	(66,286)
Amounts available for appropriations	<u>1,886,381</u>	<u>2,100,796</u>	<u>1,690,282</u>	<u>(410,514)</u>
Charges to appropriations (outflows)				
Current:				
General government:				
Legislative	74,984	69,597	66,481	3,116
Judicial	178,592	186,709	189,243	(2,534)
Elections	27,359	36,155	43,070	(6,915)
Finance and administrative	178,617	203,465	195,118	8,347
Other general government	358,747	225,895	317,441	(91,546)
Public safety	233,457	184,172	181,972	2,200
Public works	238,700	27,247	26,414	833
Health and welfare	8,424	10,086	9,370	716
Economic development and assistance	6,325	-	-	-
Transportation	3,377	2,807	2,807	-
Capital outlay	-	-	-	-
Transfers out	50,000	96,000	125,507	(29,507)
Total charges to appropriations	<u>1,358,582</u>	<u>1,042,133</u>	<u>1,157,423</u>	<u>(115,290)</u>
BUDGETARY FUND BALANCES, ENDING	<u>\$ 527,799</u>	<u>\$ 1,058,663</u>	<u>\$ 532,859</u>	<u>\$ (525,804)</u>

See independent auditor's report.

EAST CARROLL PARISH POLICE JURY

**ROAD MAINTENANCE AND CONSTRUCTION
Budgetary Comparison Schedule
For the Year Ended December 31, 2020**

Exhibit 2-2

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL	AMOUNTS (BUDGETARY BASIS)	FINAL BUDGET POSITIVE (NEGATIVE)
BUDGETARY FUND BALANCES, BEGINNING	\$ 849,443	\$ 1,234,186	\$ 1,234,186	\$ -
Resources (inflows)				
Local sources:				
Taxes:				
Ad valorem	402,053	296,130	296,241	111
Sales and use	600,000	627,100	564,390	(62,710)
Use of money and property	5,848	1,974	1,974	-
Other revenues	500	2,200	21,784	19,584
Intergovernmental revenues:				
State sources:				
Parish transportation funds	161,000	10,962	120,265	109,303
State revenue sharing	-	-	7,769	7,769
Federal sources - federal grants	-	-	90,599	90,599
Amounts available for appropriations	<u>2,018,844</u>	<u>2,172,552</u>	<u>2,337,208</u>	<u>164,656</u>
Charges to appropriations (outflows)				
Current:				
Public works	<u>1,174,807</u>	<u>1,058,438</u>	<u>1,073,342</u>	<u>(14,904)</u>
Total charges to appropriations	<u>1,174,807</u>	<u>1,058,438</u>	<u>1,073,342</u>	<u>(14,904)</u>
BUDGETARY FUND BALANCES, ENDING	<u>\$ 844,037</u>	<u>\$ 1,114,114</u>	<u>\$ 1,263,866</u>	<u>\$ 149,752</u>

See independent auditor's report.

EAST CARROLL PARISH POLICE JURY

GARBAGE DISTRICT NO. 1
 Budgetary Comparison Schedule
 For the Year Ended December 31, 2020

Exhibit 2-3

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL	AMOUNTS (BUDGETARY BASIS)	FINAL BUDGET POSITIVE (NEGATIVE)
BUDGETARY FUND BALANCES, BEGINNING	\$ 164,287	\$ 230,825	\$ 230,825	\$ -
Resources (inflows)				
Local sources:				
Taxes:				
Ad valorem	465,479	340,263	340,266	3
Fees, charges, and commissions for services	22,679	44,891	44,956	65
Use of money and property	4,024	1,051	1,050	(1)
Other revenues	-	39	9,680	9,641
Intergovernmental revenues:				
State sources:				
State revenue sharing	-	-	5,479	5,479
Amounts available for appropriations	656,469	617,069	632,256	15,187
Charges to appropriations (outflows)				
Current:				
Public works	505,526	524,781	526,262	(1,481)
Total charges to appropriations	505,526	524,781	526,262	(1,481)
BUDGETARY FUND BALANCES, ENDING	\$ 150,943	\$ 92,288	\$ 105,994	\$ 13,706

See independent auditor's report.

EAST CARROLL PARISH POLICE JURY

LIBRARY

**Budgetary Comparison Schedule
For the Year Ended December 31, 2020**

Exhibit 2-4

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL	(BUDGETARY BASIS)	FINAL BUDGET POSITIVE (NEGATIVE)
BUDGETARY FUND BALANCES, BEGINNING	\$ 363,099	\$ 454,202	\$ 454,202	\$ -
Resources (inflows)				
Local sources:				
Taxes:				
Ad valorem	401,070	290,801	295,529	4,728
Fees, charges, and commissions for services	9,450	5,072	5,072	-
Use of money and property	3,466	3,842	765	(3,077)
Other revenues	2,657	3,804	4,073	269
Intergovernmental revenues:				
State sources:				
State revenue sharing	7,844	7,749	7,750	1
Federal sources - federal grants	-	10,785	10,785	-
Insurance proceeds	-	13,432	13,432	-
Amounts available for appropriations	<u>787,586</u>	<u>789,687</u>	<u>791,608</u>	<u>1,921</u>
Charges to appropriations (outflows)				
Current:				
Culture and recreation	<u>359,942</u>	<u>373,489</u>	<u>372,563</u>	<u>926</u>
Total charges to appropriations	<u>359,942</u>	<u>373,489</u>	<u>372,563</u>	<u>926</u>
BUDGETARY FUND BALANCES, ENDING	<u>\$ 427,644</u>	<u>\$ 416,198</u>	<u>\$ 419,045</u>	<u>\$ 2,847</u>

See independent auditor's report.

EAST CARROLL PARISH POLICE JURY

DRAINAGE MAINTENANCE
 Budgetary Comparison Schedule
 For the Year Ended December 31, 2020

Exhibit 2-5

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL	AMOUNTS (BUDGETARY BASIS)	FINAL BUDGET POSITIVE (NEGATIVE)
BUDGETARY FUND BALANCES, BEGINNING	\$ 83,399	\$ 413,993	\$ 413,993	\$ -
Resources (inflows)				
Local sources:				
Taxes:				
Ad valorem	402,053	296,130	296,241	111
Fees, charges, and commissions for services	1,800	7,058	7,058	-
Use of money and property	2,215	841	841	-
Intergovernmental revenues:				
State sources:				
State revenue sharing	-	-	7,769	7,769
Amounts available for appropriations	489,467	718,022	725,902	7,880
Charges to appropriations (outflows)				
Current:				
Public works	429,325	394,607	394,603	4
Total charges to appropriations	429,325	394,607	394,603	4
BUDGETARY FUND BALANCES, ENDING	\$ 60,142	\$ 323,415	\$ 331,299	\$ 7,884

See independent auditor's report.

East Carroll Parish Police Jury

**Notes to Budgetary Comparison Schedules
For the Year Ended December 31, 2020**

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, 2020, cash basis budgets were adopted for the General fund and all special revenue funds, except the Criminal Court special revenue fund, which is exempt from the requirements per Louisiana Revised Statutes 30:1301-1314 (Local Government Budget Act).

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

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

B. UNFAVORABLE BUDGET VARIANCE

The following funds had actual appropriations exceed budgeted appropriations:

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
General Fund	\$ 1,042,133	\$ 1,157,423	\$ (115,290)
Road Maintenance and Construction	1,058,438	1,073,342	(14,904)
Garbage District No. 1	524,781	526,262	(1,481)

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

East Carroll Parish Police Jury

**Notes to Budgetary Comparison Schedules
For the Year Ended December 31, 2020**

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

	<u>General</u>	<u>Road Maintenance and Construction</u>	<u>Garbage District No. 1</u>	<u>Library</u>	<u>Drainage Maintenance</u>
<u>Sources/inflows of resources:</u>					
Actual amounts (budgetary basis) "available for appropriation" from the Budgetary Comparison Schedule	\$ 1,690,282	\$ 2,337,208	\$ 632,256	\$ 791,608	\$ 725,902
The fund balance at the beginning of the year is a budgetary resource but is not a current-year revenue for financial reporting purposes	(672,225)	(1,234,186)	(230,825)	(454,202)	(413,993)
Insurance proceeds from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes	-	-	-	(13,432)	-
Adjustments for conversion from cash basis to modified accrual for financial reporting purposes	<u>26,039</u>	<u>85,249</u>	<u>74,603</u>	<u>76,155</u>	<u>76,346</u>
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 1,044,096</u>	<u>\$ 1,188,271</u>	<u>\$ 476,034</u>	<u>\$ 400,129</u>	<u>\$ 388,255</u>
<u>Uses/Outflows of resources:</u>					
Actual amounts (budgetary basis) "Total charges to appropriations" from the Budgetary Comparison Schedule	\$ 1,157,423	\$ 1,073,342	\$ 526,262	\$ 372,563	\$ 394,603
Adjustments for conversion from cash basis to modified accrual for financial reporting purposes	173,849	(34,105)	(17,434)	1,528	(22,768)
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	<u>(125,507)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 1,205,765</u>	<u>\$ 1,039,237</u>	<u>\$ 508,828</u>	<u>\$ 374,091</u>	<u>\$ 371,835</u>

See independent auditor's report.

East Carroll Parish Police Jury

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SUPPLEMENTARY INFORMATION

East Carroll Parish Police Jury

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

EAST CARROLL PARISH POLICE JURY
NONMAJOR GOVERNMENTAL FUNDS
Combining Balance Sheet - By Fund Type
December 31, 2020

Exhibit 3

	SPECIAL REVENUE	FIRE BOND DEBT SERVICE	DRAINAGE CAPITAL PROJECT	TOTAL
ASSETS				
Cash and cash equivalents	\$ 1,028,194	\$ 443,577	\$ 28,379	\$ 1,500,150
Investments	105,913	-	-	105,913
Receivables	329,678	38,187	-	367,865
Interfund receivables	19,859	2,331	-	22,190
Prepaid items	8,952	-	-	8,952
TOTAL ASSETS	<u>1,492,596</u>	<u>484,095</u>	<u>28,379</u>	<u>2,005,070</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts, salaries, and other payables	4,422	-	-	4,422
Interfund payables	-	-	28,379	28,379
Total Liabilities	<u>4,422</u>	<u>-</u>	<u>28,379</u>	<u>32,801</u>
Deferred Inflows of Resources:				
Unavailable revenue - property taxes	35,939	4,612	-	40,551
Total Deferred inflow of resources	<u>35,939</u>	<u>4,612</u>	<u>-</u>	<u>40,551</u>
Fund Balances:				
Nonspendable	8,952	-	-	8,952
Restricted	1,443,283	479,483	-	1,922,766
Total Fund Balances	<u>1,452,235</u>	<u>479,483</u>	<u>-</u>	<u>1,931,718</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 1,492,596</u>	<u>\$ 484,095</u>	<u>\$ 28,379</u>	<u>\$ 2,005,070</u>

SSee independent auditor's report.

EAST CARROLL PARISH POLICE JURY

NONMAJOR GOVERNMENTAL FUNDS
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances - By Fund Type
For the Year Ended December 31, 2020

Exhibit 4

	<u>SPECIAL REVENUE</u>	<u>FIRE BOND DEBT SERVICE</u>	<u>DRAINAGE CAPITAL PROJECT</u>	<u>TOTAL</u>
REVENUES				
Local sources:				
Taxes:				
Ad valorem	\$ 310,918	\$ 35,255	\$ -	\$ 346,173
Use of money and property	1,264	183	-	1,447
Other revenues	1,128	-	-	1,128
Intergovernmental revenues:				
State sources:				
State revenue sharing	3,138	-	-	3,138
Other	14,926	-	-	14,926
Total Revenues	<u>331,374</u>	<u>35,438</u>	<u>-</u>	<u>366,812</u>
EXPENDITURES				
Current:				
General government:				
Finance and administrative	95,751	1,356	-	97,107
Public Safety	94,257	16	-	94,273
Health and welfare	108,085	-	-	108,085
Debt service:				
Bond issuance costs	-	6,915	-	6,915
Total Expenditures	<u>298,093</u>	<u>8,287</u>	<u>-</u>	<u>306,380</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	33,281	27,151	-	60,432
OTHER FINANCING SOURCES (USES)				
Bond proceeds	-	450,000	-	450,000
Total Other Financing Sources (Uses)	<u>-</u>	<u>450,000</u>	<u>-</u>	<u>450,000</u>
Net Change in Fund Balances	33,281	477,151	-	510,432
FUND BALANCES - BEGINNING	<u>1,418,954</u>	<u>2,332</u>	<u>-</u>	<u>1,421,286</u>
FUND BALANCES - ENDING	<u>\$ 1,452,235</u>	<u>\$ 479,483</u>	<u>\$ -</u>	<u>\$ 1,931,718</u>

See independent auditor's report.

East Carroll Parish Police Jury

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East Carroll Parish Police Jury

NONMAJOR SPECIAL REVENUE FUNDS

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

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

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

EAST CARROLL PARISH POLICE JURY

NONMAJOR SPECIAL REVENUE FUNDS

Combining Balance Sheet

December 31, 2020

Exhibit 5

	RURAL FIRE PROTECTION	LSU COOPERATIVE EXTENSION	HEALTH UNIT	TOTAL
ASSETS				
Cash and cash equivalents	\$ 339,967	\$ 177,805	\$ 510,422	\$ 1,028,194
Investments	75,274	-	30,639	105,913
Receivables	105,805	129,063	94,810	329,678
Interfund receivables	10,014	4,824	5,021	19,859
Prepaid items	7,707	-	1,245	8,952
TOTAL ASSETS	<u>538,767</u>	<u>311,692</u>	<u>642,137</u>	<u>1,492,596</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts, salaries, and other payables	196	-	4,226	4,422
Total Liabilities	<u>196</u>	<u>-</u>	<u>4,226</u>	<u>4,422</u>
Deferred Inflows of Resources:				
Unavailable revenue - property taxes	12,729	13,417	9,793	35,939
Total Deferred inflow of resources	<u>12,729</u>	<u>13,417</u>	<u>9,793</u>	<u>35,939</u>
Fund Balances:				
Nonspendable	7,707	-	1,245	8,952
Restricted	518,135	298,275	626,873	1,443,283
Total Fund Balance	<u>525,842</u>	<u>298,275</u>	<u>628,118</u>	<u>1,452,235</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 538,767</u>	<u>\$ 311,692</u>	<u>\$ 642,137</u>	<u>\$ 1,492,596</u>

See independent auditor's report.

EAST CARROLL PARISH POLICE JURY

NONMAJOR SPECIAL REVENUE FUNDS
 Combining Statement of Revenues, Expenditures,
 and Changes in Fund Balances
 For the Year Ended December 31, 2020

Exhibit 6

	RURAL FIRE PROTECTION	LSU COOPERATIVE EXTENSION	HEALTH UNIT	TOTAL
REVENUES				
Local sources:				
Taxes:				
Ad valorem	\$ 98,139	\$ 122,162	\$ 90,617	\$ 310,918
Use of money and property	678	107	479	1,264
Other revenues	435	8	685	1,128
Intergovernmental revenues:				
State sources:				
State revenue sharing	1,276	-	1,862	3,138
Other	14,926	-	-	14,926
Total Revenues	<u>115,454</u>	<u>122,277</u>	<u>93,643</u>	<u>331,374</u>
EXPENDITURES				
Current:				
General government:				
Finance and administrative	-	95,751	-	95,751
Public Safety	94,257	-	-	94,257
Health and welfare	-	-	108,085	108,085
Total Expenditures	<u>94,257</u>	<u>95,751</u>	<u>108,085</u>	<u>298,093</u>
Net Change in Fund Balances	21,197	26,526	(14,442)	33,281
FUND BALANCES - BEGINNING	<u>504,645</u>	<u>271,749</u>	<u>642,560</u>	<u>1,418,954</u>
FUND BALANCES - ENDING	<u>\$ 525,842</u>	<u>\$ 298,275</u>	<u>\$ 628,118</u>	<u>\$ 1,452,235</u>

See independent auditor's report.

East Carroll Parish Police Jury

GENERAL

Exhibit 7

**Schedule of Compensation Paid Police Jurors
For the Year Ended December 31, 2020**

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

Kendall L. Thompson, President	\$	14,400
Roger O. Clement, Vice President		11,580
Kofi Darden-Hawkins		12,000
Randy E. Walters		11,581
Loyd Whaley		11,581
Brian Blockwood		419
Sidney L. Denny		503
Billy Travis		419
Total	\$	<u>62,483</u>

See independent auditor's report.

East Carroll Parish Police Jury

GENERAL

Exhibit 8

**Schedule of Compensation, Benefits and Other Payments to Agency Head
For the Year Ended December 31, 2020**

Natasha Davis, Secretary Treasurer

Purpose	Amount
Salary	\$ 43,500
Benefits-insurance	6,565
Benefits-retirement	5,329
Benefits-medicare	631
Dues	70
Per diem	300
Conference travel	1,227
	<u>\$ 57,622</u>

See independent auditor's report.

East Carroll Parish Police Jury

GENERAL

Exhibit 9

**Justice System Funding Schedule - Receiving Entity
As Required by Act 87 of the 2020 Regular Legislative Session**

Cash Basis Presentation	First Six Month Period Ended 6/30/2020	Second Six Month Period Ended 12/31/2020
Receipts From:		
East Carroll Parish Sheriff, Criminal Court Costs/Fees	\$ 10,645	\$ 16,200
East Carroll Parish Sheriff, Criminal Court Fines	67,344	95,833
East Carroll Parish Sheriff, Bond Fees	4,586	3,264
Total Receipts:	\$ 82,575	\$ 115,297

See independent auditor's report.

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

Exhibit 10

Fiscal Year End: 12/31/2020

	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	Total
111 Cash - Unrestricted	\$ 87,870	\$ -	\$ 87,870
100 Total Cash	87,870	-	87,870
122 Accounts Receivable - HUD Other Projects	3,044	-	3,044
120 Total Receivables, Net of Allowances for Doubtful Accounts	3,044	-	3,044
142 Prepaid Expenses and Other Assets	1,245	-	1,245
150 Total Current Assets	92,159	-	92,159
164 Furniture, Equipment & Machinery - Administration	37,092	-	37,092
166 Accumulated Depreciation	(25,910)	-	(25,910)
160 Total Capital Assets, Net of Accumulated Depreciation	11,182	-	11,182
180 Total Non-Current Assets	11,182	-	11,182
200 Deferred Outflow of Resources	7,395	-	7,395
290 Total Assets and Deferred Outflow of Resources	110,736	-	110,736
312 Accounts Payable <= 90 Days	260	-	260
322 Accrued Compensated Absences - Current Portion	942	-	942
331 Accounts Payable - HUD PHA Programs	86	-	86
342 Unearned Revenue	3,933	-	3,933
347 Inter Program - Due To	2,549	-	2,549
310 Total Current Liabilities	7,770	-	7,770
357 Accrued Pension and OPEB Liabilities	241	-	241
350 Total Non-Current Liabilities	241	-	241
300 Total Liabilities	8,011	-	8,011
400 Deferred Inflow of Resources	11,708	-	11,708
508.4 Net Investment in Capital Assets	11,082	-	11,082
511.4 Restricted Net Position	-	-	-
512.4 Unrestricted Net Position	79,935	-	79,935
513 Total Equity - Net Assets / Position	91,017	-	91,017
600 Total Liabilities, Deferred Inflows of Resources and Equity	\$ 110,736	\$ -	\$ 110,736

(Continued)

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

Exhibit 10

Fiscal Year End: 12/31/2020

	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	Total
70600 HUD PHA Operating Grants	\$ 637,329	\$ 36,956	\$ 674,285
71100 Investment Income - Unrestricted	7	-	7
71500 Other Revenue	470	-	470
70000 Total Revenue	<u>637,806</u>	<u>36,956</u>	<u>674,762</u>
91100 Administrative Salaries	15,264	26,307	41,571
91200 Auditing Fees	4,100	-	4,100
91500 Employee Benefit contributions - Administrative	12,390	-	12,390
91600 Office Expenses	11,319	5,561	16,880
91700 Legal Expense	1,700	-	1,700
91800 Travel	2,077	-	2,077
91000 Total Operating - Administrative	<u>46,850</u>	<u>31,868</u>	<u>78,718</u>
96120 Liability Insurance	2,138	-	2,138
96130 Workmen's Compensation	108	-	108
96100 Total insurance Premiums	<u>2,246</u>	<u>-</u>	<u>2,246</u>
96200 Other General Expenses	4,957	-	4,957
96210 Compensated Absences	118	-	118
96000 Total Other General Expenses	<u>5,075</u>	<u>-</u>	<u>5,075</u>
96900 Total Operating Expenses	<u>54,171</u>	<u>31,868</u>	<u>86,039</u>
97000 Excess of Operating Revenue over Operating Expenses	583,635	5,088	588,723
97300 Housing Assistance Payments	551,734	-	551,734
97400 Depreciation Expense	3,811	-	3,811
90000 Total Expenses	<u>609,716</u>	<u>31,868</u>	<u>641,584</u>
10010 Operating Transfer In	5,088	-	5,088
10020 Operating transfer Out	-	(5,088)	(5,088)
10100 Total Other financing Sources (Uses)	<u>5,088</u>	<u>(5,088)</u>	<u>-</u>
10000 Excess (Deficiency) of Total Revenue Over (Under) Total	33,178	5,088	33,178
11030 Beginning Equity	57,839	-	57,839
11170 Administrative Fee Equity	-	-	-
11180 Housing Assistance Payments Equity	<u>\$ 91,017</u>	<u>\$ -</u>	<u>\$ 91,017</u>
11190 Unit Months Available	1,704	-	1,704
11210 Number of Unit Months Leased	1,458	-	1,458

(Concluded)

See independent auditor's report.

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

Independent Auditor's Report

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the primary government financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the East Carroll Parish Police Jury (the Police Jury), as of and for the year ended December 31, 2020, 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 December 15, 2021. Our report expresses an adverse opinion on the aggregate discretely presented component units due to their exclusion from the financial statements.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Police Jury's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings and questioned costs as item 2020-001 and 2020-002.

Responses to Findings

The Police Jury's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the Police Jury's responses and, accordingly, we express no opinion on them.

Purpose of this Report

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



A Professional Accounting Corporation

Baton Rouge, LA
December 15, 2021

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

Independent Auditor's Report

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

Report on Compliance for Each Major Federal Program

We have audited the East Carroll Parish Police Jury's (the Police Jury) compliance with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Police Jury's major federal programs for the year ended December 31, 2020. The Police Jury's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the Police Jury complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2020.

Report on Internal Control Over Compliance

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



A Professional Accounting Corporation

Baton Rouge, LA
December 15, 2021

EAST CARROLL PARISH POLICE JURY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2020

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM NAME	Assistance Listing <u>Number</u>	Pass-Through <u>Grantor No.</u>	<u>Expenditures</u>
CASH FEDERAL AWARDS			
United States Department of Housing and Urban Development			
Direct Programs:			
Housing Voucher Cluster			
Section 8 Housing Choice Vouchers	14.871		\$ 637,329
COVID-19 Section 8 Housing Choice Vouchers	14.HCC		36,956
Total Housing Voucher Cluster			<u>674,285</u>
United States Department of Homeland Security			
Passed Through the Governor's Office of Homeland Security and Emergency Preparedness:			
Disaster Grants - Public Assistance (Presidential Declared Disasters)	97.036	DR4462 PW70	90,599
National Endowment for the Humanities			
Passed Through the Louisiana Endowment for the Humanities			
Promotion of the Humanities Federal/State Partnership	45.129	20-RebirthPLCARES-006	4,010
The Institute of Museum and Library Services			
Passed Through the Louisiana Department of Culture, Recreations & Tourism: Office of State Library			
Grants to States	45.310		6,775
United States Department of Labor			
Passed Through Workforce Development Board			
Workforce Investment Act	17.UKN		2,066
TOTAL FEDERAL AWARDS			<u>\$ 777,735</u>

See independent auditor's report.

East Carroll Parish Police Jury

**Notes to Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2020**

NOTE 1 - BASIS OF PRESENTATION The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal awards activity of the East Carroll Parish Police Jury (the Police Jury) under programs of the federal government for the year ended December 31, 2020. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Police Jury, it is not intended to and does not present the financial position or changes in fund balances of the Police Jury.

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

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

Governmental Activities	
General Fund	\$ 2,066
Road Special Revenue Fund	90,599
Library Special Revenue Fund	10,785
Business-Type Activities	
Section 8 Voucher Fund	<u>674,285</u>
	<u>\$ 777,735</u>

NOTE 4 – DE MINIMUS COST RATE The Police Jury does not use the 10% de minimus cost rate.

East Carroll Parish Police Jury

Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2020

Part I - Summary of Auditor's Results

Financial Statements

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

Federal Awards

- | | |
|--|------------|
| 1. Internal control over major programs: | |
| a. Material weaknesses identified? | None |
| b. Significant deficiencies identified? | None |
| 2. Type of auditor's report issued on compliance for each major program: | Unmodified |
| 3. Audit findings disclosed that are required in accordance with the Uniform Guidance: | No |
| 4. Identification of major programs: | |
| 14.871 Section 8 Housing Choice Vouchers | |
| 14.HCC Covid-19 Section 8 Housing Choice Vouchers | |
| 5. Dollar threshold used to distinguish between Type A and B programs: | \$750,000 |
| 6. Auditee qualified as a low-risk auditee? | No |

Part II - Findings and Responses Related to the Financial Statements

2020-001 Failure to Amend Budget (R.S. 39:1310)

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

Condition: State law requires that budgets be amended when actual revenues are less than budgeted revenues or actual expenditures and other financing uses exceed budgeted amounts by 5% or more. For the year ended December 31, 2020, the General Fund had budgetary basis revenues of \$1,018,057 which fell short of budgeted revenues of \$1,428,571 which resulted in an unfavorable variance of \$410,514, or 29%.

East Carroll Parish Police Jury

**Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2020**

Cause: Unknown.

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

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

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

2020-002 Police Juror Use of Parish Vehicles

Criteria: The Police Jury is required to follow the requirements of Article 7 Section 14 of the Louisiana Constitution which prohibits donations and loans as well as prohibiting the person use of public vehicles.

Condition: During the audit for the year ended December 31, 2020, we noted that a police juror uses a vehicle owned by the Police Jury. We also noted that the Police Jury does not have a written policy regarding the use of vehicles by the police jurors.

Cause: Unknown.

Effect: Possible Violation of Article 7 Section 14 of the Louisiana Constitution

Recommendation: We recommend the Police Jury obtain a legal opinion from its legal counsel or the Louisiana Attorney General regarding use of vehicles by police jurors. We recommend the Police Jury adopt a written policy regarding use of vehicles by police jurors to ensure that such use complies with Article 7 Section 14 of the Louisiana Constitution. We recommend that the Police Jury also comply with requirements of the Internal Revenue Code regarding any personal use of vehicles by police jurors.

Management's Response: Management will obtain a legal opinion and adopt a policy regarding use of vehicles by police jurors. Management will ensure that vehicles of the Police Jury are not used for personal use.

East Carroll Parish Police Jury

**Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2020**

Part II - Findings Related to the Federal Awards

None.

East Carroll Parish Police Jury

**Schedule of Prior Year Audit Findings
For the Year Ended December 31, 2020**

2019-001 Failure to Amend Budget

This finding has not been resolved. See finding 2020-001.