

**CLAIBORNE PARISH POLICE JURY
HOMER, LOUISIANA**

**FINANCIAL STATEMENTS
AND SUPPLEMENTAL INFORMATION
AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2019**

**CLAIBORNE PARISH POLICE JURY
HOMER, LOUISIANA**

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Independent Auditor's Report

To the Honorable Members of the Police Jury and
Mr. Dwayne Woodard, Secretary-Treasurer
Homer, Louisiana

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the *Louisiana Governmental Audit Guide* issued by the Louisiana Legislative Auditor. Those standards and the audit guide require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

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

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

Adverse Opinion

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

Qualified Opinion

In our opinion, except for the effects of the matter described in the "Basis for Adverse Opinion on Aggregate Discretely Presented Component Units and Qualified Opinion on Aggregate Remaining Fund Information" paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the aggregate remaining fund information of the Claiborne Parish Police Jury, as of December 31, 2019, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions

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

Emphasis of a Matter

As described in Note 14 to the financial statements, operations of the Police Jury are impacted by the pandemic caused by the Coronavirus/COVID-19. Management is uncertain how and to what extent the pandemic will negatively affect operations, financial position, and the ability to provide services. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information (pages 35-39) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted Management's Discussion and Analysis, the Schedule of Employer's Proportionate Share of Net Pension Liability, and the Schedule of Employer's Contributions that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Claiborne Parish Police Jury's basic financial statements. The combining nonmajor fund financial statements; the Schedule of Compensation Paid Police Jurors; and the Schedule of Compensation, Reimbursements, Benefits, and Other Payments to Agency Head are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining nonmajor fund financial statements; the Schedule of Compensation Paid Police Jurors; and the Schedule of Compensation, Reimbursements, Benefits, and Other Payments to Agency Head are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements; the Schedule of Compensation Paid Police Jurors; and the Schedule of Compensation, Reimbursements, Benefits, and Other Payments to Agency Head are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

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

BOSCH & STATHAM, LLC



Ruston, Louisiana
December 29, 2020

Basic Financial Statements

**CLAIBORNE PARISH POLICE JURY
HOMER, LOUISIANA**

**GOVERNMENTAL ACTIVITIES
STATEMENT OF NET POSITION
AS OF DECEMBER 31, 2019**

ASSETS	
Cash and cash equivalents	\$ 6,950,221
Investments	1,130,379
Receivables	2,946,473
Due from other agencies	18,522
Deferred charges	113,565
Capital assets, net of accumulated depreciation	7,067,747
Other assets	4,866
TOTAL ASSETS	<u>18,231,773</u>
DEFERRED OUTFLOWS	
Deferred outflow - pension related	<u>626,393</u>
LIABILITIES	
Accounts, salaries and other payables	419,739
Due to other agencies	14,025
Deferred revenue	15,626
Compensated absences payable	114,779
Bonds payable within one year	170,000
Bonds payable in more than one year	730,000
Net pension liability	876,255
TOTAL LIABILITIES	<u>2,340,424</u>
DEFERRED INFLOWS	
Deferred inflows - pension related	<u>65,716</u>
NET POSITION	
Net investment in capital assets	6,167,747
Restricted for:	
General government	715,601
Public works	2,830,081
Public safety	233,151
Health and welfare	327,839
Culture and recreation	1,824,838
Unrestricted	4,352,769
TOTAL NET POSITION	<u>\$ 16,452,026</u>

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

**CLAIBORNE PARISH POLICE JURY
HOMER, LOUISIANA**

**GOVERNMENTAL ACTIVITIES
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019**

FUNCTIONS	EXPENSES	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	
General government	\$ 2,258,899	\$ 664,597	\$ -	\$ -	\$ (1,594,302)
Public safety	325,302	-	122,651	-	(202,651)
Public works	3,441,895	10,750	327,908	-	(3,103,237)
Health and welfare	685,620	124,091	580,694	-	19,165
Culture and recreation	711,228	22,452	-	-	(688,776)
Economic development and assistance	55,343	-	-	-	(55,343)
Conservation	7,000	-	-	-	(7,000)
Interest expense	27,935	-	-	-	(27,935)
Total governmental activities	<u>\$ 7,513,222</u>	<u>\$ 821,890</u>	<u>\$ 1,031,253</u>	<u>\$ -</u>	<u>(5,660,079)</u>
General revenues:					
Property taxes					2,804,108
Sales and use taxes levied for public works					564,212
Other taxes, penalties and interest					11,121
Grants and contributions not restricted to specific programs					1,877,084
Net increase (decrease) in the fair value of investments					77,785
Gain (loss) on sale of capital assets					(14,161)
Contributions from private sources					3,490
Other					102,527
Total general revenues					<u>5,426,166</u>
Change in net position					<u>(233,913)</u>
Net position at beginning of year					<u>16,685,939</u>
Net position at end of year					<u>\$ 16,452,026</u>

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

CLAIBORNE PARISH POLICE JURY
HOMER, LOUISIANA

GOVERNMENTAL FUNDS - BALANCE SHEET
AS OF DECEMBER 31, 2019

ASSETS	GENERAL	PARISH ROAD	LIBRARY MAINTENANCE	SALES TAX	CRIMINAL COURT	SECTION 8	OFFICE OF COMMUNITY SERVICES	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
Cash and cash equivalents	\$ 4,337,409	\$ 106,522	\$ 972,419	\$ 603,568	\$ 54,741	\$ 74,737	\$ 65,972	\$ 734,853	\$ 6,950,221
Investments	540,640	3,216	6,611	408,609	-	-	165,191	6,112	1,130,379
Receivables	539,050	918,961	734,034	90,488	41,443	-	35,428	587,069	2,946,473
Due from other funds	7,750	-	-	-	-	-	-	18,812	26,562
Due from other agencies	18,520	-	-	-	-	-	-	-	18,520
Deferred charges	113,565	-	-	-	-	-	-	-	113,565
Other assets	-	-	-	-	-	-	4,866	-	4,866
TOTAL ASSETS	\$ 5,556,934	\$ 1,028,699	\$ 1,713,064	\$ 1,102,665	\$ 96,184	\$ 74,737	\$ 271,457	\$ 1,346,846	\$ 11,190,586
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES									
Liabilities:									
Accounts, salaries and other payables	\$ 190,353	\$ 98,402	\$ 31,304	\$ 57,790	\$ 67	\$ -	\$ 12,667	\$ 29,155	\$ 419,738
Due to other funds	-	7,194	456	-	-	-	-	18,912	26,562
Due to other agencies	-	-	-	-	-	14,024	-	-	14,024
Total liabilities	190,353	105,596	31,760	57,790	67	14,024	12,667	48,067	460,324
Deferred inflows:									
Unavailable ad valorem tax revenue	38,445	48,070	31,163	-	-	15,626	-	32,205	165,509
Fund balances:									
Restricted fund balances	48,217	875,033	1,650,141	1,044,875	96,117	45,087	258,790	1,266,574	5,284,834
Unassigned fund balances	5,279,919	-	-	-	-	-	-	-	5,279,919
Total fund balances	5,328,136	875,033	1,650,141	1,044,875	96,117	45,087	258,790	1,266,574	10,564,753
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES	\$ 5,556,934	\$ 1,028,699	\$ 1,713,064	\$ 1,102,665	\$ 96,184	\$ 74,737	\$ 271,457	\$ 1,346,846	\$ 11,190,586

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

**CLAIBORNE PARISH POLICE JURY
HOMER, LOUISIANA**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS' BALANCE SHEET
TO THE STATEMENT OF NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2019**

Total fund balance - governmental funds	\$	10,564,753
Amounts reported for governmental activities in the statement of net position are different because:		
Some assets are not financial resources.		
Capital assets		7,067,747
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.		
		149,883
Deferred items for pension related items are not reported in the fund statements:		
Deferred outflows		626,393
Deferred inflows		(65,716)
Some liabilities, such as bonds payable and compensated absences, are not due and payable in the current period and are therefore not reported in the funds.		
Compensated absences payable		(114,779)
Bonds payable		(900,000)
Net pension liability		(876,255)
Net position of governmental activities	<u>\$</u>	<u>16,452,026</u>

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

CLAIBORNE PARISH POLICE JURY
HOMER, LOUISIANA

GOVERNMENTAL FUNDS - STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2019

	GENERAL	PARISH ROAD	LIBRARY MAINTENANCE	SALES TAX	CRIMINAL COURT	SECTION 8	OFFICE OF COMMUNITY SERVICES	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES									
Taxes:									
Ad valorem	\$ 476,918	\$ 962,286	\$ 813,013	\$ -	\$ -	\$ -	\$ -	\$ 638,415	\$ 2,890,632
Sales and use	-	-	-	564,212	-	-	-	-	564,212
Other taxes, penalties and interest	6,514	3,490	-	-	1,117	-	-	-	11,121
Licenses and permits	100,127	10,750	-	-	-	-	-	-	110,877
Intergovernmental revenues:									
Federal funds	61,167	-	-	-	-	322,294	258,400	56,880	698,741
State funds:									
Severance taxes	1,571,393	-	-	-	-	-	-	-	1,571,393
State revenue sharing	17,382	37,881	17,279	-	-	-	-	25,138	97,680
Parish transportation	-	283,446	-	-	-	-	-	-	283,446
Fire insurance rebate	65,771	-	-	-	-	-	-	-	65,771
Other state funds	43,869	-	-	-	-	-	593	-	44,462
Fees, charges, and commissions	-	-	11,913	-	-	-	124,090	10,540	146,543
Fines and forfeitures	-	-	-	-	543,520	-	-	20,950	564,470
Use of money and property	60,117	26,633	9,583	13,667	-	774	7,870	9,777	128,421
Contributions from private sources	-	-	3,490	-	-	-	-	-	3,490
Other revenues	5,848	1,833	64	-	-	-	1,599	-	9,344
Total revenues	<u>2,409,106</u>	<u>1,326,319</u>	<u>855,342</u>	<u>577,879</u>	<u>544,637</u>	<u>323,068</u>	<u>392,552</u>	<u>761,700</u>	<u>7,190,603</u>
EXPENDITURES									
Current:									
General government:									
Legislative	123,514	-	-	-	-	-	-	-	123,514
Judicial	386,988	-	-	-	488,742	-	-	1,732	877,462
Elections	24,995	-	-	-	-	-	-	-	24,995
Finance and administrative	319,041	-	-	-	-	-	-	-	319,041
Other general government	244,982	-	-	-	-	-	-	268,908	513,890

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

CLAIBORNE PARISH POLICE JURY
HOMER, LOUISIANA

GOVERNMENTAL FUNDS - STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2019

	GENERAL	PARISH ROAD	LIBRARY MAINTENANCE	SALES TAX	CRIMINAL COURT	SECTION 8	OFFICE OF COMMUNITY SERVICES	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
Public safety	\$ 211,814	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 93,266	\$ 305,080
Public works	1,547	2,293,204	-	712,510	-	-	-	56,004	3,063,265
Health and welfare	4,418	-	-	-	-	318,728	343,853	-	666,999
Culture and recreation	-	-	560,303	-	-	-	-	-	560,303
Economic development and assistance	55,343	-	-	-	-	-	-	-	55,343
Conservation	7,000	-	-	-	-	-	-	-	7,000
Debt service	-	-	192,935	-	-	-	-	-	192,935
Capital outlay	-	-	24,930	-	-	-	34,220	269,886	329,036
Total expenditures	<u>1,379,642</u>	<u>2,293,204</u>	<u>778,168</u>	<u>712,510</u>	<u>488,742</u>	<u>318,728</u>	<u>378,073</u>	<u>689,796</u>	<u>7,038,863</u>
Excess (deficiency) of revenues over expenditures	<u>1,029,464</u>	<u>(966,885)</u>	<u>77,174</u>	<u>(134,631)</u>	<u>55,895</u>	<u>4,340</u>	<u>14,479</u>	<u>71,904</u>	<u>151,740</u>
OTHER FINANCING SOURCES (USES)									
Operating transfers in	-	1,000,000	-	-	-	-	-	27,942	1,027,942
Operating transfers out	(1,027,942)	-	-	-	-	-	-	-	(1,027,942)
Net increase (decrease) in the fair value of investments	45,441	-	-	32,344	-	-	-	-	77,785
Proceeds from insurance recovery	1,254	-	-	-	-	-	-	33,836	35,090
Sale of capital assets	-	-	223	-	-	-	-	-	223
Total other financing sources (uses)	<u>(981,247)</u>	<u>1,000,000</u>	<u>223</u>	<u>32,344</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>61,778</u>	<u>113,098</u>
Net change in fund balances	<u>48,217</u>	<u>33,115</u>	<u>77,397</u>	<u>(102,287)</u>	<u>55,895</u>	<u>4,340</u>	<u>14,479</u>	<u>133,682</u>	<u>264,838</u>
Fund balances at beginning of year	<u>5,279,919</u>	<u>841,918</u>	<u>1,572,744</u>	<u>1,147,162</u>	<u>40,222</u>	<u>40,747</u>	<u>244,311</u>	<u>1,132,892</u>	<u>10,299,915</u>
Fund balances at end of year	<u>\$ 5,328,136</u>	<u>\$ 875,033</u>	<u>\$ 1,650,141</u>	<u>\$ 1,044,875</u>	<u>\$ 96,117</u>	<u>\$ 45,087</u>	<u>\$ 258,790</u>	<u>\$ 1,266,574</u>	<u>\$ 10,564,753</u>

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

**CLAIBORNE PARISH POLICE JURY
HOMER, LOUISIANA**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019**

Net change in fund balances - total governmental funds	\$ 264,838
 Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital outlay	334,377
Depreciation	(621,100)
Sales of capital assets not recognized in government-wide statements	(223)
Gain (loss) on disposal of assets	(14,161)
 Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Current year deferred inflows	149,883
Prior year deferred inflows	(217,984)
 Governmental funds report the retirement of long-term debt as an expenditure. However, in the government-wide financial statements, that amount representing principal on long-term debt is not treated as an expense but is instead applied against outstanding long-term debt on the Statement of Net Position	
	165,000
 Some items reported in the statement of activities, such as a net decrease or increase in compensated absences, do not require the use of current financial resources, nor do they provide any, and therefore are not reported as expenditures or revenues in the governmental funds.	
Change in compensated absences payable	(16,716)
Pension expense	(335,923)
Nonemployer contributions	58,096
Change in net position of governmental activities	<u>\$ (233,913)</u>

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

**CLAIBORNE PARISH POLICE JURY
HOMER, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2019**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

In accomplishing its objectives, the police jury has approximately 40 full-time and part-time employees (3 in the central office, 12 in the office of community services, 10 in the library, 2 in homeland security and emergency preparedness, and 15 in public works). In addition to maintaining drainage and bridges in the parish, the police jury currently maintains 727 miles of parish roads, comprised of 568 miles of asphalt and 159 miles of gravel.

Reporting Entity

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

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

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

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

**CLAIBORNE PARISH POLICE JURY
HOMER, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2019**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reporting Entity (Continued)

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

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

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

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

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

**CLAIBORNE PARISH POLICE JURY
HOMER, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2019**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reporting Entity (Continued)

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

Basis of Presentation

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

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

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

- The governmental fund statements include a balance sheet and a statement of revenues, expenditures, and changes in fund balances, with one column for the general fund, one for each of the other major funds, and one column combining all the nonmajor governmental funds. The statements are prepared using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized in the accounting period in which they become measurable and available to finance expenditures of the current period, generally considered sixty days after the end of the fiscal year. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest payments on general long-term liabilities which are recognized when due.

**CLAIBORNE PARISH POLICE JURY
HOMER, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2019**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

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

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

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

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

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

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

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

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

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

**CLAIBORNE PARISH POLICE JURY
HOMER, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2019**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

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

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

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

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

Cash and Investments

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

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

Receivables and Payables

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

**CLAIBORNE PARISH POLICE JURY
HOMER, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2019**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied by the police jury in September or October, are actually billed on October 1, and are mailed to the taxpayers in November. Billed taxes become delinquent on January 1 of the following year. Revenues from ad valorem taxes are budgeted in the year they are billed. The Claiborne Parish Sheriff bills and collects the police jury’s property taxes using the assessed value determined by the assessor of Claiborne Parish and approved by the State of Louisiana Tax Commission. For the year ended December 31, 2019, taxes of 23.85 mills were levied on property with assessed valuations totaling \$111,830,133, as follows:

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration</u>
Parishwide taxes:			
General alimony:			
Outside municipalities	4.35	3.83	Indefinite
Inside municipalities	2.17	1.91	Indefinite
Building maintenance	2.71	2.73	2024
Library maintenance	5.44	6.10	2035
Roads	7.22	7.22	2027
Equipment	2.06	2.06	2027

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

On October 22, 2011, voters approved a renewal of the library tax for 5.44 mills beginning 2016 and ending in 2035. On October 19, 2013, voters approved a renewal of the building maintenance tax for 2.71 mills beginning 2015 and ending in 2024. On January 11, 2017, voters approved a renewal of the parish roads and equipment taxes, with a slight increase, for 7.22 and 2.06 mills, respectively. beginning 2018 and ending in 2027.

**CLAIBORNE PARISH POLICE JURY
HOMER, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2019**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The following are the principal taxpayers for the parish and their 2019 assessed valuation (amounts expressed in thousands):

	2019 Assessed Valuation	Percent of Total Assessed Valuation
Gulf Crossing Pipeline Co.	\$ 11,651	10.42%
Midcontinent Express	11,507	10.29%
Texas Gas Transmission	5,533	4.95%
Claiborne Electric Co-op	4,157	3.72%
Mid-Valley Pipeline Company	3,643	3.26%
Urban Oil & Gas Group	3,564	3.19%
XTO Energy	3,448	3.08%
DCP Midstream LP	2,566	2.29%
Covalence Specialty COA	1,844	1.65%
Hays, James Michael	1,876	1.68%
Total	<u>\$ 49,789</u>	<u>44.53%</u>

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

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

Inventories and Prepaid Items

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

Restricted Assets

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

**CLAIBORNE PARISH POLICE JURY
HOMER, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2019**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are recorded as expenditures in each fund and capitalized at the government-wide level; fixed assets of enterprise funds are reported in the respective funds. The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend assets' lives are not capitalized. The police jury's capitalization threshold is \$5,000. The library capitalization threshold is \$1,000. The office of community services and office of homeland security and emergency preparedness maintain a threshold of \$500 or more for capitalizing assets. For reporting purposes, the police jury defines capital assets as follows:

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

Compensated absences

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

Employees of the Claiborne Parish Police Jury earn from 5 to 20 days of vacation leave each year depending on length of service. All employees earn 10 days of sick leave each year. Employees may accumulate and carry forward a maximum of 26 weeks (1,040 hours) of vacation leave. Upon retirement or separation from employment, employees are paid for accrued and unused vacation leave at their then current rate of pay. Sick leave may be accumulated and carried forward without limitation. However, employees will not be paid for accumulated sick leave upon retirement or separation from employment.

**CLAIBORNE PARISH POLICE JURY
HOMER, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2019**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Employees of the Claiborne Parish Library earn from 15 to 30 days of vacation leave each year, depending upon length of service with the library. Vacation leave does not accumulate. Employees earn 13 days of sick leave each year, which may be accumulated and carried forward without limitation. Employees are not compensated for accumulated sick leave upon termination of employment. However, upon retirement any accumulated sick leave may be credited toward service time for determining retirement benefits.

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

Long-Term Obligations

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

**CLAIBORNE PARISH POLICE JURY
HOMER, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2019**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance Classifications and Net Position

Fund balances are reported under the following fund balance classifications:

Non-spendable	Includes fund balance amounts that cannot be spent either because it is not in spendable form or are legally or contractually required to be maintained intact.
Restricted	Includes amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.
Committed	Includes amounts that can only be used for specific purposes pursuant to constraints that are internally imposed by the government through formal action of the police jury and does not lapse at year-end.
Assigned	Includes amounts that are constrained by the police jury's intent to be used for specific purposes that are neither considered restricted nor committed.
Unassigned	Includes amounts that have not been assigned to other funds and that have not been restricted, committed or assigned to specific purposes within the General Fund. Negative fund balances in other governmental funds can also be classified as unassigned.

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

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

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

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

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

**CLAIBORNE PARISH POLICE JURY
HOMER, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2019**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reconciliation of Government-wide and Fund Financial Statements

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

Use of estimates

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

NOTE 2 - BUDGET VARIANCES

The following presents a summary of major funds' budget variances for the year ended December 31, 2019:

Fund	Revenues and Other Sources (Uses)			Expenditures and Other Sources (Uses)		
	Budget	Actual	Favorable (Unfavorable) Variance	Budget	Actual	Favorable (Unfavorable) Variance
General	\$ 2,521,500	\$ 2,454,547	\$ (66,953)	\$ 2,511,800	\$ 2,407,584	\$ 104,216
Parish Road	2,350,600	2,326,319	(24,281)	2,313,700	2,293,204	20,496
Library	826,200	855,565	29,365	821,500	778,168	43,332
Sales Tax	570,700	610,223	39,523	715,500	712,510	2,990
Total	<u>\$ 6,269,000</u>	<u>\$ 6,246,654</u>	<u>\$ (22,346)</u>	<u>\$ 6,362,500</u>	<u>\$ 6,191,466</u>	<u>\$ 171,034</u>

NOTE 3 - CASH AND CASH EQUIVALENTS

Custodial credit risk is the risk that in the event of a bank failure, the police jury's deposits may not be returned to it. The police jury's policy (not a formal written policy) to ensure that there is no exposure to this risk is to require each financial institution to pledge its own securities to cover any amount in excess of Federal Depository Insurance Coverage. Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Police Jury that the fiscal agent bank has failed to pay deposited funds upon demand.

**CLAIBORNE PARISH POLICE JURY
HOMER, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2019**

NOTE 3 - CASH AND CASH EQUIVALENTS (CONTINUED)

At December 31, 2019, the police jury has cash and cash equivalents (book balances) totaling, \$6,950,221 as follows:

Demand deposits	\$ 4,538,471
Time deposits	2,411,700
Cash on hand	<u>50</u>
Total	<u>\$ 6,950,221</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent.

These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. As of December 31, 2019, \$5,804,792 of the police jury's bank balances of \$7,169,792 were exposed to custodial credit risk as follows:

Insured by FDIC	<u>\$ 1,365,000</u>
Uninsured and uncollateralized	-
Collateralized by pledged securities not in the police jury's name	<u>5,804,792</u>
Total balances exposed to custodial credit risk	<u>5,804,792</u>
Total bank balances	<u>\$ 7,169,792</u>

NOTE 4 - INVESTMENTS

Louisiana Asset Management Pool

Investments held at December 31, 2019, include \$29,710 in the Louisiana Asset Management Pool (LAMP), a local government investment pool. LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LSA-R.S. 33:2955.

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

**CLAIBORNE PARISH POLICE JURY
HOMER, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2019**

NOTE 4 – INVESTMENTS (CONTINUED)

GASB Statement No. 40, *Deposit and Investment Risk Disclosure*, requires disclosure of credit risk, custodial credit risk, concentration of credit risk, interest rate risk, and foreign currency risk for all public entity investments. LAMP is a 2a7-like investment pool. The following facts are relevant for 2a7-like investment pools: (1) credit risk: LAMP is rated AAAM by Standard & Poor’s; (2) custodial credit risk: LAMP participants’ investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity’s investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required; (3) concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement; (4) interest rate risk: GASB No. 40 excludes 2a7-like investment pools from this disclosure requirement; and, (5) foreign currency risk: Not applicable to 2a7-like pools.

The dollar-weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

Edward Jones

Investments held at December 31, 2019, include \$1,100,669 in three Edward Jones Corporate Accounts. The General Fund, Sales Tax Fund and Office of Community Services’ Regular Fund have accounts with balances of \$532,554, \$402,924 and \$165,191, respectively.

Each account includes a cash, money market account, certificate of deposit, investments in government and agency securities, and asset and mortgage-backed securities.

The following is a summary of investment accounts:

	Edward Jones							
	Total	LAMP	Cash	Money Market	Certificates of Deposit	Government and Agency Securities	Asset and Mortgage Backed Securities	Total Edward Jones
Fund:								
General	\$ 540,640	\$ 8,086	\$ -	\$23,652	\$ 202,989	\$ 291,440	\$ 14,473	\$ 532,554
Road	3,216	3,216	-	-	-	-	-	-
Sales Tax	408,609	5,685	-	30,742	80,634	291,548	-	402,924
Equipment	6,112	6,112	-	-	-	-	-	-
Library	6,611	6,611	-	-	-	-	-	-
OCS-Regular	165,191	-	23	4,156	-	161,012	-	165,191
Total	\$ 1,130,379	\$ 29,710	\$ 23	\$58,550	\$ 283,623	\$ 744,000	\$ 14,473	\$1,100,669

**CLAIBORNE PARISH POLICE JURY
HOMER, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2019**

NOTE 5 - RECEIVABLES

The receivables of \$2,946,473, at December 31, 2019, are as follows:

	Taxes	Due From Other Governments		Accounts and	Total
		Federal	State	Other	
General	\$ 423,839	\$ 26,987	\$ 87,548	\$ 676	\$ 539,050
Parish Road	853,708	-	48,988	16,265	918,961
Library Maintenance	721,993	-	11,935	106	734,034
Sales Tax	90,488	-	-	-	90,488
Criminal Court	-	-	-	41,443	41,443
Office of Community Services	-	35,428	-	-	35,428
Other governmental	566,700	-	17,348	3,021	587,069
Total	<u>\$ 2,656,728</u>	<u>\$ 62,415</u>	<u>\$ 165,819</u>	<u>\$ 61,511</u>	<u>\$ 2,946,473</u>

NOTE 6 - INTERFUND TRANSFERS AND BALANCES

The following details interfund transfers for the year ended December 31, 2019:

	General	Due to Nonmajor	
		Funds	Total
Due from Parish Road	\$ 7,194	\$ -	\$ 7,194
Library	456	-	456
Nonmajor Funds	100	18,812	18,912
Total	<u>\$ 7,750</u>	<u>\$ 18,812</u>	<u>\$ 26,562</u>

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

The following details interfund balances as of December 31, 2019:

	Transfers out	
	General	
Transfers in Parish Road	\$	1,000,000
OHSEP		27,942
Total	<u>\$</u>	<u>1,027,942</u>

**CLAIBORNE PARISH POLICE JURY
HOMER, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2019**

NOTE 7 - CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended December 31, 2019, is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital assets not being depreciated:				
Land:				
Police Jury	\$ 220,570	\$ -	\$ -	\$ 220,570
Library	3,580	-	-	3,580
Office of Community Services	30,000	-	-	30,000
Adjudicated property	19,700	-	-	19,700
Total capital assets not being depreciated	<u>273,850</u>	<u>-</u>	<u>-</u>	<u>273,850</u>
Capital assets being depreciated:				
Infrastructure:				
Roads	15,517,189	-	-	15,517,189
Bridges	1,912,668	-	-	1,912,668
Land improvements	15,995	-	-	15,995
Buildings and improvements	2,883,666	-	-	2,883,666
Public works heavy equipment	3,593,095	42,000	-	3,635,095
Public works other equipment	84,175	-	-	84,175
Vehicles	311,247	226,981	(27,816)	510,412
Office furniture and equipment	250,841	-	-	250,841
Office of Emergency Preparedness and Homeland Security:				
Vehicles	49,124	-	-	49,124
Office furniture and equipment	50,506	905	-	51,411
Buildings and improvements	13,205	-	-	13,205
Office of Community Services:				
Land improvements	7,800	-	-	7,800
Buildings and improvements	62,156	-	-	62,156
Vehicles	335,255	39,561	(97,701)	277,115
Office furniture and equipment	116,327	-	-	116,327
Library:				
Building and improvements	3,855,244	-	-	3,855,244
Furniture and equipment	331,721	-	(27,086)	304,635
Books and videos	688,648	24,930	(13,700)	699,878
Total capital assets being depreciated	<u>30,078,862</u>	<u>334,377</u>	<u>(166,303)</u>	<u>30,246,936</u>

**CLAIBORNE PARISH POLICE JURY
HOMER, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2019**

NOTE 7 - CAPITAL ASSETS (CONTINUED)

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Less accumulated depreciation for:				
Infrastructure:				
Roads	14,561,931	37,184	-	14,599,115
Bridges	1,403,828	36,674	-	1,440,502
Land improvements	15,995	-	-	15,995
Buildings and improvements	1,807,332	60,738	-	1,868,070
Public works heavy equipment	2,386,901	235,574	-	2,622,475
Public works other equipment	59,576	5,751	-	65,327
Vehicles	197,108	46,480	(13,444)	230,144
Office furniture and equipment	202,427	23,960	-	226,387
Office of Emergency Preparedness and Homeland Security:				
Vehicles	45,181	3,943	-	49,124
Office furniture and equipment	50,345	438	-	50,783
Buildings and improvements	6,325	660	-	6,985
Office of Community Services:				
Land improvements	7,800	-	-	7,800
Buildings and improvements	55,078	2,072	-	57,150
Vehicles	317,628	16,701	(97,701)	236,628
Office furniture and equipment	116,324	-	-	116,324
Library:				
Building and improvements	919,634	99,910	-	1,019,544
Furniture and equipment	171,916	16,624	(27,074)	161,466
Books and videos	658,529	34,391	(13,700)	679,220
Total accumulated depreciation	<u>22,983,858</u>	<u>621,100</u>	<u>(151,919)</u>	<u>23,453,039</u>
Total capital assets being depreciated, net	<u>7,095,004</u>	<u>(286,723)</u>	<u>(14,384)</u>	<u>6,793,897</u>
Total capital assets, net	<u>\$ 7,368,854</u>	<u>\$ (286,723)</u>	<u>\$ (14,384)</u>	<u>\$ 7,067,747</u>

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

General government	\$ 60,127
Public safety	20,050
Public works	370,200
Health and welfare	19,798
Culture and recreation	<u>150,925</u>
Total	<u>\$ 621,100</u>

NOTE 8 - LONG-TERM OBLIGATIONS

The following is a summary of the long-term obligation transactions for the year ended December 31, 2019:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Limited Tax Bonds	\$ 1,065,000	\$ -	\$ (165,000)	\$ 900,000
Compensated Absences	98,066	56,357	(39,644)	114,779
Net Pension Liability (Asset)	(115,994)	992,249	-	876,255
	<u>\$ 1,047,072</u>	<u>\$ 1,048,606</u>	<u>\$ (204,644)</u>	<u>\$ 1,891,034</u>

**CLAIBORNE PARISH POLICE JURY
HOMER, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2019**

NOTE 8 - LONG-TERM OBLIGATIONS (CONTINUED)

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

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

The annual requirements to amortize bonds payable at December 31, 2019, are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 170,000	\$ 24,038	\$ 194,038
2021	175,000	19,593	194,593
2022	180,000	14,665	194,665
2023	185,000	9,233	194,233
2024	190,000	3,183	193,183
Total	<u>\$ 900,000</u>	<u>\$ 70,711</u>	<u>\$ 970,711</u>

The net pension liability (asset) includes the liability of the Parochial Employees' Retirement System, Registrar of Voters Retirement System and of the District Attorney's Retirement System of \$851,086, \$20,879, and \$4,290, respectively.

NOTE 9 – RETIREMENT SYSTEMS

Parochial Employees' Retirement System of Louisiana (System)

All Claiborne Parish Police Jury (Police Jury) employees, who participate in retirement systems, are members of the Parochial Employees Retirement System of Louisiana (System), a cost-sharing, multiple-employer, defined-benefit pension plan administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. The Police Jury employees participate in Plan A.

All permanent employees working at least twenty-eight hours per week who are paid wholly or in part from parish funds and all elected parish officials, except coroners, justices of the peace, and parish presidents, are eligible to participate in PERS.

Under Plan A, employees who were hired prior to January 1, 2007 can retire providing he/she meets one of the following criteria:

1. Any age after 30 years of creditable service.
2. Age 55 after 25 years of creditable service.
3. Age 60 after 10 years of creditable service.
4. Age 65 after 7 years of creditable service.

**CLAIBORNE PARISH POLICE JURY
HOMER, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2019**

NOTE 9 – RETIREMENT SYSTEMS (CONTINUED)

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

Under Plan A, employees who were hired after January 1, 2007 can retire providing, he/she meets one of the following criteria:

1. Age 55 after 30 years of creditable service
2. Age 62 after 10 years of creditable service
3. Age 67 after 7 years of creditable service.

Retirement benefits are generally distributed monthly at an amount equal to 3% of the employee's final average compensation multiplied by his/her years of creditable service. The System also provides death and disability benefits. Benefits are established or amended by state statute.

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

Under Plan A, members are required to contribute 9.50% of their annual covered salary with the Police Jury being required to contribute 11.50% of the annual covered payroll. Contributions to the system also include one-fourth of one percent (except Orleans and East Baton Rouge Parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Police Jury are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Police Jury's contributions to the System under Plan A for the year ended December 31, 2019 totaled \$118,575.

GASB Statement No. 68 requires that the Police Jury accrue its proportionate share of an actuarial determined net pension liability and the related expense in the financial statements of the governmental activities. Management implemented GASB No. 68 the year it became effective. Since implementation, management has retained a professional to calculate the changes in the liability and related amounts, prepare the note to the financial statements, and prepare the required supplemental information. Effective with the 2019 financial statements, management has elected not to retain professional services or present the required supplemental information. Management has concluded that the cost of the services outweighs the benefit received. The liabilities and related amounts have been adjusted to amounts in the audit reports and valuation reports of the retirement systems. In management's opinion, any differences in financial statement amounts would be immaterial.

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

When the Claiborne Parish Police Jury (Police Jury) is responsible for the employee salaries, the Police Jury contributes to the Registrar of Voters Employees' Retirement System of Louisiana (System), a cost-sharing, multiple-employer, defined-benefit pension plan.

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

**CLAIBORNE PARISH POLICE JURY
HOMER, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2019**

NOTE 9 – RETIREMENT SYSTEMS (CONTINUED)

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

1. Any age after 30 years of creditable service.
2. Age 55 after 20 years of creditable service.
3. Age 60 after 10 years of creditable service.

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

1. Age 55 after 30 years of creditable service
2. Age 60 after 20 years of creditable service
3. Age 62 after 10 years of creditable service.

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

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

Members are required to contribute 7.00% of their annual covered salary with the Police Jury being required to contribute 18.00% of the annual covered payroll. The Police Jury’s contributions to the System for the year ended December 31, 2019 totaled \$2,684.

GASB Statement No. 68 requires that the Police Jury accrue its proportionate share of an actuarial determined net pension liability and the related expense in the financial statements of the governmental activities. Management implemented GASB No. 68 the year it became effective. Since implementation, management has retained a professional to calculate the changes in the liability and related amounts, prepare the note to the financial statements, and prepare the required supplemental information. Effective with the 2019 financial statements, management has elected not to retain professional services or present the required supplemental information. Management has concluded that the cost of the services outweighs the benefit received. The liabilities and related amounts have been adjusted to amounts in the audit reports and valuation reports of the retirement systems. In management’s opinion, any differences in financial statement amounts would be immaterial.

District Attorney’s Retirement System of Louisiana (System)

The Claiborne Parish Police Jury (Police Jury) contributes to the District Attorneys’ Retirement System of Louisiana (System), a cost-sharing, multiple-employer, defined-benefit pension plan.

**CLAIBORNE PARISH POLICE JURY
HOMER, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2019**

NOTE 9 – RETIREMENT SYSTEMS (CONTINUED)

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

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

1. Any age after 30 years of creditable service.
2. Age 55 after 23 years of creditable service.
3. Age 60 after 18 years of creditable service.
4. Age 62 after 10 years of creditable service.

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

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

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

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

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

Members are required to contribute 8.00% of their annual covered salary with the Police Jury being required to contribute 4.00% of the annual covered payroll. Contributions to the System for the year ended December 31, 2019 totaled \$205.

GASB Statement No. 68 requires that the Police Jury accrue its proportionate share of an actuarial determined net pension liability and the related expense in the financial statements of the governmental activities. Management implemented GASB No. 68 the year it became effective. Since implementation, management has retained a professional to calculate the changes in the liability and related amounts, prepare the note to the financial statements, and prepare the required supplemental information. Effective with the 2019 financial statements, management has elected not to retain professional services or present the required supplemental information. Management has concluded that the cost of the services outweighs the benefit received. The liabilities and related amounts have been adjusted to amounts in the audit reports and valuation reports of the retirement systems. In management’s opinion, any differences in financial statement amounts would be immaterial.

**CLAIBORNE PARISH POLICE JURY
HOMER, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2019**

NOTE 10 - POST RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

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

NOTE 11 - RISK MANAGEMENT

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

NOTE 12 – COMMITMENTS AND CONTINGENCIES

At December 31, 2019, the police jury had no significant commitments or contingencies.

NOTE 13- COOPERATIVE ENDEAVOR

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

NOTE 14 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 29, 2020, the date on which the financial statements were available to be issued. Operations of the Police Jury are impacted by the pandemic caused by the Coronavirus/COVID-19. The Police Jury is uncertain how and to what extent the pandemic will negatively affect operations, financial position, and the ability to provide services.

NOTE 15 – NEW ACCOUNTING STANDARDS

The following summaries of recently issued Statements included the Statements' original effective dates. In response to the COVID-19 global pandemic, GASB issued Statement Number 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, which changes effective dates for Statements 83 through 93 to June 15, 2019 through December 31, 2022.

**CLAIBORNE PARISH POLICE JURY
HOMER, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2019**

NOTE 15 – NEW ACCOUNTING STANDARDS (CONTINUED)

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

GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, was issued in April 2018. The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. This Statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. For notes to financial statements related to debt, this Statement also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Earlier application is encouraged. This statement did not affect these financial statements.

GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*, was issued in June 2018. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged. The requirements of this Statement should be applied prospectively.

**CLAIBORNE PARISH POLICE JURY
HOMER, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2019**

NOTE 15 – NEW ACCOUNTING STANDARDS (CONTINUED)

GASB Statement No. 90, *Majority Equity Interests – An Amendment of GASB Statements No. 14 and No. 61*, was issued in August 2018. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government’s majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government’s holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. For all other holdings of a majority equity interest in a legally separate organization, a government should report the legally separate organization as a component unit, and the government or fund that holds the equity interest should report an asset related to the majority equity interest using the equity method. This Statement establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as a component unit. This Statement also requires that a component unit in which a government has a 100 percent equity interest account for its assets, deferred outflows of resources, liabilities, and deferred inflows of resources at acquisition value at the date the government acquired a 100 percent equity interest in the component unit. Transactions presented in flows statements of the component unit in that circumstance should include only transactions that occurred subsequent to the acquisition. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged. The requirements should be applied retroactively, except for the provisions related to (1) reporting a majority equity interest in a component unit and (2) reporting a component unit if the government acquires a 100 percent equity interest. Those provisions should be applied on a prospective basis. This statement did not affect these financial statements.

GASB Statement No. 91, *Conduit Debt Obligations*, was issued May 2019. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021. Earlier application is encouraged.

GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, was issued May 2020. The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later. Earlier application of the provisions addressed in this Statement is encouraged and is permitted to the extent specified in each pronouncement as originally issued. The requirements of this Statement are effective immediately.

Required Supplemental Information (Part II)

**CLAIBORNE PARISH POLICE JURY
HOMER, LOUISIANA**

**REQUIRED SUPPLEMENTARY INFORMATION –
BUDGETARY COMPARISON SCHEDULES FOR MAJOR FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019**

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

During the year, the Police Jury receives monthly budget comparison statements which are used as a tool to control the operations of the Parish. The Secretary-Treasurer presents necessary budget amendments to the Police Jury during the year when, in his judgment, actual operations are differing materially from those anticipated in the original budget. The Jury, during a regular meeting, reviews the proposed amendments, makes changes as necessary, and formally adopts the amendments. The adoption of the amendments is included in Police Jury minutes published in the official journal.

The Police Jury exercises budgetary control at the function level. Unexpended appropriations lapse at year end and must be re-appropriated in the next year's budget to be expended.

For the year ended December 31, 2019, modified accrual-based budgets were adopted for the General Fund and all special revenue funds except for the Section 8 Fund which has a grant budget. Budgetary comparison schedules include the original budgets and all subsequent amendments.

**CLAIBORNE PARISH POLICE JURY
HOMER, LOUISIANA**

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES				
Taxes:				
Ad valorem taxes	\$ 480,000	\$ 459,000	\$ 476,918	\$ 17,918
Other taxes, penalties and interest	7,200	6,700	6,514	(186)
Licenses and permits	95,000	100,500	100,127	(373)
Intergovernmental	1,710,300	1,893,100	1,759,582	(133,518)
Use of money and property	37,700	60,000	60,117	117
Other revenues	2,200	2,200	5,848	3,648
Total revenues	<u>2,332,400</u>	<u>2,521,500</u>	<u>2,409,106</u>	<u>(112,394)</u>
EXPENDITURES				
Current:				
General government:				
Legislative	131,700	125,900	123,514	2,386
Judicial	314,200	396,200	386,988	9,212
Elections	41,600	28,500	24,995	3,505
Finance and administrative	318,000	320,700	319,041	1,659
Other general government	222,700	246,700	244,982	1,718
Public safety	289,500	291,200	211,814	79,386
Public works	5,000	2,500	1,547	953
Health and welfare	30,400	5,400	4,418	982
Economic development and assistance	60,200	59,300	55,343	3,957
Conservation	7,500	7,500	7,000	500
Total expenditures	<u>1,420,800</u>	<u>1,483,900</u>	<u>1,379,642</u>	<u>104,258</u>
Excess of revenues over expenditures	<u>911,600</u>	<u>1,037,600</u>	<u>1,029,464</u>	<u>(8,136)</u>
OTHER FINANCING SOURCES (USES)				
Net increase (decrease) in fair value				
of investments	-	-	45,441	45,441
Operating transfers out	<u>(752,900)</u>	<u>(1,027,900)</u>	<u>(1,027,942)</u>	<u>(42)</u>
Total other financing sources (uses)	<u>(752,900)</u>	<u>(1,027,900)</u>	<u>(981,247)</u>	<u>46,653</u>
Net change in fund balance	158,700	9,700	48,217	38,517
Fund balance at beginning of year	<u>5,279,919</u>	<u>5,279,919</u>	<u>5,279,919</u>	-
Fund balance at end of year	<u>\$ 5,438,619</u>	<u>\$ 5,289,619</u>	<u>\$ 5,328,136</u>	<u>\$ 38,517</u>

**CLAIBORNE PARISH POLICE JURY
HOMER, LOUISIANA**

**BUDGETARY COMPARISON SCHEDULE - PARISH ROAD SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2019**

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		
REVENUES				
Taxes:				
Ad valorem taxes	\$ 963,000	\$ 1,000,000	\$ 962,286	\$ (37,714)
Licenses and permits	6,500	11,000	10,750	(250)
Intergovernmental	495,000	304,000	321,327	17,327
Use of money and property	85,900	30,600	26,633	(3,967)
Other revenues	5,000	2,000	1,833	(167)
Total revenues	<u>1,555,400</u>	<u>1,350,600</u>	<u>1,326,319</u>	<u>(24,281)</u>
EXPENDITURES				
Current:				
General government:				
Public works	2,105,400	2,138,100	2,293,204	(155,104)
Capital outlay	<u>150,000</u>	<u>175,600</u>	<u>-</u>	<u>175,600</u>
Total expenditures	<u>2,255,400</u>	<u>2,313,700</u>	<u>2,293,204</u>	<u>20,496</u>
Excess (deficiency) of revenues over expenditures	<u>(700,000)</u>	<u>(963,100)</u>	<u>(966,885)</u>	<u>(3,785)</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	<u>700,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>-</u>
Net change in fund balance	-	36,900	33,115	(3,785)
Fund balance at beginning of year	<u>841,918</u>	<u>841,918</u>	<u>841,918</u>	<u>-</u>
Fund balance at end of year	<u>\$ 841,918</u>	<u>\$ 878,818</u>	<u>\$ 875,033</u>	<u>\$ (3,785)</u>

**CLAIBORNE PARISH POLICE JURY
HOMER, LOUISIANA**

**BUDGETARY COMPARISON SCHEDULE - LIBRARY MAINTENANCE SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>WITH FINAL BUDGET</u>
REVENUES				
Taxes:				
Ad valorem taxes	\$ 800,000	\$ 785,000	\$ 813,013	\$ 28,013
Intergovernmental	17,000	17,000	17,279	279
Fees, charges, and commissions	10,900	10,900	11,913	1,013
Use of money and property	5,600	9,600	9,583	(17)
Contributions from private sources	800	3,300	3,490	190
Other revenues	200	200	64	(136)
Total revenues	<u>834,500</u>	<u>826,000</u>	<u>855,342</u>	<u>29,342</u>
EXPENDITURES				
Current:				
Culture and recreation	538,500	559,700	560,303	(603)
Debt service	193,000	193,000	192,935	65
Capital outlay	276,500	68,800	24,930	43,870
Total expenditures	<u>1,008,000</u>	<u>821,500</u>	<u>778,168</u>	<u>43,332</u>
Excess of revenues over expenditures	<u>(173,500)</u>	<u>4,500</u>	<u>77,174</u>	<u>72,674</u>
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	<u>-</u>	<u>200</u>	<u>223</u>	<u>23</u>
Net change in fund balance	(173,500)	4,700	77,397	72,697
Fund balance at beginning of year	<u>1,572,744</u>	<u>1,572,744</u>	<u>1,572,744</u>	<u>-</u>
Fund balance at end of year	<u>\$1,399,244</u>	<u>\$1,577,444</u>	<u>\$ 1,650,141</u>	<u>\$ 72,697</u>

**CLAIBORNE PARISH POLICE JURY
HOMER, LOUISIANA**

**BUDGETARY COMPARISON SCHEDULE - SALES TAX SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES				
Taxes:				
Sales and use taxes	\$ 575,000	\$ 557,000	\$ 564,212	\$ 7,212
Use of money and property	5,700	13,700	13,667	(33)
Total revenues	<u>580,700</u>	<u>570,700</u>	<u>577,879</u>	<u>7,179</u>
EXPENDITURES				
Current:				
Public works	<u>697,000</u>	<u>715,500</u>	<u>712,510</u>	<u>2,990</u>
Excess of revenues over expenditures	<u>(116,300)</u>	<u>(144,800)</u>	<u>(134,631)</u>	<u>10,169</u>
OTHER FINANCING SOURCES (USES)				
Net increase (decrease) in the fair value of investments	<u>-</u>	<u>-</u>	<u>32,344</u>	<u>32,344</u>
Net change in fund balance	(116,300)	(144,800)	(102,287)	42,513
Fund balance at beginning of year	<u>1,147,162</u>	<u>1,147,162</u>	<u>1,147,162</u>	-
Fund balance at end of year	<u>\$ 1,030,862</u>	<u>\$ 1,002,362</u>	<u>\$ 1,044,875</u>	<u>\$ 42,513</u>

Other Supplemental Schedules

**CLAIBORNE PARISH POLICE JURY
HOMER, LOUISIANA**

**NONMAJOR SPECIAL REVENUE FUNDS –
COMBINING SCHEDULES – FUND DESCRIPTIONS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2019**

Building Maintenance Fund

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

Equipment Fund

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

Juvenile Maintenance Fund

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

Office of Homeland Security and Emergency Preparedness

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

Witness Fee Fund

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

**CLAIBORNE PARISH POLICE JURY
HOMER, LOUISIANA**

**NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS - COMBINING BALANCE SHEET
AS OF DECEMBER 31, 2019**

ASSETS	BUILDING		JUVENILE		OFFICE OF HOMELAND SECURITY AND EMERGENCY	WITNESS	TOTAL
	MAINTENANCE	EQUIPMENT	MAINTENANCE	PREPAREDNESS	FEE		
Cash and cash equivalents	\$ 65,642	\$ 260,070	\$ 165,152	\$ 212,929	\$ 31,060	\$ 734,853	
Investments	-	6,112	-	-	-	6,112	
Receivables	333,011	251,037	2,010	-	1,011	587,069	
Due from other funds	18,812	-	-	-	-	18,812	
TOTAL ASSETS	\$ 417,465	\$ 517,219	\$ 167,162	\$ 212,929	\$ 32,071	\$ 1,346,846	
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES							
Liabilities:							
Accounts, salaries and other payables	\$ 19,833	\$ 9,221	\$ 1	\$ -	\$ 100	\$ 29,155	
Due to other funds	-	-	18,812	-	100	18,912	
Total liabilities	19,833	9,221	18,813	-	200	48,067	
Deferred inflows:							
Unavailable ad valorem tax revenue	18,495	13,710	-	-	-	32,205	
Restricted fund balances	379,137	494,288	148,349	212,929	31,871	1,266,574	
Total fund balances	379,137	494,288	148,349	212,929	31,871	1,266,574	
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES	\$ 417,465	\$ 517,219	\$ 167,162	\$ 212,929	\$ 32,071	\$ 1,346,846	

**CLAIBORNE PARISH POLICE JURY
HOMER, LOUISIANA**

**NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS - COMBINING SCHEDULE OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2019**

	BUILDING MAINTENANCE	EQUIPMENT	JUVENILE MAINTENANCE	OFFICE OF HOMELAND SECURITY AND EMERGENCY PREPAREDNESS	WITNESS FEE	TOTAL
REVENUES						
Ad valorem taxes	\$ 363,856	\$ 274,559	\$ -	\$ -	\$ -	\$ 638,415
Intergovernmental revenues:						
Federal funds	-	-	-	56,880	-	56,880
State funds:						
State funds - state revenue sharing	14,325	10,813	-	-	-	25,138
Fees, charges, and commissions	-	-	-	-	10,540	10,540
Fines and forfeitures	-	-	20,950	-	-	20,950
Use of money and property	1,022	4,747	1,182	2,600	227	9,778
Total revenues	<u>379,203</u>	<u>290,119</u>	<u>22,132</u>	<u>59,480</u>	<u>10,767</u>	<u>761,701</u>
EXPENDITURES						
Current:						
General government:						
Judicial	181	-	1,000	-	551	1,732
Other general government	268,908	-	-	-	-	268,908
Public safety	-	-	-	93,266	-	93,266
Public works	-	56,004	-	-	-	56,004
Capital outlay	-	268,981	-	905	-	269,886
Total expenditures	<u>269,089</u>	<u>324,985</u>	<u>1,000</u>	<u>94,171</u>	<u>551</u>	<u>689,796</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>110,114</u>	<u>(34,866)</u>	<u>21,132</u>	<u>(34,691)</u>	<u>10,216</u>	<u>71,905</u>

**CLAIBORNE PARISH POLICE JURY
HOMER, LOUISIANA**

**NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS - COMBINING SCHEDULE OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2019**

	BUILDING MAINTENANCE	EQUIPMENT	JUVENILE MAINTENANCE	OFFICE OF HOMELAND SECURITY AND EMERGENCY PREPAREDNESS	WITNESS FEE	TOTAL
OTHER FINANCING SOURCES						
Operating transfers in	\$ -	\$ -	\$ -	\$ 27,942	\$ -	\$ 27,942
Proceeds from insurance recovery	-	33,836	-	-	-	33,836
Total other financing sources	-	33,836	-	27,942	-	61,778
Net change in fund balances	110,114	(1,030)	21,132	(6,749)	10,216	133,683
Fund balances at beginning of year	269,023	495,318	127,217	219,678	21,655	1,132,891
Fund balances at end of year	\$ 379,137	\$ 494,288	\$ 148,349	\$ 212,929	\$ 31,871	\$ 1,266,574

**CLAIBORNE PARISH POLICE JURY
HOMER, LOUISIANA**

**COMBINING SCHEDULES – OFFICE OF COMMUNITY SERVICES –
PROGRAM DESCRIPTIONS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2019**

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

Regular Fund

The Regular program accounts for the general operations of the Office of Community Services. The Community Services Block Grant (CSBG) provided by the United States Department of Health and Human Services through the Louisiana Department of Labor and is allocated to provide a range of services and activities having a measurable and potentially major impact on causes of poverty in the community. Additional funding is provided by local grants, interest earned on deposits, operating transfers from other programs and other miscellaneous local revenue sources.

Energy Fund

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

Federal Emergency Management Act Fund

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

Transportation Fund

The Transportation Fund accounts for Section 18 funds which are provided by the United States Department of Transportation through the Louisiana Department of Transportation and Development and are used to provide financial assistance for public transportation in non-urbanized areas.

Fares Fund

The Fares Fund accounts for fees received in the transportation program. Revenues of the fund are used to provide the local matching share for purchases of transportation vehicles.

**CLAIBORNE PARISH POLICE JURY
HOMER, LOUISIANA**

**GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS - OFFICE OF COMMUNITY SERVICES -
COMBINING BALANCE SHEET
AS OF DECEMBER 31, 2019**

ASSETS	REGULAR	ENERGY	FEMA	TRANS- PORTATION	FARES	TOTAL
Cash and equivalents	\$ 27,964	\$ 12,407	\$ 3,021	\$ 10,937	\$ 11,643	\$ 65,972
Investments	165,191	-	-	-	-	165,191
Receivables	14,362	-	-	21,066	-	35,428
Due from other funds	147,612	44,480	-	-	101,276	293,368
Other assets	-	-	-	-	4,866	4,866
TOTAL ASSETS	\$ 355,129	\$ 56,887	\$ 3,021	\$ 32,003	\$ 117,785	\$564,825
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts, salaries, and other payables	\$ 12,667	\$ -	\$ -	\$ -	\$ -	\$ 12,667
Due to other funds	90,282	13,861	121	189,104	-	293,368
Total liabilities	102,949	13,861	121	189,104	-	306,035
Fund balances - restricted	252,180	43,026	2,900	(157,101)	117,785	258,790
Total fund balances	252,180	43,026	2,900	(157,101)	117,785	258,790
TOTAL LIABILITIES AND FUND BALANCES	\$ 355,129	\$ 56,887	\$ 3,021	\$ 32,003	\$ 117,785	\$564,825

**CLAIBORNE PARISH POLICE JURY
HOMER, LOUISIANA**

**GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS - OFFICE OF COMMUNITY SERVICES -
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2019**

	REGULAR	ENERGY	FEMA	TRANS- PORTATION	FARES	TOTAL
Revenues:						
Intergovernmental revenues:						
Federal funds	\$ 93,934	\$ 7,073	\$ 3,572	\$ 153,821	\$ -	\$ 258,400
State Funds:						
Other State Funds	-	-	-	593	-	593
Fees, charges, and commissions	-	-	-	116,568	7,523	124,091
Use of money and property	7,575	21	-	178	96	7,870
Other revenues	1,598	-	-	-	-	1,598
Total revenues	<u>103,107</u>	<u>7,094</u>	<u>3,572</u>	<u>271,160</u>	<u>7,619</u>	<u>392,552</u>
Expenditures:						
Current - health and welfare	90,004	23,414	651	229,784	-	343,853
Capital outlay	-	-	-	34,220	-	34,220
Total expenditures	<u>90,004</u>	<u>23,414</u>	<u>651</u>	<u>264,004</u>	<u>-</u>	<u>378,073</u>
Net change in fund balances	13,103	(16,320)	2,921	7,156	7,619	14,479
Fund balances (deficits) at beginning of year	239,077	59,346	(21)	(164,257)	110,166	244,311
Fund balances (deficits) at end of year	<u>\$ 252,180</u>	<u>\$ 43,026</u>	<u>\$ 2,900</u>	<u>\$ (157,101)</u>	<u>\$ 117,785</u>	<u>\$ 258,790</u>

**CLAIBORNE PARISH POLICE JURY
HOMER, LOUISIANA**

**SCHEDULE OF COMPENSATION PAID POLICE JURORS
FOR THE YEAR ENDED DECEMBER 31, 2019**

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

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

**CLAIBORNE PARISH POLICE JURY
HOMER, LOUISIANA**

**SCHEDULE OF COMPENSATION, REIMBURSEMENTS, BENEFITS, AND
OTHER PAYMENTS TO AGENCY HEAD
FOR THE YEAR ENDED DECEMBER 31, 2019**

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

Dwayne Woodard, Secretary-Treasurer

Salary:

Secretary - Treasurer salary	\$ 93,877
Criminal Court admin fee	1,800

Benefits:

Health insurance	8,778
Retirement - PERS	10,603
Medicare	1,320
Workers' Compensation Insurance	156

Reimbursements:

Cell phone	600
Mileage	240

Other items paid on behalf of Secretary-Treasurer:

Dues	418
	<u>\$ 117,792</u>

**CLAIBORNE PARISH POLICE JURY
HOMER, LOUISIANA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2019**

FEDERAL GRANTOR/ PROGRAM TITLE	CFDA NUMBER	PASS-THROUGH GRANTOR & NUMBER	FEDERAL EXPENDITURES
<i>Federal Transit Cluster</i>			
Department of Transportation			
Buses and Bus Facilities Formula, Competitive, and Low or No Emissions Programs	20.526	Louisiana Department of Transportation,RU-18-99-19	\$ 33,627
<i>Housing Voucher Cluster</i>			
Department of Housing and Urban Development			
Section 8 Housing Choice Vouchers	14.871	N/A	<u>318,728</u>
<i>Other Programs</i>			
Department of Health and Human Services			
Community Services Block Grant	93.569	Louisiana Workforce Commission,2000367982	27,326
Community Services Block Grant	93.569	Louisiana Workforce Commission,2000461388	66,608
Total Community Services Block Grant			<u>93,934</u>
Department of Homeland Security			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	GOHSEP,PW288	61,743
Homeland Security Grant Program	97.067	Governors Office of Homeland Security,EMW-2018-SS-00016-S01	<u>30,585</u>
Homeland Security Grant Program	97.067	Governors Office of Homeland Security,EMT-2018-EP-00003-S01	26,295
Total Homeland Security Grant Program			<u>56,880</u>
<i>Total Department of Homeland Security</i>			118,623
Department of the Interior			
Payments in Lieu of Taxes	15.226		<u>60,190</u>
Department of Transportation			
Formula Grants for Rural Areas	20.509	Louisiana Department of Transportation,LA-2017-013	50,668
Formula Grants for Rural Areas	20.509	Louisiana Department of Transportation,LA-2017-013	69,526
Total Formula Grants for Rural Areas			<u>120,194</u>
Department of Health and Human Services			
Low-Income Home Energy Assistance	93.568	Louisiana Housing Corporation,DHHS CAN #2019G992201, ACF	7,073
<i>Total Other Programs</i>			<u>400,014</u>
<i>Total Expenditures of Federal Awards</i>			<u>\$ 752,369</u>

**CLAIBORNE PARISH POLICE JURY
HOMER, LOUISIANA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2019**

NOTES:

General

The Schedule of Expenditures of Federal Awards presents the activity of all federal award programs of the Claiborne Parish Police Jury as defined in Note 1 to the financial statements. All federal award programs received directly from federal agencies, as well as federal awards through other government agencies, are included on the schedule.

Basis of Accounting

The Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note 1 to the Police Jury's financial statements. 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). Therefore, some amounts presented in this schedule may differ from amounts in, or used in the preparation of, the financial statements.

Reconciliation to Federal Grant Revenues

Federal expenditures	\$	752,369
Section 8 expenditures		(318,728)
Section 8 revenues		322,294
FEMA expenditures		<u>(57,194)</u>
Federal revenues	\$	<u>698,741</u>

Relationship to Federal Financial Reports

Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports except for changes made to reflect amounts in accordance with accounting principles generally accepted in the United States of America.

Federal Awards

For those funds that have matching revenues and state funding, federal expenditures were determined by deducting matching revenues from total expenditures. Federal awards do not include the Police Jury's operating income from rents or investment (or other non-federal source).

Indirect Cost Rate

The Police Jury has elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance, when applicable. No indirect costs were reported for 2019.

Other Reports



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

To the Honorable Members of the Police Jury and
Mr. Dwayne Woodard, Secretary-Treasurer
Claiborne Parish Police Jury
Homer, Louisiana

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

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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2019-001 that we consider to be a material weakness.

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 an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2019-002.

Claiborne Parish Police Jury
Independent Auditor's Report Required by
Government Auditing Standards
December 31, 2019

Claiborne Parish Police Jury's Response to Findings

The Police Jury's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Claiborne Parish Police Jury's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BOSCH & STATHAM, LLC



Ruston, Louisiana
December 29, 2020



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE *UNIFORM GUIDANCE***

To the Honorable Members of the Police Jury and
Mr. Dwayne Woodard, Secretary-Treasurer
Claiborne Parish Police Jury
Homer, Louisiana

Report on Compliance for Each Major Federal Program

We have audited Claiborne Parish Police Jury's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have direct and material effect on each of Claiborne Parish Police Jury's major federal programs for the year ended December 31, 2019. Claiborne Parish Police Jury's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Claiborne Parish 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 Claiborne Parish 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 qualified and unmodified opinions on compliance for major federal programs. However, our audit does not provide a legal determination of Claiborne Parish Police Jury's compliance.

Basis for Qualified Opinion on CFDA No. 14.871 Section 8 Housing Choice Voucher

As described in the accompanying schedule of findings and questioned costs, Claiborne Parish Police Jury did not comply with requirements regarding CFDA 14.871 Section 8 Housing Choice Voucher as described in finding number 2019-002 for Reporting. Compliance with such requirements is necessary, in our opinion, for Claiborne Parish Police Jury to comply with the requirements applicable to that program.

Qualified Opinion on CFDA No. 14.871 Section 8 Housing Choice Voucher

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, Claiborne Parish 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 CFDA No. 14.871 Section 8 Housing Choice Voucher for the year ended December 31, 2019.

Unmodified Opinion on the Other Major Federal Program

In our opinion, Claiborne Parish 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 its other major federal program identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended December 31, 2019.

Other Matters

Claiborne Parish Police Jury's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Claiborne Parish Police Jury's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Management of Claiborne Parish 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 Claiborne Parish 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 Claiborne Parish 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 over compliance, 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2019-002, that we consider to be a material weakness.

Claiborne Parish Police Jury's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Claiborne Parish Police Jury's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.

BOSCH & STATHAM, LLC

Bosch & Statham

Ruston, Louisiana
December 29, 2020

**CLAIBORNE PARISH POLICE JURY
HOMER, LOUISIANA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2019**

A. SUMMARY OF AUDIT RESULTS

1. The Police Jury issues primary government financial statements. The auditor's report expresses unqualified opinions on the financial statements of the governmental activities and each major fund. Due to the omission of the financial statements of the component units listed in note 1 to the financial statements, the auditor's report expresses a qualified opinion on the aggregate remaining fund information and an adverse opinion on the aggregate discretely presented component units. The component units issue separate audited financial statements.
2. One material weakness is reported in the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. No significant deficiencies were disclosed in the audit of the financial statements and reported in the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
4. One instance of noncompliance material to the financial statements of the Claiborne Parish Police Jury was disclosed during the audit and reported in the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
5. One material weakness in internal control over major federal award programs disclosed during the audit is reported in the Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the *Uniform Guidance*.
6. The auditor's report on compliance for the major federal award programs for Claiborne Parish Police Jury expresses a qualified opinion on the Section 8 Housing Choice Voucher Program and unmodified opinions on the other major federal program.
7. No other audit findings that are required to be reported in accordance with 2 CFR section 200.516(a) were disclosed and reported in this schedule.
8. The programs tested as major programs were:
 - a. United States Department of Housing and Urban Development - Housing Choice Voucher Cluster -Section 8 Housing Choice Voucher Program (CFDA 14.871).
 - b. United States Department of Transportation - Passed through the State of Louisiana Department of Transportation - Buses and Bus Facilities Formula, Competitive, and Low or No Emissions Programs.
9. The threshold used for distinguishing between Type A and B programs was \$750,000.
10. Claiborne Parish Police Jury was determined not to be a low-risk auditee.

**CLAIBORNE PARISH POLICE JURY
HOMER, LOUISIANA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2019**

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

MATERIAL WEAKNESS

2019-001 Office of Community Services (OCS) Interfund Balances not Cleared

First Reported

2018

Condition

Interfund balances totaling \$293,368 in the funds of the OCS originated in prior years for the most part. Most of OCS's funds include interfund balances.

Criteria

Interfund balances should be regularly analyzed for existence, completeness, accuracy, and classification. When possible, balances should be cleared by transferring funds.

Cause

Management does not fully understand the nature of the accounts. The current Executive Director was not in office when some of the balances originated. In some cases, management was initially uncertain as to the ability of the funds to repay amounts owed.

Effect

Amounts may be misclassified. Balances that will never be repaid may be classified as interfund balances when interfund transfers should be recorded.

Recommendation

We recommend that management analyze the balances, make a determination for each one, and transfer funds or make entries as deemed necessary. Management should be mindful of restrictions on funds during this process.

Management's Response

Management agrees with the finding and has submitted a corrective action plan.

NONCOMPLIANCE

See finding 2019-002.

**CLAIBORNE PARISH POLICE JURY
HOMER, LOUISIANA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2019**

C. FINDINGS - SINGLE AUDIT

MATERIAL WEAKNESS AND NONCOMPLIANCE

2019-002 Section 8 Housing Choice Voucher Program – CFDA No. 14.871 – Reporting Requirement

First Reported

2019

Condition

The FDS submitted to HUD REAC did not match the general ledger maintained by the Police Jury. Following is a summary of the differences:

	<u>FDS</u>	<u>GL</u>	<u>Difference</u>
Assets	\$1,356	\$74,737	(\$73,381)
Liabilities	-	29,651	(29,651)
Equity	1,356	45,087	(43,731)
Revenues	370,224	323,068	47,156
Expenditures	278,216	318,728	(40,512)

Criteria

Financial Reports (OMB No. 2535-0107) - Financial Assessment Sub-system, FASS-PH. The Uniform Financial Reporting Standards (24 CFR section 5.801) require PHAs to submit timely GAAP-based unaudited and audited financial information electronically to HUD. The FASS-PH system is one of HUD's main monitoring and oversight systems for the HCVP.

Cause

Internal control failed to ensure accurate information was entered on the form. The administrative plan has not been updated since 2011. The plan may not reflect the current procedures. Current procedures should be evaluated and revised if necessary. A proper internal control system will include monitoring to ensure that policies and procedures are adhered to.

Effect

Inaccurate information may have been reported to HUD.

Context and Questioned Costs

We compared all line FDS line items to the general ledger.

Recommendation

We recommend that management perform a quality control inspection to ensure that files are complete, and Form 50058 are accurate. We also recommend that management consider whether control activities and monitoring are sufficiently designed and implemented to prevent future occurrences.

Views of Responsible Officials and Planned Corrective Actions

Management agrees with the finding and has submitted a corrective action plan.

**CLAIBORNE PARISH POLICE JURY
HOMER, LOUISIANA**

**SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2019**

2018-001 Check Number in Accounting Records Does Not Match Cleared Check

This finding is resolved.

2018-002 Office of Community Services (OCS) Interfund Balances not Cleared

This finding is repeated as 2019-001.

2018-003 OCS Transportation Driver Paid for Time Not Worked

This finding is resolved.

Scott Davidson
President

Dwayne R. Woodard
Secretary-Treasurer

Claiborne Parish Police Jury

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

December 29, 2020

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

In connection with your engagement to apply agreed-upon procedures to certain control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's Statewide Agreed-Upon Procedures (SAUPs), for the fiscal period January 1, 2019 through December 31, 2019, we confirm to the best of our knowledge and belief, the following representations made to you during your engagement.

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

Yes No
2. For the fiscal period January 1, 2019 through December 31, 2019, the C/C areas were administered in accordance with the best practice criteria presented in the SAUPs.

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

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

Yes No
5. We have disclosed to you any communications from regulatory agencies, internal auditors, other independent practitioners or consultants, and others affecting the C/C areas, including communications received between December 31, 2019, and December 24, 2020.

Yes No
6. We have provided you with access to all records that we believe are relevant to the C/C areas and the agreed-upon procedures.

Yes No

7. We represent that the listing of bank accounts for the fiscal period that we provided to you is complete. We also represent that we have identified and disclosed to you our main operating account.

Yes No

8. We represent that the listing of deposit sites for the fiscal period that we provided to you is complete.

Yes No

9. We represent that the listing of collection locations for the fiscal period that we provided to you is complete.

Yes No

10. We represent that the listing of locations that process payments for the fiscal period that we provided to you is complete.

Yes No

11. We represent that the non-payroll disbursement transaction population for each location that processes payments for the fiscal period that we provided to you is complete.

Yes No

12. We represent that the listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards, that we provided to you is complete.

Yes No

13. We represent that the listing of all travel and travel-related expense reimbursements during the fiscal period that we provided to you is complete.

Yes No

14. We represent that the listing of all agreements/contracts (or active vendors) for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period that we provided to you is complete.

Yes No

15. We represent that the listing of employees/elected officials employed during the fiscal period that we provided to you is complete.

Yes No

16. We represent that the listing of employees/officials that received termination payments during the fiscal period that we provided to you is complete.

Yes No

17. We represent that the employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines during the fiscal period.

Yes No

18. We represent that the listing of bonds/notes issued during the fiscal period that we provided to you is complete.

Yes No

19. We represent that the listing of bonds/notes outstanding at the end of the fiscal period that we provided to you is complete.

Yes No

20. We represent that the listing of misappropriations of public funds and assets during the fiscal period that we provided to you is complete.

Yes No

21. We have disclosed to you [*list other matters as you have deemed appropriate*].

Yes No

22. We have responded fully to all inquiries made by you during the engagement.

Yes No

23. We are not aware of any events that have occurred subsequent to December 31, 2019, that would require adjustment to or modification of the results of the agreed-upon procedures.

Yes No

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

Signature 

Title Secretary-Treasurer

**CLAIBORNE PARISH POLICE JURY
P.O. BOX 270
HOMER, LA 71040-0270**



Independent Accountant's Report
on Applying Agreed-Upon Procedures

To the Claiborne Parish Police Jury
and the Louisiana Legislative Auditor

We have performed the procedures enumerated below, which were agreed to by Claiborne Parish Police Jury (Entity) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2018 through December 31, 2019. The Entity's management is responsible for those C/C areas identified in the SAUPs.

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

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):

We obtained and inspected the written policies and procedures for the Police Jury, Library, and Office of Community Services.

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

We noted no exceptions.

Exceptions: None

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

The Jury's policy did not include elements (1) or (2). OCS opted to follow the Jury's policy with element (3) being specific to OCS personnel. The Library's policy did not include elements (1), (2), (3), or (5).

Exceptions: See above.

Management's Response: We will consider the exceptions and take action as deemed necessary.

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

The Library did not submit a disbursements policy. We noted no other exceptions.

Exceptions: See above.

Management's Response: We will consider the exceptions and take action as deemed necessary.

- d) **Receipts**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

The Jury's policy did not address preparation of deposits and completeness. OCS's policy did not address recording and completeness. The Library's policy did not address receiving, recording, or completeness.

Exceptions: See above.

Management's Response: We will consider the exceptions and take action as deemed necessary.

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

The Jury's and OCS's policies did not include the approval of leave and overtime. The Library's policy did not include the required elements.

Exceptions: See above.

Management's Response: We will consider the exceptions and take action as deemed necessary.

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

The Jury's policy does not address element (1), (2), or (5). OCS's policy does not address element (2). The Library's policy does not address elements (1) or (2).

Exceptions: See above.

Management's Response: We will consider the exceptions and take action as deemed necessary.

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

The Jury's policy did not include elements (2) or (4). OCS's policy did not include element (2). The Library's policy did not include elements (2), (3), (4), or (5).

Exceptions: See above

Management's Response: We will consider the exceptions and take action as deemed necessary.

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

We noted no exceptions.

Exceptions: None

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

The Jury's policy did not include the required elements. OCS's policy did not include element (3). The Library's policy did not include elements (1), (3), or (4).

Exceptions: See above.

Management's Response: We will consider the exceptions and take action as deemed necessary.

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

The Jury's policy did not address elements (2) or (3). Neither OCS nor the Library submitted a debt service policy to the auditor.

Exceptions: See above.

Management's Response: We will consider the exceptions and take action as deemed necessary.

Board (or Finance Committee, if applicable)

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

We noted no such policy for the Jury or OCS. However, the Secretary/Treasurer stated backups for the Jury are conducted daily to the cloud. The Library's policy did not include elements (4), (5), or (6).

Exceptions: See above.

Management's Response: We will consider the exceptions and take action as deemed necessary.

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:

We obtained and reviewed the board minutes for the fiscal period. The finance committee meetings are recorded. However, the recordings are not transcribed.

- a) Observe that the board/finance committee met with a quorum a least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

We observed the Board met at least monthly.

Exceptions: None

- b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds. *Alternately, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

No exceptions noted.

Exceptions: None.

- c) For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.

We obtained the prior year audit report and observed a positive unrestricted general fund balance.

Exceptions: None.

Bank Reconciliations

3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:

We obtained the listing as required and haphazardly selected the month of May 2019 for testing.

- a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);

The selected bank reconciliations included evidence that they were performed within two months of the statement closing date.

Exceptions: None

- b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged);

No exceptions noted.

Exceptions: None.

- c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Two of the five reconciliations selected for testing included stale items. One belonging to the Jury, and the other belonging to OCS. Neither reconciliation included documentation that management researched the reconciling items.

Exceptions: See above

Management's Response: We will consider the exceptions and take action as deemed necessary.

Collections

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

We obtained a listing of deposit sites for the fiscal period where deposits are prepared, and management's representation that the listing is complete.

Exceptions: None

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

We obtained a listing of collection locations for each deposit site, and management's representation that the listing is complete. We selected one location for each deposit site. We obtained written policies and procedures relating to employee job duties for the Police Jury employees. We obtained an understanding of employee job duties for OCS and the Library.

- a) Employees that are responsible for cash collections do not share cash drawers/registerers.

We noted employees at OCS and the Police Jury do not share cash drawers, while employees at the Library sometimes share cash drawers depending on how many employees are behind the counter.

Exceptions: See above.

Management's Response: We will consider the exceptions and take action as deemed necessary.

- b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.

We noted no employees responsible for collecting cash that are also responsible for preparing/making bank deposits.

Exceptions: None

- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

We noted no employees responsible for collecting cash that are also responsible for posting collection entries to the general ledger.

Exceptions: None

- d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.

We noted no exceptions.

Exceptions: None

6. Inquire of management that all employees who have access to cash covered by a board or insurance policy for theft.

All employees are covered by an insurance policy for theft.

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under “Bank Reconciliations” above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc. Obtain supporting documentation for each of the 10 deposits and:

We haphazardly selected two deposit dates for each of the five bank accounts selected for procedure #3 and obtained all supporting documentation for the deposits. One bank account selected had no activity for the year.

- a) Observe that receipts are sequentially pre-numbered.

We noted no exceptions.

- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

We noted no exceptions.

- c) Trace the deposit slip total to the actual deposit per the bank statement.

We noted no exceptions.

- d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).

We noted three deposits, all belonging to the Jury, were not deposited within one business day of receipt.

Exceptions: See above.

Management's Response: We will consider the exceptions and take action as deemed necessary.

- e) Trace the actual deposit per the bank statement to the general ledger.

We noted no exceptions.

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

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

We obtained a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. The Police Jury has 4 disbursement locations: the Police Jury office, the Office of Emergency Preparedness, the Office of Community Services (OCS), and the Library.

Exceptions: None

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

We obtained a listing of employees involved with non-payroll purchasing and payment functions. We obtained written policies and procedures relating to job duties for employees at the Police Jury. We obtained an understanding of employee job duties for OCS and the Library.

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

We noted at least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

Exceptions: None

- b) At least two employees are involved in processing and approving payments to vendors.

We noted there are at least two employees at all locations involved in processing and approving payments to vendors.

Exceptions: None

- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

We noted employees at all disbursement locations who process payments are allowed to add/modify vendor files.

Exceptions: See above.

Management's Response: We will consider the exceptions and take action as deemed necessary.

- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

We noted employees who sign checks at all disbursement locations give those checks back to the employee who processed them for mailing.

Exceptions: See above.

Management's Response: We will consider the exceptions and take action as deemed necessary.

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:

We obtained the entity's non-payroll disbursement transaction population and management's representation that the listing is complete. We randomly selected five disbursements for each location and obtained the supporting documentation for each.

- a) Observe that the disbursement matched the related original invoice/billing statement.

We noted no exceptions for the fifteen disbursements tested for the Police Jury, Library, and OEP. The documentation we received for one out of five OCS transactions was inadequate.

Exceptions: See above.

Management's Response: We will consider the exceptions and take action as deemed necessary.

- b) Observe that the disbursement documentation included evidence (e.g., initial/date electronic logging) of segregation of duties tested under #9, as applicable.

We noted no exceptions.

Exceptions: None

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

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

We obtained the listing from management and management's representation that the listing is complete.

Exceptions: None.

12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

We randomly selected five cards from the list, as well as one month for each of the cards selected. We obtained the supporting documentation for each of the five months selected.

- a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]

We noted no exceptions.

Exceptions: None.

- b) Observe that finance charges and late fees were not assessed on the selected statements.

We noted no finance charges or late fees.

Exceptions: None.

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

We selected all transactions, as there were less than 10 for one card. One card had no transactions, and the other three cards were fuel cards.

(1) We noted no exceptions.

(2) We noted no exceptions.

(3) We noted no exceptions.

We noted no receipts missing from the documentation.

Exceptions: None.

Travel and Travel-Related Expense Reimbursement (excluding card transactions)

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

We obtained from management a listing of all travel and travel-related expense reimbursements for the year and management's representation that the listing is complete. We randomly selected 5 reimbursements and obtained the related expense reimbursement forms.

- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

We noted all five reimbursements tested included reimbursements using a per diem, and we noted those rates agreed to the GSA rate.

Exceptions: None

- b) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

We noted two reimbursements included reimbursements for actual costs, and we noted those were supported by original itemized receipts.

Exceptions: None

- c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

We noted all five reimbursements were supported by documentation of the business/public purpose.

Exceptions: None.

- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

We noted all five reimbursements were reviewed and approved in writing by someone other than the person receiving the reimbursement.

Exceptions: None.

Contracts

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

We obtained from management a listing of all agreements/contracts for the fiscal period and management's representation that the listing is complete. There was one contract on the list, however the auditor noted this contract was initiated in 2017 to extend through 2022 and was not renewed during the fiscal year. For this reason, the procedures for the contracts section of the SAUPs are not applicable.

- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

See above.

- b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).

See above.

- c) If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment.

See above.

- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

See above.

Payroll and Personnel

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

We obtained a listing of employees/elected officials during the fiscal period. We selected five employees and obtained the related paid salaries and personnel files. One employee selected for testing was hired after the test period. We noted no exceptions in pay rates for the other four employees.

Exceptions: None.

17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

We obtained attendance records and leave documentation for the pay period.

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

We observed all employees documented their attendance and leave.

Exceptions: None.

- b) Observe that supervisors approved the attendance and leave of the selected employees/officials.

We noted two employees, belonging to the Jury, did not have their attendance approved by a supervisor. We noted the other two employees did not have supervisor approval for the leave taken.

Exceptions: See above.

Management's Response: We will consider the exceptions and take action as deemed necessary.

- c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

We noted no exceptions.

Exceptions: None

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

We obtained a listing of those employees who received a termination payment during the year. We selected two employees and obtained the related documentation. We could not agree the hours paid to the cumulative leave records for one OCS employee tested.

Exceptions: See above.

Management's Response: We will consider the exceptions and take action as deemed necessary.

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

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

Exceptions: None.

Ethics

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:

Using the selected employees/officials, we obtained the ethics documentation from management.

- a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

No exceptions noted.

Exceptions: None.

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

No exceptions noted.

Exceptions: None.

Debt Service

21. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.

Management listed no new bonds/notes issued during the year. We obtained a representation that the listing is complete.

Exceptions: None.

22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants.

We obtained a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Only one bond was listed. We obtained bond documents and noted only a requirement for a sinking fund. We noted no exceptions.

Exceptions: None.

Other

23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

Management listed no misappropriations. We obtained management's representation that the listing is complete.

Exceptions: None.

24. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

We observed the required notice posted on the premises and website.

Exceptions: None.

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

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

BOSCH & STATHAM, LLC

Bosch & Statham

Ruston, Louisiana
December 29, 2020

Scott Davidson
President

Dwayne R. Woodard
Secretary-Treasurer

Claiborne Parish Police Jury

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December 29, 2020

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Ruston, LA 7273-2377

Management's Response and Corrective Action Plan to the Independent Accountant's Report on the Schedule of Findings and Questioned Costs:

Finding 2019-001: Office of Community Services (OCS) Interfund Balances not Cleared

Management agrees with the auditor's finding, comments and recommendations concerning the above referenced material weakness.

The Secretary-Treasurer and the OOCs Board of Control will intensify their oversight of the day-to-day operations of the OCS Director and his staff. The Secretary-Treasurer, along with the OCS Director and his newly hired financial assistant will analyze the balances to make a determination for each fund and transfer monies that are due or owed to the various funds to bring them in balance and that they remain in balance.

Finding 2019-002: Section 8 Housing Choice Voucher Program – CFDA No. 14.871 – Reporting Requirement

Management agrees with the auditor's finding, comments and recommendations concerning the above referenced material weakness and are of noncompliance.

The Secretary-Treasurer will perform a quality control inspection to ensure that tenant files are accurate and complete and that Form 50058 is accurate. We will also strengthen our controls and improve our monitoring activities and implement the changes to provide more accurate monthly accounting within the Voucher program.

CPPJ management strives to provide accurate and transparent financials to the taxpayers and citizens of Claiborne Parish. Management appreciates the efforts of Bosch & Statham CPA's in helping us accomplish this.

CLAIBORNE PARISH POLICE JURY



Dwayne R. Woodard
Secretary-Treasurer