

**EAST CARROLL PARISH POLICE JURY
Lake Providence, Louisiana**

**Primary Government Financial Statements
With Independent Auditor's Report
As of and for the Two Years Ended
December 31, 1995
With Supplemental Information Schedules**

DEC 18 1996

EAST CARROLL PARISH POLICE JURY
Lake Providence, Louisiana

Primary Government Financial Statements
With Independent Auditor's Report
As of and for the Two Years Ended December 31, 1995
With Supplemental Information Schedules

C O N T E N T S

| | <u>Statement</u> | <u>Page No.</u> |
|--|------------------|-----------------|
| Independent Auditor's Report | | 4 |
| Primary government Financial Statements: | | |
| Combined Balance Sheet, December 31, 1995 - All Fund Types and Account Groups | A | 7 |
| Governmental Fund Type: | | |
| Combined Statement of Revenues, Expenditures, and Changes in Fund Balances: | | |
| Year Ended December 31, 1995 | B | 8 |
| Year Ended December 31, 1994 | C | 10 |
| Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget (Cash Basis) and Actual - General and Special Revenue Funds (Excluding Criminal Court Special Revenue Fund): | | |
| Year Ended December 31, 1995 | D | 12 |
| Year Ended December 31, 1994 | E | 14 |
| Notes to the Financial Statements | | 16 |

EAST CARROLL PARISH POLICE JURY
 Lake Providence, Louisiana
 Contents, December 31, 1995

C O N T E N T S (CONTD.)

| | <u>Schedule</u> | <u>Page No.</u> |
|---|-----------------|-----------------|
| Supplemental Information Schedules: | | |
| Special Revenue Funds: | | |
| Combining Balance Sheet, December 31, 1995 | 1 | 37 |
| Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances: | | |
| Year Ended December 31, 1995 | 2 | 38 |
| Year Ended December 31, 1994 | 3 | 39 |
| Public Works Funds: | | |
| Combining Balance Sheet, December 31, 1995 | 4 | 40 |
| Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances: | | |
| Year Ended December 31, 1995 | 5 | 41 |
| Year Ended December 31, 1994 | 6 | 42 |
| Schedule of Compensation Paid Police Jurors | 7 | 44 |
| Independent Auditor's Reports Required by <i>Government Auditing Standards, OMB Circular A-128, Audits of State and Local Governments, and the Single Audit Act of 1984:</i> | | |
| Report on Supplementary Schedule of Federal Financial Assistance | | 46 |
| Schedule of Federal Financial Assistance | 8 | 47 |

C O N T E N T S (CONTD.)

| | <u>Page No.</u> |
|--|-----------------|
| Independent Auditor's Reports Required by <i>Government Auditing Standards, OMB Circular A-128, Audits of State and Local Governments, and the Single Audit Act of 1984: (Contd.)</i> | |
| Report on Compliance With Laws, Regulations, Contracts, and Grants | 48 |
| Report on Compliance With Specific Requirements Applicable to Major Federal Financial Assistance Programs | 57 |
| Report on Compliance With General Requirements Applicable to Federal Financial Assistance Programs | 60 |
| Report on Compliance With Specific Requirements Applicable to Nonmajor Federal Financial Assistance Program Transactions | 62 |
| Report on Internal Control Structure | 63 |
| Report on Internal Control Structure Used in Administering Federal Financial Assistance Programs | 68 |

LOUIS L. ANDRIES
CERTIFIED PUBLIC ACCOUNTANT

126 COMANCHE TRAIL
WEST MONROE, LA 71291

(318) 396-3636

Independent Auditor's Report

EAST CARROLL PARISH POLICE JURY
Lake Providence, Louisiana

I have audited the primary government financial statements of the East Carroll Parish Police Jury, as of December 31, 1995, and for each of the years in the two year period then ended, as listed in the table of contents. These primary government financial statements are the responsibility of the East Carroll Parish Police Jury's management. My responsibility is to express an opinion on these primary government financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards; *Government Auditing Standards*, issued by the Comptroller General of the United States; and Office of Management and Budget Circular A-128, *Audits of State and Local Governments*. Those standards and OMB Circular A-128 require that I plan and perform the audit to obtain reasonable assurance about whether the primary government financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the primary government financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

A primary government is a legal entity or body politic and includes all funds, organizations, institutions, agencies, departments, and offices that are not legally separate. Such legally separate entities are referred to as component units. In my opinion, the primary government financial statements present fairly, in all material respects, the financial position of the primary government of East Carroll Parish Police Jury, as of December 31, 1995, and the results of its operations for each of the years in the two year period then ended, in conformity with generally accepted accounting principles.

PRACTICE LIMITED TO GOVERNMENTAL AUDITING AND ACCOUNTING

EAST CARROLL PARISH POLICE JURY

Lake Providence, Louisiana
Independent Auditor's Report,
December 31, 1995

However, the primary government financial statements, because they do not include the financial data of component units of the East Carroll Parish Police Jury, do not purport to, and do not, present fairly the financial position of the East Carroll Parish Police Jury at December 31, 1995, and results of its operations for each of the years in the two year period then ended in conformity with generally accepted accounting principles.

My audit was made for the purpose of forming an opinion on the primary government financial statements taken as a whole. The supplemental information schedules listed in the table of contents are presented for the purpose of additional analysis and are not a required part of the primary government financial statements of the East Carroll Parish Police Jury. Such information has been subjected to the auditing procedures applied in the audit of the primary government financial statements and, in my opinion, is fairly presented in all material respects in relation to the primary government financial statements taken as a whole.

In accordance with *Government Auditing Standards* and OMB Circular A-128, I have also issued reports dated December 9, 1996, on the East Carroll Parish Police Jury's schedule of federal financial assistance; compliance with laws, regulations, contracts, and grants; and my consideration of the agency's internal control structure.



West Monroe, Louisiana
December 9, 1996

**PRIMARY GOVERNMENT FINANCIAL STATEMENTS
(OVERVIEW)**

EAST CARROLL PARISH POLICE JURY
 Lake Providence, Louisiana
 ALL FUND TYPES AND ACCOUNT GROUPS

Combined Balance Sheet, December 31, 1995

| | GOVERNMENTAL FUND TYPE..... | | | ACCOUNT GROUPS..... | | TOTAL MEMORANDUM ONLY |
|--|-----------------------------------|-----------------------------|--|----------------------------|-------------------------------------|-----------------------------|
| | GENERAL FUND | SPECIAL REVENUE FUNDS | RURAL FIRE PROTECTION DEBT SERVICE FUND | GENERAL FIXED ASSETS | GENERAL LONG-TERM OBLIGATIONS | |
| ASSETS AND OTHER DEBITS | | | | | | |
| Cash and cash equivalents | \$14,468 | \$1,003,000 | \$28,996 | | | \$1,046,464 |
| Receivables | 195,298 | 763,643 | 76,592 | | | 1,035,533 |
| Due from other funds | 17,100 | | | \$5,491,331 | | 17,100 |
| Land, buildings, and equipment | | | | | \$102,689 | 5,491,331 |
| Amount available in debt service fund | | | | | | 102,689 |
| Amount to be provided for retirement of general long-term obligations | | | | | 682,700 | 682,700 |
| TOTAL ASSETS AND OTHER DEBITS | <u>\$226,866</u> | <u>\$1,766,643</u> | <u>\$105,588</u> | <u>\$5,491,331</u> | <u>\$785,389</u> | <u>\$8,375,817</u> |
| LIABILITIES AND FUND EQUITY | | | | | | |
| Liabilities: | | | | | | |
| Accounts payable | \$22,783 | \$97,906 | \$2,899 | | | \$123,588 |
| Payroll deductions payable | | 1,181 | | | | 1,181 |
| Due to other funds | | 17,100 | | | | 17,100 |
| Due to others | | 3,730 | | | | 3,730 |
| Bank loan payable | 100,000 | | | | \$570,000 | 100,000 |
| Bonds payable | | | | | 215,389 | 570,000 |
| Capital leases payable | | | | | | 215,389 |
| Total Liabilities | <u>122,783</u> | <u>119,917</u> | <u>2,899</u> | <u>NONE</u> | <u>785,389</u> | <u>1,030,988</u> |
| Fund Equity: | | | | | | |
| Investment in general fixed assets | | | | \$5,491,331 | | 5,491,331 |
| Fund balances: | | | | | | |
| Reserved for debt service | 104,083 | 1,646,726 | 102,689 | | | 102,689 |
| Unreserved - undesignated | 104,083 | 1,646,726 | 102,689 | 5,491,331 | | 1,750,809 |
| Total Fund Equity | <u>208,166</u> | <u>3,293,452</u> | <u>205,378</u> | <u>5,491,331</u> | <u>NONE</u> | <u>7,344,829</u> |
| TOTAL LIABILITIES AND FUND EQUITY | <u>\$226,866</u> | <u>\$1,766,643</u> | <u>\$105,588</u> | <u>\$5,491,331</u> | <u>\$785,389</u> | <u>\$8,375,817</u> |

The accompanying notes are an integral part of this statement.

EAST CARROLL PARISH POLICE JURY
Lake Providence, Louisiana
GOVERNMENTAL FUND TYPE

Combined Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended December 31, 1995

| | <u>GENERAL FUND</u> | <u>SPECIAL REVENUE FUNDS</u> | <u>RURAL FIRE PROTECTION DEBT SERVICE FUND</u> | <u>LCDBG CAPITAL PROJECTS FUND</u> | <u>TOTAL (MEMORANDUM ONLY)</u> |
|---|-------------------------|--------------------------------------|--|--|--|
| REVENUES | | | | | |
| Taxes: | | | | | |
| Ad valorem | \$146,564 | \$703,054 | \$93,288 | | \$942,906 |
| Sales and use | 44,263 | 442,634 | | | 486,897 |
| Licenses and permits | 20,174 | | | | 20,174 |
| Intergovernmental revenues: | | | | | |
| Federal funds - federal grants | 10,141 | 501,081 | | \$361,909 | 873,131 |
| State funds: | | | | | |
| Parish transportation funds | | 136,332 | | | 136,332 |
| State revenue sharing (net) | 61,485 | 15,866 | | | 77,351 |
| Severance taxes | 10,443 | | | | 10,443 |
| Other | 173,579 | 24,751 | | | 198,330 |
| Fees, charges, and commissions for services | 119,406 | 1,721,324 | | | 1,840,730 |
| Fines and forfeitures | | 75,891 | | | 75,891 |
| Use of money and property | 10,962 | 52,011 | 1,438 | 224 | 64,635 |
| Other revenues | | 8,249 | | 25 | 8,274 |
| Total revenues | <u>597,017</u> | <u>3,681,193</u> | <u>94,726</u> | <u>362,158</u> | <u>4,735,094</u> |
| EXPENDITURES | | | | | |
| Current: | | | | | |
| General government: | | | | | |
| Legislative | 77,227 | | | | 77,227 |
| Judicial | 86,773 | 79,544 | | | 166,317 |
| Elections | 24,033 | | | | 24,033 |
| Finance and administrative | 158,834 | | 2,899 | | 161,733 |
| Other general government | 107,425 | | | | 107,425 |
| Public safety | 79,076 | 1,696,941 | | 362,158 | 2,138,175 |
| Public works | | 922,828 | | | 922,828 |
| Health and welfare | 15,897 | 495,523 | | | 511,420 |
| Culture and recreation | 5,776 | 150,682 | | | 156,458 |
| Economic development and assistance | 28,386 | | | | 28,386 |
| Transportation | | 7,875 | | | 7,875 |
| Debt service | 7,500 | 53,656 | 84,475 | | 145,631 |
| Capital outlay | 20,841 | 132,533 | | | 153,374 |
| Intergovernmental | 100,000 | | | | 100,000 |
| Total expenditures | <u>711,768</u> | <u>3,539,582</u> | <u>87,374</u> | <u>362,158</u> | <u>4,700,882</u> |

(Continued)

Statement B

EAST CARROLL PARISH POLICE JURY
 Lake Providence, Louisiana
 GOVERNMENTAL FUND TYPE
 Combined Statement of Revenues, Expenditures,
 and Changes in Fund Balances, etc., 1995

| | <u>GENERAL FUND</u> | <u>SPECIAL REVENUE FUNDS</u> | <u>RURAL FIRE PROTECTION DEBT SERVICE FUND</u> | <u>LCDBG CAPITAL PROJECTS FUND</u> | <u>TOTAL (MEMORANDUM ONLY)</u> |
|--|-------------------------|--------------------------------------|--|--|--|
| EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES | <u>(\$114,751)</u> | <u>\$141,611</u> | <u>\$7,352</u> | <u>NONE</u> | <u>\$34,212</u> |
| OTHER FINANCING SOURCES (Uses) | | | | | |
| Sale of fixed assets | | 11,668 | | | 11,668 |
| Increase in capital leases | | 107,235 | | | 107,235 |
| Operating transfers in | 156,000 | 80,350 | | | 236,350 |
| Operating transfers out | <u>(5,350)</u> | <u>(231,000)</u> | | | <u>(236,350)</u> |
| Total other financing sources (uses) | <u>150,650</u> | <u>(31,747)</u> | <u>NONE</u> | <u>NONE</u> | <u>118,903</u> |
| EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES | 35,899 | 109,864 | 7,352 | NONE | 153,115 |
| FUND BALANCES AT BEGINNING OF YEAR | <u>68,184</u> | <u>1,536,862</u> | <u>95,337</u> | <u>NONE</u> | <u>1,700,383</u> |
| FUND BALANCES AT END OF YEAR | <u><u>\$104,083</u></u> | <u><u>\$1,646,726</u></u> | <u><u>\$102,689</u></u> | <u><u>NONE</u></u> | <u><u>\$1,853,498</u></u> |

(Concluded)

The accompanying notes are an integral part of this statement.

EAST CARROLL PARISH POLICE JURY
Lake Providence, Louisiana
GOVERNMENTAL FUND TYPE

Combined Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended December 31, 1994

| | GENERAL FUND | SPECIAL REVENUE FUNDS | RURAL FIRE PROTECTION DEBT SERVICE FUND | ICDBG CAPITAL PROJECTS FUND | TOTAL (MEMORANDUM ONLY) |
|---|-----------------|-----------------------------|--|--------------------------------------|-------------------------------|
| REVENUES | | | | | |
| Taxes: | | | | | |
| Ad valorem | \$136,318 | \$647,079 | \$88,510 | | \$871,907 |
| Sales and use | 41,397 | 413,970 | | | 455,367 |
| Licenses and permits | 20,934 | | | | 20,934 |
| Intergovernmental revenues: | | | | | |
| Federal funds - federal grants | 10,179 | 463,676 | | \$54,021 | 527,876 |
| State funds: | | | | | |
| Parish transportation funds | | 289,250 | | | 289,250 |
| State revenue sharing (net) | 62,454 | 16,833 | | | 79,287 |
| Severance taxes | 16,405 | | | | 16,405 |
| Other | 63,862 | 9,894 | | | 73,756 |
| Fees, charges, and commissions for services | 117,802 | 1,742,969 | | | 1,860,771 |
| Fines and forfeitures | | 102,089 | | | 102,089 |
| Use of money and property | 5,802 | 31,309 | 920 | 18 | 38,049 |
| Other revenues | | 14,287 | | 1,470 | 15,757 |
| Total revenues | <u>475,153</u> | <u>3,731,356</u> | <u>89,430</u> | <u>55,509</u> | <u>4,351,448</u> |
| EXPENDITURES | | | | | |
| Current: | | | | | |
| General government: | | | | | |
| Legislative | 75,339 | | | | 75,339 |
| Judicial | 83,326 | 103,079 | | | 186,405 |
| Elections | 25,348 | | | | 25,348 |
| Finance and administrative | 166,537 | | 2,893 | | 169,430 |
| Other general government | 142,343 | | | | 142,343 |
| Public safety | 68,131 | 1,523,714 | | 55,513 | 1,647,358 |
| Public works | | 845,420 | | | 845,420 |
| Health and welfare | 16,365 | 490,021 | | | 506,386 |
| Culture and recreation | 4,691 | 135,944 | | | 140,635 |
| Economic development and assistance | 29,281 | | | | 29,281 |
| Transportation | | 5,213 | | | 5,213 |
| Debt service | 7,806 | 43,339 | 87,945 | | 139,090 |
| Capital outlay | 7,902 | 268,521 | | | 276,423 |
| Total expenditures | <u>627,069</u> | <u>3,415,251</u> | <u>90,838</u> | <u>55,509</u> | <u>4,188,671</u> |

(Continued)

EAST CARROLL PARISH POLICE JURY
 Lake Providence, Louisiana
 GOVERNMENTAL FUND TYPE
 Combined Statement of Revenues, Expenditures,
 and Changes in Fund Balances, etc., 1994

| | <u>GENERAL FUND</u> | <u>SPECIAL REVENUE FUNDS</u> | <u>LCDBG CAPITAL PROJECTS FUND</u> | <u>LCDBG CAPITAL PROJECTS FUND</u> | <u>TOTAL (MEMORANDUM ONLY)</u> |
|---|-------------------------|--------------------------------------|--|--|--|
| EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES | <u>(\$151,916)</u> | <u>\$316,105</u> | <u>(\$1,408)</u> | <u>NONE</u> | <u>\$162,777</u> |
| OTHER FINANCING SOURCES (Uses) | | | | | |
| Sale of fixed assets | | 1,350 | | | 1,350 |
| Increase in capital leases | | 158,385 | | | 158,385 |
| Operating transfers in | 172,000 | 47,900 | | | 219,900 |
| Operating transfers out | <u>(10,900)</u> | <u>(209,000)</u> | | | <u>(219,900)</u> |
| Total other financing sources (uses) | <u>161,100</u> | <u>(1,365)</u> | <u>NONE</u> | <u>NONE</u> | <u>159,735</u> |
| EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES | 9,184 | 314,740 | (1,408) | NONE | 322,512 |
| FUND BALANCES AT BEGINNING OF YEAR | <u>59,000</u> | <u>1,222,122</u> | <u>96,745</u> | <u>NONE</u> | <u>1,377,867</u> |
| FUND BALANCES AT END OF YEAR | <u>\$68,184</u> | <u>\$1,536,862</u> | <u>\$95,337</u> | <u>NONE</u> | <u>\$1,700,379</u> |

(Concluded)

The accompanying notes are an integral part of this statement.

EAST CARROLL PARISH POLICE JURY
Lake Providence, Louisiana
GOVERNMENTAL FUND TYPE - GENERAL
AND SPECIAL REVENUE FUNDS
(Excluding Criminal Court Special Revenue Fund)

Combined Statement of Revenues, Expenditures,
and Changes in Fund Balances - Budget
(Cash) Basis and Actual
For the Year Ended December 31, 1995

| |GENERAL FUND..... | | | ...SPECIAL REVENUE FUNDS... | | |
|--|------------------------|----------------|---|-----------------------------|------------------|---|
| | <u>BUDGET</u> | <u>ACTUAL</u> | <u>VARIANCE FAVORABLE (UNFAVORABLE)</u> | <u>BUDGET</u> | <u>ACTUAL</u> | <u>VARIANCE FAVORABLE (UNFAVORABLE)</u> |
| REVENUES | | | | | | |
| Taxes: | | | | | | |
| Ad valorem taxes | \$131,100 | \$140,764 | \$9,664 | \$615,172 | \$670,690 | \$55,518 |
| Sales and use taxes | 42,000 | 44,263 | 2,263 | 420,000 | 442,634 | 22,634 |
| Licenses and permits | 22,820 | 20,209 | (2,611) | | | |
| Intergovernmental revenues: | | | | | | |
| Federal funds - | | | | | | |
| federal grants | 8,500 | 10,106 | 1,606 | 478,479 | 478,479 | |
| State funds: | | | | | | |
| Parish transportation funds | | | | 132,504 | 136,538 | 4,034 |
| State revenue sharing (net) | 60,000 | 41,637 | (18,363) | 15,000 | 11,221 | (3,779) |
| Severance tax | 11,686 | 17,349 | 5,663 | | | |
| Other state grants | 40,222 | 66,544 | 26,322 | 9,750 | 9,750 | |
| Fees, charges, and commissions for services | 119,406 | 119,406 | | 1,723,256 | 1,736,144 | 12,888 |
| Use of money and property | 9,610 | 10,511 | 901 | 37,863 | 52,013 | 14,150 |
| Other revenues | 9,313 | 59 | (9,254) | 18,397 | 12,884 | (5,513) |
| Total revenues | <u>454,657</u> | <u>470,848</u> | <u>16,191</u> | <u>3,450,421</u> | <u>3,550,353</u> | <u>99,932</u> |
| EXPENDITURES | | | | | | |
| Current: | | | | | | |
| General government: | | | | | | |
| Legislative | 79,834 | 77,227 | 2,607 | | | |
| Judicial | 88,980 | 97,882 | (8,902) | | | |
| Elections | 25,100 | 23,953 | 1,147 | | | |
| Finance and administrative | 159,354 | 157,173 | 2,181 | | | |
| Other general government | 115,522 | 121,154 | (5,632) | | | |
| Public safety | 36,141 | 77,755 | (41,614) | 1,652,538 | 1,666,343 | (13,805) |
| Public works | | | | 877,243 | 896,546 | (19,303) |
| Health and welfare | 17,012 | 15,929 | 1,083 | 490,382 | 489,471 | 911 |
| Culture and recreation | 11,050 | 5,665 | 5,385 | 158,247 | 145,757 | 12,490 |

(Continued)

EAST CARROLL PARISH POLICE JURY
 Lake Providence, Louisiana
 GOVERNMENTAL FUND TYPE - GENERAL
 AND SPECIAL REVENUE FUNDS
 (Excluding Criminal Court Special Revenue Fund)
 Combined Statement of Revenues, Expenditures,
 and Changes in Fund Balances - Budget
 (Cash) Basis and Actual, etc., 1995

| |GENERAL FUND..... | | | ...SPECIAL REVENUE FUNDS... | | |
|---|------------------------|------------------|--|-----------------------------|--------------------|--|
| | BUDGET | ACTUAL | VARIANCE FAVORABLE (UNFAVORABLE) | BUDGET | ACTUAL | VARIANCE FAVORABLE (UNFAVORABLE) |
| EXPENDITURES: (Contd.) | | | | | | |
| Current: (Contd.) | | | | | | |
| Economic development and assistance | \$20,727 | \$21,617 | (\$890) | | | |
| Transportation | | | | \$7,594 | \$7,940 | (\$346) |
| Debt service | 7,500 | 7,500 | | 46,795 | 46,678 | 117 |
| Capital outlay | | | | 40,147 | 37,806 | 2,341 |
| Intergovernmental | | 4,500 | (4,500) | | | |
| Total expenditures | <u>561,220</u> | <u>610,355</u> | <u>(49,135)</u> | <u>3,272,946</u> | <u>3,290,541</u> | <u>(17,595)</u> |
| EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES | <u>(106,563)</u> | <u>(139,507)</u> | <u>(32,944)</u> | <u>177,475</u> | <u>259,812</u> | <u>82,337</u> |
| OTHER FINANCING SOURCES (Uses) | | | | | | |
| Sale of fixed assets | | | | | 11,668 | 11,668 |
| Operating transfers in | 195,000 | 156,000 | (39,000) | 80,000 | 80,350 | 350 |
| Operating transfers out | (5,000) | (5,350) | (350) | (270,000) | (231,000) | 39,000 |
| Total other financing sources (uses) | <u>190,000</u> | <u>150,650</u> | <u>(39,350)</u> | <u>(190,000)</u> | <u>(138,982)</u> | <u>51,018</u> |
| EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES | 83,437 | 11,143 | (72,294) | (12,525) | 120,830 | 133,355 |
| FUND BALANCES AT BEGINNING OF YEAR | <u>3,325</u> | <u>3,325</u> | | <u>844,785</u> | <u>880,239</u> | <u>35,454</u> |
| FUND BALANCES AT END OF YEAR | <u>\$86,762</u> | <u>\$14,468</u> | <u>(\$72,294)</u> | <u>\$832,260</u> | <u>\$1,001,069</u> | <u>\$168,809</u> |

(Concluded)

The accompanying notes are an integral part of this statement.

EAST CARROLL PARISH POLICE JURY
Lake Providence, Louisiana
GOVERNMENTAL FUND TYPE - GENERAL
AND SPECIAL REVENUE FUNDS
(Excluding Criminal Court Special Revenue Fund)

Combined Statement of Revenues, Expenditures,
and Changes in Fund Balances - Budget
(Cash) Basis and Actual
For the Year Ended December 31, 1994

| |GENERAL FUND..... | | | ...SPECIAL REVENUE FUNDS... | | |
|--|------------------------|----------------|--|-----------------------------|------------------|--|
| | <u>BUDGET</u> | <u>ACTUAL</u> | <u>VARIANCE: FAVORABLE (UNFAVORABLE)</u> | <u>BUDGET</u> | <u>ACTUAL</u> | <u>VARIANCE: FAVORABLE (UNFAVORABLE)</u> |
| REVENUES | | | | | | |
| Taxes: | | | | | | |
| Ad valorem taxes | \$121,655 | \$127,918 | \$6,263 | \$586,356 | \$611,923 | \$25,567 |
| Sales and use taxes | 40,000 | 41,397 | 1,397 | 400,000 | 413,970 | 13,970 |
| Licenses and permits | 22,380 | 22,654 | 274 | | | |
| Intergovernmental revenues: | | | | | | |
| Federal funds - | | | | | | |
| federal grants | 10,000 | 10,143 | 143 | 446,132 | 446,132 | |
| State funds: | | | | | | |
| Parish transportation funds | | | | 288,983 | 289,504 | 521 |
| State revenue sharing (net) | 82,610 | 83,428 | 818 | 15,000 | 22,495 | 7,495 |
| Severance tax | 6,100 | 10,113 | 4,013 | | | |
| Other state grants | 26,734 | 46,341 | 19,607 | 9,894 | 9,894 | |
| Fees, charges, and commissions for services | 117,802 | 117,802 | | 1,719,519 | 1,756,911 | 37,392 |
| Use of money and property | 8,220 | 9,794 | 1,574 | 31,620 | 34,384 | 2,764 |
| Other revenues | 2,000 | | (2,000) | 3,485 | 11,212 | 7,727 |
| Total revenues | <u>437,501</u> | <u>469,590</u> | <u>32,089</u> | <u>3,500,989</u> | <u>3,596,425</u> | <u>95,436</u> |
| EXPENDITURES | | | | | | |
| Current: | | | | | | |
| General government: | | | | | | |
| Legislative | 84,890 | 78,539 | 6,351 | | | |
| Judicial | 86,350 | 88,648 | (2,298) | | | |
| Elections | 25,600 | 25,765 | (165) | | | |
| Finance and administrative | 160,028 | 173,131 | (13,103) | | | |
| Other general government | 119,945 | 135,739 | (15,794) | | | |
| Public safety | 64,257 | 66,706 | (2,449) | 1,704,928 | 1,556,142 | 148,786 |
| Public works | | | | 854,811 | 835,019 | 19,792 |
| Health and welfare | 16,062 | 16,414 | (352) | 495,075 | 490,405 | 4,670 |
| Culture and recreation | 7,520 | 2,791 | 4,729 | 148,615 | 132,788 | 15,827 |

(Continued)

EAST CARROLL PARISH POLICE JURY
 Lake Providence, Louisiana
 GOVERNMENTAL FUND TYPE - GENERAL
 AND SPECIAL REVENUE FUNDS
 (Excluding Criminal Court Special Revenue Fund)
 Combined Statement of Revenues, Expenditures,
 and Changes in Fund Balances - Budget
 (Cash) Basis and Actual, etc., 1994

| |GENERAL FUND..... | | | ...SPECIAL REVENUE FUNDS... | | |
|---|------------------------|------------------|---|-----------------------------|------------------|---|
| | <u>BUDGET</u> | <u>ACTUAL</u> | <u>VARIANCE FAVORABLE (UNFAVORABLE)</u> | <u>BUDGET</u> | <u>ACTUAL</u> | <u>VARIANCE FAVORABLE (UNFAVORABLE)</u> |
| EXPENDITURES: (Contd.) | | | | | | |
| Current: (Contd.) | | | | | | |
| Economic development and assistance | \$23,247 | \$29,300 | (\$6,053) | | | |
| Transportation | | | | \$5,100 | \$5,516 | (\$416) |
| Debt service | 8,100 | 7,805 | 295 | 130,423 | 149,187 | (18,764) |
| Capital outlay | | | | 80,050 | 61,241 | 18,809 |
| Intergovernmental | 20,000 | 19,500 | 500 | | | |
| Total expenditures | <u>615,999</u> | <u>644,338</u> | <u>(28,339)</u> | <u>3,419,002</u> | <u>3,230,298</u> | <u>188,704</u> |
| EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES | <u>(178,498)</u> | <u>(174,748)</u> | <u>3,750</u> | <u>81,987</u> | <u>366,127</u> | <u>(284,140)</u> |
| OTHER FINANCING SOURCES (Uses) | | | | | | |
| Sale of fixed assets | | | | 1,350 | 1,350 | |
| Operating transfers in | 172,000 | 172,000 | | 48,500 | 40,900 | (7,600) |
| Operating transfers out | | (900) | (900) | (209,000) | (214,000) | (5,000) |
| Total other financing sources (uses) | <u>172,000</u> | <u>171,100</u> | <u>(900)</u> | <u>(159,150)</u> | <u>(171,750)</u> | <u>(12,600)</u> |
| EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES | <u>(6,498)</u> | <u>(3,648)</u> | <u>2,850</u> | <u>(77,163)</u> | <u>194,377</u> | <u>271,540</u> |
| FUND BALANCES AT BEGINNING OF YEAR | <u>6,948</u> | <u>6,973</u> | <u>25</u> | <u>679,438</u> | <u>685,862</u> | <u>NONE</u> |
| FUND BALANCES AT END OF YEAR | <u>\$450</u> | <u>\$3,325</u> | <u>\$2,875</u> | <u>\$602,275</u> | <u>\$880,239</u> | <u>\$277,964</u> |

(Concluded)

The accompanying notes are an integral part of this statement.

EAST CARROLL PARISH POLICE JURY

Lake Providence, Louisiana

Notes to the Financial Statements

As of and for the Two Years Ended December 31, 1995

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The East Carroll Parish Police Jury is the governing authority for East Carroll Parish and is a political subdivision of the State of Louisiana. The police jury is governed by nine jurors representing the various districts within the parish. The jurors serve four-year terms which expire in January 1996.

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

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

A. REPORTING ENTITY

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

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the East Carroll Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

EAST CARROLL PARISH POLICE JURY
 Lake Providence, Louisiana
 Notes to the Financial Statements (Continued)

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

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

| <u>Component Unit</u> | <u>Fiscal Year End</u> | <u>Criteria Used</u> |
|---|----------------------------|--------------------------|
| Included within the reporting entity: | | |
| East Carroll Parish Library | December 31 | 1 and 3 |
| Sixth Judicial District Criminal Court (East Carroll Parish) | December 31 | 2 and 3 |
| Prison District No. 1 | December 31 | 1 and 3 |
| East Carroll Parish: | | |
| Sheriff | June 30 | 2 and 3 |
| Assessor | December 31 | 2 and 3 |
| Clerk of Court | June 30 | 2 and 3 |
| Community Action Association | December 31 | 1 and 3 |
| East Carroll Hospital Service District | June 30 | 1 and 3 |
| East Carroll Recreation District | December 31 | 1 and 3 |

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.

EAST CARROLL PARISH POLICE JURY
Lake Providence, Louisiana
Notes to the Financial Statements (Continued)

These primary government (police jury) 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 East Carroll Parish Library, Sixth Judicial District Criminal Court, and the East Carroll Parish Prison District No. 1.

GASB Codification Section 2600.127 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) 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. These financial statements are not intended to and do not report on the reporting entity but rather are intended to reflect only the financial statements of the primary government (police jury).

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

B. FUND ACCOUNTING

The police jury uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities (general fixed assets and general long-term obligations) that are not recorded in the "funds" because they do not directly affect net expendable available financial resources. They are concerned only with the measurement of financial position, not with the measurement of results of operations.

EAST CARROLL PARISH POLICE JURY
Lake Providence, Louisiana
Notes to the Financial Statements (Continued)

Funds are classified into three categories; governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate "fund types". Governmental funds are used to account for a government's general activities, where the focus of attention is on the providing of services to the public as opposed to proprietary funds where the focus of attention is on recovering the cost of providing services to the public or other agencies through service charges or user fees. Fiduciary funds are used to account for assets held for others. The police jury's current operations require the use of governmental and fiduciary funds. The fund types used by the police jury are described as follows:

Governmental Funds:

General Fund

The General Fund is the general operating fund of the police jury. It accounts for all activities except those required to be accounted for in other funds.

Special Revenue Funds

Special revenue funds are used to account for the proceeds of specific revenue sources such as ad valorem taxes, sales taxes, and federal grants. Those revenues are legally restricted, either by tax proposition or by grant agreement, to expenditures for specified purposes such as road maintenance, solid waste disposal, rental housing for very low income families, public library operation, etc.

Rural Fire Protection Debt Service Fund

The Rural Fire Protection Debt Service Fund is used to account for transactions relating to resources retained and used for the payment of principal and interest on long-term obligations recorded in the long-term obligations account group.

LCDBG Capital Projects Fund

The Louisiana Community Development Block Grant Fund accounts for the construction and acquisition of a major capital project. Financing is provided by a grant from the United States Department of Housing and Urban Development through the Louisiana Division of Administration.

EAST CARROLL PARISH POLICE JURY
Lake Providence, Louisiana
Notes to the Financial Statements (Continued)

**C. GENERAL FIXED ASSETS AND
LONG-TERM OBLIGATIONS**

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures (capital outlay) in the governmental funds and the related assets are reported in the general fixed assets account group. All purchased fixed assets are valued at cost where historical records are available and estimated cost where no historical records are available. Approximately 48 per cent of the general fixed assets are valued at actual historical cost, while the remaining 52 per cent are valued at estimated cost, based on the actual historical cost of like items. No depreciation has been provided on general fixed assets.

The cost of normal maintenance and repairs that do not add to the value of fixed assets or materially extend their useful lives are not capitalized. Public domain (infrastructure) general fixed assets consisting of roads, bridges, drainage, parking lots, etc. are not capitalized, as these assets are immovable and of value only to the police jury.

Long-term obligations, such as general obligation bonds and capital leases, are recognized as a liability of a governmental fund only when due. The remaining portion of such obligations is reported in the general long-term obligations account group.

D. BASIS OF ACCOUNTING

The financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements for these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used for reporting all governmental fund types and the fiduciary fund type agency fund. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The police jury uses the following practices in recognizing and reporting revenues and expenditures:

EAST CARROLL PARISH POLICE JURY
Lake Providence, Louisiana
Notes to the Financial Statements (Continued)

Revenues

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

Sales taxes are recognized in the month received by the police jury's sales tax collection agent.

Federal and state grants are recognized when the police jury is entitled to the funds.

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

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

Substantially all other revenues are recognized when they become available to the police jury.

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

Expenditures

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

EAST CARROLL PARISH POLICE JURY
Lake Providence, Louisiana
Notes to the Financial Statements (Continued)

Other Financing Sources (Uses)

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

E. BUDGET PRACTICES

Preliminary budgets for the ensuing year are prepared by the secretary/treasurer during October of each year. During November the finance committee reviews the proposed budgets and makes changes as it deems appropriate. The availability of the proposed budgets for public inspection and the date of the public hearing on the proposed budgets are then advertised in the official journal. During its regular December meeting, the police jury holds a public hearing on the proposed budgets in order to receive comments from residents of the parish. Changes are made to the proposed budgets based on the public hearing and the desires of the police jury as a whole. The budgets are then adopted during the police jury's regular December meeting, and a notice of the adoption is then published in the official journal.

During the year, the police jury receives monthly budgetary comparison statements which are used as a management tool to control operations of the parish. The secretary/treasurer presents necessary budget amendments to the police jury during the year when, in her judgement, actual operations are differing materially from those anticipated in the original budget. During a regular meeting, the police jury reviews the proposed amendments, makes changes as it deems necessary, and formally adopts the amendments. The adoption of the amendments is included in police jury minutes published in the official journal.

The police jury exercises budgetary control at the functional level. Within functions the secretary/treasurer has the discretion to make changes as she deems necessary for proper control. Unexpended appropriations lapse at year end and must be reappropriated in the next year's budget to be expended. The police jury does not use encumbrance accounting in its accounting system.

For the two years ended December 31, 1995, cash basis budgets were adopted for the General Fund and all special revenue funds, except the Criminal Court Special Revenue

EAST CARROLL PARISH POLICE JURY
 Lake Providence, Louisiana
 Notes to the Financial Statements (Continued)

Fund, which is exempt from the requirements Louisiana Revised Statutes 39:1301-1314 (Local Government Budget Act).

Budget comparison statements included in the accompanying financial statements include the original adopted budgets and all subsequent amendments. The following reconciles the excess of revenues and other sources over expenditures and other uses as shown on budgetary comparison Statements D and E (budget basis) to the same amounts shown on Statements B and C (GAAP basis):

| |1995..... | |1994..... | |
|---|-----------------|------------------|----------------|-------------------|
| | General | Special | General | Special |
| | Fund | Revenue | Fund | Revenue |
| | <u>Fund</u> | <u>Funds</u> | <u>Fund</u> | <u>Funds</u> |
| Excess (deficiency) of revenues and other sources over expenditures and other uses (budget basis) | \$11,143 | \$120,830 | (\$3,648) | \$194,377 |
| Adjustments: | | | | |
| Receivables | 13,787 | 20,133 | (9,093) | (5,106) |
| Payables | (6,031) | (19,216) | 3,446 | 132,578 |
| Fund not budgeted | | (3,653) | | (990) |
| Interfunds | 17,100 | (4,500) | 19,500 | (19,500) |
| Deferred revenue | | | | 13,381 |
| Other | <u>(100)</u> | <u>(3,730)</u> | <u>(1,021)</u> | <u> </u> |
| Excess of revenues and other sources over expenditures and other uses (GAAP) basis | <u>\$35,899</u> | <u>\$109,864</u> | <u>\$9,184</u> | <u>\$314,740</u> |

The following schedule reconciles ending fund balances as shown on Statement D to cash and cash equivalents as shown on Statement A:

| | |
|---|--------------------|
| | <u>Special</u> |
| | <u>Revenue</u> |
| | <u>Funds</u> |
| Fund balance at end of year - Statement D | \$1,001,069 |
| Adjustment - Criminal Court Fund | <u>1,931</u> |
| Cash - Statement A | <u>\$1,003,000</u> |

EAST CARROLL PARISH POLICE JURY
 Lake Providence, Louisiana
 Notes to the Financial Statements (Continued)

F. CASH AND CASH EQUIVALENTS

Under state law, the police jury may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having principal offices in Louisiana. At December 31, 1995, the police jury has cash and cash equivalents (book balances) totaling \$1,046,464 as follows:

| | |
|-----------------|--------------------|
| Demand deposits | \$500,758 |
| Petty cash | 660 |
| Time deposits | <u>545,046</u> |
| Total | <u>\$1,046,464</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. Cash and cash equivalents (bank balances) at December 31, 1995, are secured as follows:

| | |
|---------------------------------------|--------------------|
| Bank Balances | <u>\$1,184,420</u> |
| Federal deposit insurance | \$800,059 |
| Pledged securities (uncollateralized) | <u>762,574</u> |
| Total | <u>\$1,562,633</u> |

Because the pledged securities are held by a custodial bank in the name of the fiscal agent bank rather than in the name of the police jury, they are considered uncollateralized (Category 3) under the provisions of GASB Codification C20.106; however, 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.

EAST CARROLL PARISH POLICE JURY
Lake Providence, Louisiana
Notes to the Financial Statements (Continued)

G. VACATION AND SICK LEAVE

All full-time employees of the police jury earn vacation leave at rates varying from one to three weeks per year, depending on whether they are salaried or hourly employees and on length of service. Vacation leave cannot be accumulated. In addition, all employees receive sick leave as needed at the discretion of the police jury.

Full-time employees of the East Carroll Parish Library earn from 10 to 15 days of vacation leave, depending on their length of service and position with the library. Part-time employees earn 6 days of vacation leave each year. Vacation leave cannot be accumulated. All 12-month employees earn 10 days of sick leave each year. Sick leave can be accumulated up to 20 days. Part-time employees earn 6 days of sick leave each year. Sick leave lapses upon termination of employment.

At December 31, 1995, the police jury had no employee leave benefits requiring recognition in accordance with GASB Codification Section C60. The cost of leave privileges, computed in accordance with the previous codification, is recognized as a current-year expenditure within the various funds when leave is actually taken or when employees are paid for accrued vacation leave upon retirement.

H. SALES TAXES

East Carroll Parish has a one per cent sales and use tax, which was passed by the voters on October 16, 1993, for a period of five years. The net proceeds of the tax (after necessary costs of collection) are used exclusively to construct, operate, and maintain parish public roads, drainage canals, and public bridges, with ten percent of the proceeds to be used exclusively for insurance premiums.

I. TOTAL COLUMNS ON COMBINED STATEMENTS

Total columns on the combined statements are captioned Memorandum Only (overview) to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

EAST CARROLL PARISH POLICE JURY
 Lake Providence, Louisiana
 Notes to the Financial Statements (Continued)

2. EXPENDITURES - BUDGET AND ACTUAL

For the two years ended December 31, 1995, the East Carroll Parish Police Jury had actual expenditures which exceeded budgeted expenditures for the following funds:

| | <u>Budget</u> | <u>Actual</u> | <u>Variance</u> |
|------------------------|---------------|---------------|-----------------|
| 1994: | | | |
| General Fund | \$615,999 | \$644,313 | \$28,314 |
| Special Revenue Funds: | | | |
| Road | 749,915 | 757,052 | 7,137 |
| Drainage | 134,066 | 136,577 | 2,511 |
| Solid Waste | 126,844 | 127,457 | 613 |
| Airport | 5,100 | 5,516 | 416 |
| 1995: | | | |
| Special Revenue Funds: | | | |
| Road | \$617,774 | \$637,299 | \$19,525 |
| Solid Waste | 130,918 | 131,688 | 770 |
| Airport | 7,594 | 7,940 | 346 |
| Prison District No. 1 | 1,618,281 | 1,631,588 | 13,307 |

3. LEVIED TAXES

The following is a summary of authorized and levied ad valorem taxes for the two years ended December 31, 1995:

| | <u>Authorized Millage</u> | <u>Levied ..Millage..</u> | | <u>Expiration Date</u> |
|-------------------------------------|-------------------------------|-------------------------------|-------------|----------------------------|
| | | <u>1995</u> | <u>1994</u> | |
| Parishwide taxes: | | | | |
| General Fund | 4.00 | 4.00 | 3.95 | Indefinite |
| Courthouse maintenance | 2.00 | 2.00 | 2.06 | 1999 |
| Road maintenance | 5.00 | 5.22 | 5.15 | 2002 |
| Drainage maintenance | 5.00 | 5.22 | 5.15 | 2002 |
| Solid waste collection and disposal | 8.60 | 8.86 | 8.79 | 1995 |
| Library maintenance | 6.50 | 6.50 | 6.72 | 1999 |
| Health unit | 3.00 | 3.13 | 3.09 | 1997 |
| District Taxes: | | | | |
| Rural fire protection | 2.00 | 2.10 | 2.08 | 1998 |
| Rural fire protection debt service | Variable | 4.80 | 5.00 | 2004 |

EAST CARROLL PARISH POLICE JURY
 Lake Providence, Louisiana
 Notes to the Financial Statements (Continued)

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

The following are the principal taxpayers for the parish and their 1995 assessed valuation (amounts expressed in thousands):

| | 1995 Assessed Valuation | Per cent of Total Assessed Valuation |
|----------------------------------|-------------------------------|---|
| Trunkline Gas Company | \$2,854 | 9.64% |
| Columbia Gulf-Transmission Co. | 1,275 | 4.31% |
| Tennessee Gas | 936 | 3.16% |
| South Central Bell | 853 | 2.88% |
| Southern Natural Gas Co. | 798 | 2.70% |
| Louisiana Power and Light Co. | 680 | 2.30% |
| Texas Eastern Transmission | 650 | 2.20% |
| Bunge Corporation | 414 | 1.40% |
| Deltic Farm and Timber Co., Inc. | 331 | 1.12% |
| Hollybrook Land Co., Inc. | 323 | 1.09% |
| Total | <u>\$9,114</u> | <u>30.78%</u> |

4. RECEIVABLES

The following is a summary of receivables at December 31, 1995:

| | General Fund | Special Revenue Funds | Debt Service Fund | Total |
|--------------------|------------------|-----------------------------|-------------------------|--------------------|
| Taxes - Ad valorem | \$121,524 | \$504,824 | \$76,592 | \$702,940 |
| Grants: | | | | |
| Federal | 822 | 20,808 | | 21,630 |
| State | 63,376 | 26,616 | | 89,992 |
| Other | 9,576 | 211,395 | | 220,971 |
| Total | <u>\$195,298</u> | <u>\$763,643</u> | <u>\$76,592</u> | <u>\$1,035,533</u> |

EAST CARROLL PARISH POLICE JURY
 Lake Providence, Louisiana
 Notes to the Financial Statements (Continued)

4. CHANGES IN GENERAL FIXED ASSETS

The following schedule presents changes in general fixed assets:

| | <u>Balance</u> <u>January 1</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance</u> <u>December 31</u> |
|----------------------------|------------------------------------|------------------|-------------------|--------------------------------------|
| 1994: | | | | |
| Police Jury: | | | | |
| Land | \$352,665 | | | \$352,665 |
| Buildings | 1,396,341 | \$865 | | 1,397,206 |
| Furniture and equipment | 2,031,907 | 16,880 | (\$31,817) | 2,016,970 |
| Assets under capital lease | 61,032 | 158,385 | | 219,417 |
| Sub-total | <u>3,841,945</u> | <u>176,130</u> | <u>(31,817)</u> | <u>3,986,258</u> |
| Prison District: | | | | |
| Land | 92,990 | 28,000 | | 120,990 |
| Buildings | 587,000 | | | 587,000 |
| Equipment and furniture | 183,311 | 58,453 | (38,743) | 203,021 |
| Assets under capital lease | 15,917 | | (15,917) | |
| Sub-total | <u>879,218</u> | <u>86,453</u> | <u>(54,660)</u> | <u>911,011</u> |
| Library: | | | | |
| Buildings | 178,155 | | | 178,155 |
| Equipment and furniture | 117,187 | 9,644 | | 126,831 |
| Books, periodicals, etc. | 236,849 | 20,113 | (5,640) | 251,322 |
| Sub-total | <u>532,191</u> | <u>29,757</u> | <u>(5,640)</u> | <u>556,308</u> |
| Total | <u>\$5,253,354</u> | <u>\$292,340</u> | <u>(\$92,117)</u> | <u>\$5,453,577</u> |
| 1995: | | | | |
| Police Jury: | | | | |
| Land | \$352,665 | \$5,000 | | \$357,665 |
| Buildings | 1,397,206 | 3,756 | (\$10,000) | 1,390,962 |
| Furniture and equipment | 2,016,970 | 74,377 | (\$63,406) | 2,027,941 |
| Assets under capital lease | 219,417 | 107,235 | (\$61,032) | 265,620 |
| Sub-total | <u>3,986,258</u> | <u>190,368</u> | <u>(134,438)</u> | <u>4,042,188</u> |
| Prison District: | | | | |
| Land | 120,990 | | | 120,990 |
| Buildings | 587,000 | | | 587,000 |
| Equipment and furniture | 203,021 | 6,611 | (37,305) | 172,327 |
| Sub-total | <u>911,011</u> | <u>6,611</u> | <u>(37,305)</u> | <u>880,317</u> |

EAST CARROLL PARISH POLICE JURY
 Lake Providence, Louisiana
 Notes to the Financial Statements (Continued)

| | <u>Balance</u> <u>January 1</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance</u> <u>December 31</u> |
|--------------------------|------------------------------------|------------------|--------------------|--------------------------------------|
| Library: | | | | |
| Buildings | \$178,155 | | | \$178,155 |
| Equipment and furniture | 126,831 | \$736 | | 127,567 |
| Books, periodicals, etc. | <u>251,322</u> | <u>16,691</u> | <u>(\$4,909)</u> | <u>263,104</u> |
| Sub-total | <u>556,308</u> | <u>17,427</u> | <u>(4,909)</u> | <u>568,826</u> |
| Total | <u>\$5,453,577</u> | <u>\$214,406</u> | <u>(\$176,652)</u> | <u>\$5,491,331</u> |

The beginning balance at January 1, 1994, of the prison district has been decreased by \$2,026,929 as a result of a physical inventory performed by the prison district. Included in additions is \$15,917 of assets under capital lease which were transferred to equipment and furniture in 1994 and \$61,032 which were transferred to equipment and furniture in 1995.

6. PENSION PLAN

Substantially all employees of the East Carroll Parish Police Jury 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. All employees of the police jury are members of 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 are eligible to participate in the System. Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 per cent of their final average salary for each year of creditable service. However, for those employees who were members of the supplemental plan only before January 1, 1980, the benefit is equal to one per cent of final average salary plus \$24 for each year of supplemental-plan-only service earned before January 1, 1980, plus 3 per cent of final-average salary for each salary for each year of service credited after the revision date. Final average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefits accrued to their date of termination. The system also provides death and disability benefits. Benefits are established or amended by state statute.

EAST CARROLL PARISH POLICE JURY
Lake Providence, Louisiana
Notes to the Financial Statements (Continued)

The System issues an annual publicly available report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Parochial Employees' Retirement System of Louisiana, Post Office Box 14619, Baton Rouge, Louisiana 70898-4619, or by calling (504) 928-1361.

Under Plan A, members are required by state statute to contribute 9.50 per cent of their annual covered salary and the East Carroll Parish Police Jury is required to contribute at an actuarially determined rate. The current rate is 8.00 per cent of annual covered payroll. Contributions to the system also include one-fourth of one per cent (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 East Carroll Parish 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 East Carroll Parish Police Jury's contributions to the System under Plan A for the years ending December 31, 1995, 1994, and 1993, were \$124,462, \$105,724, and \$98,421, respectively, equal to the required contributions for each year.

**7. POST RETIREMENT HEALTH CARE
AND LIFE INSURANCE BENEFITS**

The East Carroll Parish Police Jury provides certain continuing health care and life insurance benefits for its retired employees. Substantially all of the police jury's employees become eligible for these benefits if they reach normal retirement age while working for the police jury. These benefits for retirees and similar benefits for active employees are provided through an insurance company whose monthly premiums are paid jointly by the employee and by the police jury. The police jury recognizes the cost of providing these benefits (police jury's portion of premiums) as an expenditure when paid during the year, which was \$262,567 and \$285,276 for 1994 and 1995, respectively. Of those amounts, \$17,923 and \$16,240 was for retiree benefits for 1994 and 1995, respectively.

8. CAPITAL LEASES

The police jury records items under capital leases as an asset and an obligation in the accompanying financial statements. At December 31, 1995, the police jury has two capital leases in effect for equipment. The leases had an original recorded amount of \$265,620. Obligations are retired from the Road Maintenance Special Revenue Fund. The following is a summary of future minimum lease payments, together with the present value of the net minimum lease payments, as of December 31, 1995:

EAST CARROLL PARISH POLICE JURY
 Lake Providence, Louisiana
 Notes to the Financial Statements (Continued)

| | |
|---|------------------|
| <u>Year</u> | |
| 1996 | \$61,181 |
| 1997 | 61,181 |
| 1998 | 61,181 |
| 1999 | 43,112 |
| 2000 | <u>16,696</u> |
| Total minimum lease payments | 243,351 |
| Less amount representing interest | <u>(27,962)</u> |
| Present value of net minimum lease payments | <u>\$215,389</u> |

9. CHANGES IN GENERAL LONG-TERM OBLIGATIONS

The following is a summary of long-term obligation transactions:

| | <u>Capital Leases</u> | <u>General Obligation Bonds</u> | <u>Total</u> |
|--|---------------------------|---|------------------|
| Long-term obligations at January 1, 1994 | \$29,750 | \$650,000 | \$679,750 |
| Additions: | | | |
| 1994 | 158,385 | | 158,385 |
| 1995 | 107,235 | | 107,235 |
| Deductions: | | | |
| 1994 | (35,437) | (40,000) | (75,437) |
| 1995 | <u>(44,544)</u> | <u>(40,000)</u> | <u>(84,544)</u> |
| Long-term obligations at December 31, 1995 | <u>\$215,389</u> | <u>\$570,000</u> | <u>\$785,389</u> |

General obligation bonds payable at December 31, 1995, are comprised of the following individual issues:

\$750,000 - 1989 bonds for the acquisition of buildings, machinery, and equipment of Rural Fire Protection District No. 1. Principal is due in annual installments of \$40,000 to \$85,000 through March 1, 2004. Interest rates are 7.1 per cent to 10.25 per cent. Debt retirement payments are made from Rural Fire Protection Debt Service Fund. \$570,000

EAST CARROLL PARISH POLICE JURY
 Lake Providence, Louisiana
 Notes to the Financial Statements (Continued)

As shown on Statement A, \$102,689 is available in the debt service fund to service the general obligation bonds. The annual requirements to amortize all general obligation bonds outstanding at December 31, 1995, including interest of \$214,683, are as follows:

| <u>Year</u> | <u>Total</u> |
|-------------|-------------------------|
| 1996 | \$85,846 |
| 1997 | 87,438 |
| 1998 | 88,644 |
| 1999 | 89,460 |
| 2000 | 85,035 |
| Thereafter | <u>348,260</u> |
| Total | <u><u>\$784,683</u></u> |

General obligation bonds totaling \$570,000, at December 31, 1995, are secured by an annual ad valorem tax levy. In accordance with Louisiana Revised Statute 39:562, the police jury and its components are legally restricted from incurring long-term bonded debt in excess of 10 per cent of the assessed value of taxable property in the parish or district. The police jury and its reported component units are within that statutory limitation.

10. BANK LOAN PAYABLE

At December 31, 1995, the police jury had an outstanding bank loan from First National Bank of Lake Providence of \$100,000 with interest of 10 per cent. Payment will be made from the General Fund on March 1, 1996.

11. DUE FROM/TO OTHER FUNDS

Individual fund balances due from/to other funds at December 31, 1995, are as follows:

| | <u>Due from Other Funds</u> | <u>Due to Other Funds</u> |
|------------------------|-------------------------------------|-----------------------------------|
| General fund | \$17,100 | |
| Special revenue funds: | | |
| Criminal court | | \$12,600 |
| Section 8 Housing | | <u>4,500</u> |
| Total | <u>\$17,100</u> | <u>\$17,100</u> |

EAST CARROLL PARISH POLICE JURY
 Lake Providence, Louisiana
 Notes to the Financial Statements (Continued)

12. FUND DEFICITS

The Airport and Criminal Court special revenue funds have deficit fund balances in the amount of \$191 and \$6,510, respectively, at December 31, 1995. The police jury intends to eliminate these deficits through subsequent revenues and transfers from the General Fund.

13. LITIGATION AND CLAIMS

At December 31, 1995, the police jury is involved in several lawsuits. In the opinion of the legal counsel of the police jury, probable exposure to the police jury cannot be determined at this time. Therefore, no provision for any liability that may result has been made in the primary government financial statements.

14. FOOD STAMP PROGRAM

The food stamp program is operated through the police jury under an agreement with the Louisiana Department of Health and Human Resources. Under this program, the police jury is responsible for the issuance of food stamps to eligible participants in the parish. The value of food stamps on hand, received, and issued is not recorded in the accompanying statements. Activity for the year ended December 31, 1995, follows:

| | |
|------------------------------|--------------------|
| Balance at January 1, 1994 | \$935,252 |
| Received: | |
| 1994 | 3,435,000 |
| 1995 | 3,473,000 |
| Issued: | |
| 1994 | (3,440,484) |
| 1995 | <u>(3,474,451)</u> |
| Balance at December 31, 1995 | <u>\$928,317</u> |

SUPPLEMENTAL INFORMATION SCHEDULES

EAST CARROLL PARISH POLICE JURY
Lake Providence , Louisiana
SUPPLEMENTAL INFORMATION SCHEDULES
As of and for the Two Years Ended December 31, 1995

SPECIAL REVENUE FUNDS

PUBLIC WORKS FUNDS

ROAD MAINTENANCE FUND

The Road Maintenance Fund accounts for the maintenance of the parish highways, streets, and bridges. Major means of financing is provided by the State of Louisiana Parish Transportation Fund and a specific parishwide ad valorem tax.

DRAINAGE MAINTENANCE FUND

The Drainage Maintenance Fund accounts for the maintenance of the parish drainage system. Financing is provided by state revenue sharing and ad valorem taxes.

SOLID WASTE FUND

The Solid Waste Fund accounts for the operations of the parishwide landfill project and is funded by a parishwide ad valorem tax.

RURAL FIRE PROTECTION FUND

The Rural Fire Protection Fund accounts for resources for fire protection provided to the residents of East Carroll Parish and is financed by transfers from the General Fund and Federal Revenue Sharing Fund.

AIRPORT FUND

The Airport Fund accounts for the operation and maintenance of East Carroll Parish Airport. Funding is provided primarily from rental of hanger space.

CRIMINAL COURT FUND

The Criminal Court Fund accounts for fines and forfeitures imposed by the Sixth Judicial District Court and district attorney conviction fees in criminal cases. These revenues used to finance the operation of the criminal court of East Carroll Parish.

LIBRARY FUND

The Library Fund accounts for ad valorem taxes and state revenue sharing funds dedicated for the operation of the parish library.

PRISON DISTRICT NO. 1 FUND

The Prison District No. 1 Fund was created by the East Carroll Parish Police Jury on February 12, 1930, in accordance with Act 189 of the 1928 Session of the Louisiana Legislature. The prison district is governed by a board appointed by the East Carroll Parish Police Jury. The prison district holds inmates for East Carroll Parish, as well as for other parishes and the Louisiana Department of Public Safety and Corrections, Corrections Services. The prison district is financed by fees for keeping prisoners.

HEALTH UNIT FUND

The Health Unit Fund accounts for the maintenance and operation of the parish health unit. Financing is provided by a specific parishwide ad valorem taxes.

BYERLEY HOUSE FUND

The Byerley House Fund accounts for the maintenance and operation of the parish tourism facility. Financing is provided by state grants. This fund was closed during 1995.

LOUISIANA COTTON MUSEUM

The Louisiana Cotton Museum accounts for the maintenance and operation of a museum promoting the cotton industry of the parish. Financing is provided by state grants. This fund was closed during 1994.

HUD SECTION 8 HOUSING FUND

The HUD Section 8 Housing Fund accounts for the operations of the lower income housing assistance program, which provides aid to very low income families in obtaining decent, safe, and sanitary rental housing. Financing is provided by a federal grant.

Schedule 1

EAST CARROLL PARISH POLICE JURY
 Lake Providence, Louisiana
 SPECIAL REVENUE FUNDS

Combining Balance Sheet, December 31, 1995

| | PUBLIC WORKS | RURAL FIRE | AIRPORT | CRIMINAL COURT | LIBRARY | PRISON DISTRICT NO. 1 | HEALTH UNIT | SECTION 8 HOUSING | TOTAL |
|--|------------------|-----------------|--------------|----------------|------------------|-----------------------|------------------|-------------------|--------------------|
| ASSETS | | | | | | | | | |
| Cash and cash equivalents | \$149,661 | \$23,887 | \$77 | \$1,931 | \$103,013 | \$569,019 | \$131,344 | \$24,068 | \$1,003,000 |
| Receivables | <u>363,594</u> | <u>33,510</u> | | <u>5,440</u> | <u>147,528</u> | <u>129,363</u> | <u>63,400</u> | <u>20,808</u> | <u>763,643</u> |
| TOTAL ASSETS | <u>\$513,255</u> | <u>\$57,397</u> | <u>\$77</u> | <u>\$7,371</u> | <u>\$250,541</u> | <u>\$698,382</u> | <u>\$194,744</u> | <u>\$44,876</u> | <u>\$1,766,643</u> |
| LIABILITIES AND FUND EQUITY | | | | | | | | | |
| Liabilities: | | | | | | | | | |
| Accounts payable | \$34,427 | \$3,068 | \$268 | \$1,281 | \$7,018 | \$48,703 | \$3,141 | \$1,181 | \$97,906 |
| Payroll deductions payable | | | | | | | | 4,500 | 1,181 |
| Due to other funds | | | | 12,600 | | | | | 17,100 |
| Due to others | | | | | | 3,730 | | | 3,730 |
| Total Liabilities | <u>34,427</u> | <u>3,068</u> | <u>268</u> | <u>13,881</u> | <u>7,018</u> | <u>52,433</u> | <u>3,141</u> | <u>5,681</u> | <u>119,917</u> |
| Fund Equity - fund balances (deficits) - unreserved - undesignated | <u>478,828</u> | <u>54,329</u> | <u>(191)</u> | <u>(6,510)</u> | <u>243,523</u> | <u>645,949</u> | <u>191,603</u> | <u>39,195</u> | <u>1,646,726</u> |
| TOTAL LIABILITIES AND FUND EQUITY | <u>\$513,255</u> | <u>\$57,397</u> | <u>\$77</u> | <u>\$7,371</u> | <u>\$250,541</u> | <u>\$698,382</u> | <u>\$194,744</u> | <u>\$44,876</u> | <u>\$1,766,643</u> |

EAST CARROLL PARISH POLICE JURY
Lake Providence, Louisiana
SPECIAL REVENUE FUNDS

Combining Schedule of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended December 31, 1995

| | <u>PUBLIC WORKS</u> | <u>RURAL FIRE</u> | <u>AIRPORT</u> | <u>CRIMINAL COURT</u> | <u>LIBRARY</u> | <u>PRISON DISTRICT NO.1</u> | <u>HEALTH UNIT</u> | <u>BYERLEY HOUSE</u> | <u>SECTION 8 HOUSING</u> | <u>TOTAL</u> |
|--|---------------------|-------------------|----------------|-----------------------|----------------|-----------------------------|--------------------|----------------------|--------------------------|------------------|
| REVENUES | | | | | | | | | | |
| Taxes: | | | | | | | | | | |
| Ad valorem | \$426,745 | \$40,643 | | | \$159,134 | | \$76,532 | | | \$703,054 |
| Sales and use | 442,634 | | | | | | | | | 442,634 |
| Intergovernmental revenues: | | | | | | | | | | |
| Federal funds - federal grants | | | | | | \$1,794 | | \$499,287 | | 501,081 |
| State funds: | | | | | | | | | | |
| Parish transportation funds | 136,332 | | | | | | | | | 136,332 |
| State revenue sharing (net) | | | | | 15,866 | | | | | 15,866 |
| Other state funds | 15,000 | 9,751 | \$2,150 | | | 1,719,174 | | | | 24,751 |
| Fees, charges, and commissions | | | | | | | | | | 1,721,324 |
| Fines and forfeitures | | | | \$75,891 | | | | | | 75,891 |
| Use of money and property | 10,758 | 1,253 | | | | | 5,374 | | | 52,011 |
| Other revenues | 295 | | | | | | | | | 8,249 |
| Total revenues | <u>1,031,764</u> | <u>51,647</u> | <u>2,150</u> | <u>75,891</u> | <u>185,329</u> | <u>1,753,219</u> | <u>81,906</u> | <u>NONE</u> | <u>499,287</u> | <u>3,681,193</u> |
| EXPENDITURES | | | | | | | | | | |
| Current: | | | | | | | | | | |
| General government: | | | | | | | | | | |
| Judicial | | | | 79,544 | | | | | | 79,544 |
| Public safety | | 43,245 | | | | 1,653,696 | | | | 1,696,941 |
| Public works | 922,828 | | | | | | | | | 922,828 |
| Health and welfare | | | | | | | 34,376 | | 461,147 | 495,523 |
| Culture and recreation | | | | | 140,894 | | | \$9,788 | | 150,682 |
| Transportation | | | 7,875 | | | | | | | 7,875 |
| Debt service | 53,656 | | | | | | | | | 53,656 |
| Capital outlay | 107,235 | | | | 17,427 | | 1,260 | | | 132,533 |
| Total expenditures | <u>1,083,719</u> | <u>43,245</u> | <u>7,875</u> | <u>79,544</u> | <u>158,321</u> | <u>1,660,307</u> | <u>35,636</u> | <u>9,788</u> | <u>461,147</u> | <u>3,539,582</u> |
| EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES | <u>(51,955)</u> | <u>8,402</u> | <u>(5,725)</u> | <u>(3,653)</u> | <u>27,008</u> | <u>92,912</u> | <u>46,270</u> | <u>(9,788)</u> | <u>38,140</u> | <u>141,611</u> |

| | | | | | | | | | |
|---|------------------|-----------------|----------------|------------------|------------------|------------------|------------------|-----------------|--------------------|
| OTHER FINANCING SOURCES (Uses) | | | | | | | | | |
| Sale of fixed assets | 11,668 | | | | | | | | 11,668 |
| Increase in capital leases | 107,235 | | | | | | | | 107,235 |
| Operating transfer in | 75,000 | 5,350 | | | | | | | 80,350 |
| Operating transfer out | <u>(75,000)</u> | <u>NONE</u> | <u>5,350</u> | <u>NONE</u> | <u>NONE</u> | <u>NONE</u> | <u>NONE</u> | <u>NONE</u> | <u>(231,000)</u> |
| Total other financing sources (uses) | <u>118,903</u> | <u>NONE</u> | <u>5,350</u> | <u>NONE</u> | <u>NONE</u> | <u>NONE</u> | <u>NONE</u> | <u>NONE</u> | <u>(31,747)</u> |
| EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES | | | | | | | | | |
| | 66,948 | 8,402 | (375) | (3,653) | 27,008 | (63,088) | 46,270 | 38,140 | 109,864 |
| FUND BALANCES (Deficit) | | | | | | | | | |
| AT BEGINNING OF YEAR | <u>411,880</u> | <u>45,927</u> | <u>184</u> | <u>(2,857)</u> | <u>216,515</u> | <u>709,037</u> | <u>145,333</u> | <u>1,055</u> | <u>1,536,862</u> |
| FUND BALANCES (Deficits) | | | | | | | | | |
| AT END OF YEAR | <u>\$478,828</u> | <u>\$54,329</u> | <u>(\$191)</u> | <u>(\$6,510)</u> | <u>\$243,523</u> | <u>\$645,949</u> | <u>\$191,603</u> | <u>\$39,195</u> | <u>\$1,646,726</u> |

EAST CARROLL PARISH POLICE JURY
 Lake Providence, Louisiana
 SPECIAL REVENUE FUNDS

Combining Schedule of Revenues, Expenditures,
 and Changes in Fund Balances
 For the Year Ended December 31, 1994

| | <u>PUBLIC WORKS</u> | <u>RURAL FIRE</u> | <u>AIRPORT</u> | <u>CRIMINAL COURT</u> | <u>LIBRARY</u> | <u>PRISON DISTRICT NO. 1</u> | <u>HEALTH UNIT</u> | <u>BYERLEY HOUSE</u> | <u>COTTON MUSEUM</u> | <u>SECTION 8 HOUSING</u> | <u>TOTAL</u> |
|--------------------------------|---------------------|-------------------|----------------|-----------------------|----------------|------------------------------|--------------------|----------------------|----------------------|--------------------------|------------------|
| REVENUES | | | | | | | | | | | |
| Taxes: | | | | | | | | | | | |
| Ad valorem | \$388,456 | \$36,812 | | | \$151,944 | | \$69,867 | | | | \$647,079 |
| Sales and use | 413,970 | | | | | | | | | | 413,970 |
| Intergovernmental: revenues: | | | | | | | | | | | |
| Federal funds - federal grants | | | | | | \$4,163 | | | | \$459,513 | 463,676 |
| State funds: | | | | | | | | | | | |
| Parish transportation funds | 289,250 | | | | | | | | | | 289,250 |
| State revenue sharing (net) | | | | | 16,833 | | | | | | 16,833 |
| Other state funds | | 9,894 | | | | | | | | | 9,894 |
| Fees, charges, and commissions | | | | \$102,089 | | 1,742,969 | | | | | 1,742,969 |
| Fines and forfeitures | | | | | | | | | | | 102,089 |
| Use of money and property | 5,482 | 702 | | | 3,017 | 19,248 | 2,820 | \$40 | | | 31,309 |
| Other revenues | | | \$3,075 | | 9,142 | 2,070 | | | | | 14,287 |
| Total revenues | <u>1,097,158</u> | <u>47,408</u> | <u>3,075</u> | <u>102,089</u> | <u>180,936</u> | <u>1,768,450</u> | <u>72,687</u> | <u>NONE</u> | <u>40</u> | <u>459,513</u> | <u>3,731,356</u> |
| EXPENDITURES | | | | | | | | | | | |
| Current: | | | | | | | | | | | |
| General government: | | | | | | | | | | | |
| Judicial | | | | 103,079 | | | | | | | 103,079 |
| Public safety | | 41,131 | | | | 1,482,583 | | | | | 1,523,714 |
| Public works | 845,420 | | | | | | | | | 458,458 | 845,420 |
| Health and welfare | | | | | | | 31,563 | | | | 490,021 |
| Culture and recreation | | | | | 126,384 | | | \$719 | 8,841 | | 135,944 |
| Transportation | | | 5,213 | | | | | | | | 5,213 |
| Debt service | 43,339 | | | | | | | | | | 43,339 |
| Capital outlay | <u>168,228</u> | <u>41,131</u> | <u>5,213</u> | <u>103,079</u> | <u>29,757</u> | <u>70,536</u> | <u>31,563</u> | <u>719</u> | <u>8,841</u> | <u>458,458</u> | <u>268,521</u> |
| Total expenditures | <u>1,056,987</u> | <u>41,131</u> | <u>5,213</u> | <u>103,079</u> | <u>156,141</u> | <u>1,553,119</u> | <u>31,563</u> | <u>719</u> | <u>8,841</u> | <u>458,458</u> | <u>3,415,251</u> |

| | | | | | | | | | | | |
|---|------------------|-----------------|----------------|------------------|------------------|------------------|------------------|----------------|----------------|----------------|--------------------|
| EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES | <u>40,171</u> | <u>6,277</u> | <u>(2,138)</u> | <u>(990)</u> | <u>24,795</u> | <u>215,331</u> | <u>41,124</u> | <u>(719)</u> | <u>(8,801)</u> | <u>1,055</u> | <u>316,105</u> |
| OTHER FINANCING SOURCES (Uses) | | | | | | | | | | | |
| Sale of fixed assets | 1,350 | | | | | | | | | | 1,350 |
| Increase in capital leases | 158,385 | | | | | | | | | | 158,385 |
| Operating transfer in | 37,000 | | 900 | | | | | 5,000 | 5,000 | | 47,900 |
| Operating transfer out | (37,000) | | | | | (172,000) | | | | | (209,000) |
| Total other financing sources (uses) | <u>159,735</u> | <u>NONE</u> | <u>900</u> | <u>NONE</u> | <u>NONE</u> | <u>(172,000)</u> | <u>NONE</u> | <u>5,000</u> | <u>5,000</u> | <u>NONE</u> | <u>(1,365)</u> |
| EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES | 199,906 | 6,277 | (1,238) | (990) | 24,795 | 43,331 | 41,124 | 4,281 | (3,801) | 1,055 | 314,740 |
| FUND BALANCES (Deficit) AT BEGINNING OF YEAR | <u>211,974</u> | <u>39,650</u> | <u>1,422</u> | <u>(1,867)</u> | <u>191,720</u> | <u>665,706</u> | <u>104,209</u> | <u>5,507</u> | <u>3,801</u> | <u>NONE</u> | <u>1,222,122</u> |
| FUND BALANCES (Deficit) AT END OF YEAR | <u>\$411,880</u> | <u>\$45,927</u> | <u>\$184</u> | <u>(\$2,857)</u> | <u>\$216,515</u> | <u>\$709,037</u> | <u>\$145,333</u> | <u>\$9,788</u> | <u>NONE</u> | <u>\$1,055</u> | <u>\$1,536,862</u> |

EAST CARROLL PARISH POLICE JURY
Lake Providence, Louisiana
PUBLIC WORKS FUNDS

Combining Balance Sheet, December 31, 1995

| | <u>ROAD MAINTENANCE</u> | <u>DRAINAGE MAINTENANCE</u> | <u>SOLID WASTE</u> | <u>TOTAL</u> |
|--|-----------------------------|---------------------------------|-------------------------|-------------------------|
| ASSETS | | | | |
| Cash and cash equivalents | \$20,551 | \$13,848 | \$115,262 | \$149,661 |
| Receivables | <u>116,483</u> | <u>105,734</u> | <u>141,377</u> | <u>363,594</u> |
| TOTAL ASSETS | <u><u>\$137,034</u></u> | <u><u>\$119,582</u></u> | <u><u>\$256,639</u></u> | <u><u>\$513,255</u></u> |
| LIABILITIES AND FUND EQUITY | | | | |
| Liabilities - accounts payable | \$15,238 | \$4,236 | \$14,953 | \$34,427 |
| Fund Equity - fund balances - unreserved - undesignated | <u>121,796</u> | <u>115,346</u> | <u>241,686</u> | <u>478,828</u> |
| TOTAL LIABILITIES AND FUND EQUITY | <u><u>\$137,034</u></u> | <u><u>\$119,582</u></u> | <u><u>\$256,639</u></u> | <u><u>\$513,255</u></u> |

EAST CARROLL PARISH POLICE JURY
Lake Providence, Louisiana
PUBLIC WORKS FUNDS

Combining Schedule of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended December 31, 1995

| | <u>ROAD MAINTENANCE</u> | <u>DRAINAGE MAINTENANCE</u> | <u>SOLID WASTE</u> | <u>TOTAL</u> |
|--|-----------------------------|---------------------------------|------------------------|------------------|
| REVENUES | | | | |
| Taxes: | | | | |
| Ad valorem | \$127,630 | \$127,630 | \$171,485 | \$426,745 |
| Sales and use | 442,634 | | | 442,634 |
| Intergovernmental revenues - | | | | |
| State funds: | | | | |
| Parish transportation funds | 136,332 | | | 136,332 |
| Other state funds | 15,000 | | | 15,000 |
| Use of money and property | 3,703 | 1,289 | 5,766 | 10,758 |
| Other revenues | 295 | | | 295 |
| Total revenues | <u>725,594</u> | <u>128,919</u> | <u>177,251</u> | <u>1,031,764</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public works | 595,576 | 189,947 | 137,305 | 922,828 |
| Debt service | 53,656 | | | 53,656 |
| Capital outlay | 107,235 | | | 107,235 |
| Total expenditures | <u>756,467</u> | <u>189,947</u> | <u>137,305</u> | <u>1,083,719</u> |
| EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES | | | | |
| | <u>(30,873)</u> | <u>(61,028)</u> | <u>39,946</u> | <u>(51,955)</u> |
| OTHER FINANCING SOURCES (Uses) | | | | |
| Sale of fixed assets | 11,668 | | | 11,668 |
| Increase in capital leases | 107,235 | | | 107,235 |
| Operating transfer in | | 75,000 | | 75,000 |
| Operating transfer out | (75,000) | | | (75,000) |
| Total other financing sources (uses) | <u>43,903</u> | <u>75,000</u> | <u>NONE</u> | <u>118,903</u> |
| EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES | | | | |
| | 13,030 | 13,972 | 39,946 | 66,948 |
| FUND BALANCES AT BEGINNING OF YEAR | | | | |
| | <u>108,766</u> | <u>101,374</u> | <u>201,740</u> | <u>411,880</u> |
| FUND BALANCES AT END OF YEAR | | | | |
| | <u>\$121,796</u> | <u>\$115,346</u> | <u>\$241,686</u> | <u>\$478,828</u> |

EAST CARROLL PARISH POLICE JURY
Lake Providence, Louisiana
PUBLIC WORKS FUNDS

Combining Schedule of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended December 31, 1994

| | <u>ROAD MAINTENANCE</u> | <u>DRAINAGE MAINTENANCE</u> | <u>SOLID WASTE</u> | <u>TOTAL</u> |
|--|-----------------------------|---------------------------------|------------------------|------------------|
| REVENUES | | | | |
| Taxes: | | | | |
| Ad valorem | \$116,445 | \$116,445 | \$155,566 | \$388,456 |
| Sales and use | 413,970 | | | 413,970 |
| Intergovernmental revenues - | | | | |
| State funds - Parish transportation funds | 289,250 | | | 289,250 |
| Use of money and property | <u>2,519</u> | <u>592</u> | <u>2,371</u> | <u>5,482</u> |
| Total revenues | <u>822,184</u> | <u>117,037</u> | <u>157,937</u> | <u>1,097,158</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public works | 572,505 | 139,957 | 132,958 | 845,420 |
| Debt service | 43,339 | | | 43,339 |
| Capital outlay | <u>168,228</u> | | | <u>168,228</u> |
| Total expenditures | <u>784,072</u> | <u>139,957</u> | <u>132,958</u> | <u>1,056,987</u> |
| EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES | <u>38,112</u> | <u>(22,920)</u> | <u>24,979</u> | <u>40,171</u> |
| OTHER FINANCING SOURCES (Uses) | | | | |
| Sale of fixed assets | 1,350 | | | 1,350 |
| Increase in capital leases | 158,385 | | | 158,385 |
| Operating transfer in | | 37,000 | | 37,000 |
| Operating transfer out | <u>(37,000)</u> | | | <u>(37,000)</u> |
| Total other financing sources (uses) | <u>122,735</u> | <u>37,000</u> | <u>NONE</u> | <u>159,735</u> |
| EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES | 160,847 | 14,080 | 24,979 | 199,906 |
| FUND BALANCES (Deficit) AT BEGINNING OF YEAR | <u>(52,081)</u> | <u>87,294</u> | <u>176,761</u> | <u>211,974</u> |
| FUND BALANCES AT END OF YEAR | <u>\$108,766</u> | <u>\$101,374</u> | <u>\$201,740</u> | <u>\$411,880</u> |

EAST CARROLL PARISH POLICE JURY
Lake Providence , Louisiana
SUPPLEMENTAL INFORMATION SCHEDULES
For the Year Ended December 31, 1995

COMPENSATION PAID POLICE JURORS

The schedule of compensation paid to police jurors is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Compensation of the police jurors is included in the legislative expenditures of the General Fund. 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.

EAST CARROLL PARISH POLICE JURY
Lake Providence, LouisianaSchedule of Compensation Paid Police Jurors
For the Year Two Years Ended December 31, 1995

| | <u>1995</u> | <u>1994</u> |
|-------------------------|-----------------|-----------------|
| Earl K. Fortenberry | \$7,200 | \$7,200 |
| George Hopkins | 7,200 | 7,200 |
| Hosie Layton | 7,200 | 7,200 |
| Verida M. Loyd | 7,200 | 7,200 |
| Bobby Moore | 7,200 | 7,200 |
| Brown Nelson, President | 8,400 | 8,400 |
| W. L. Payne | 7,200 | 7,200 |
| Billy Travis | 7,200 | 7,200 |
| A. L. Thomas | <u>7,200</u> | <u>7,200</u> |
| Total | <u>\$66,000</u> | <u>\$66,000</u> |

**Independent Auditor's Reports on Federal
Financial Assistance, Compliance With Laws,
Regulations, Contracts and Grants,
and Internal Control Structure**

The following independent auditor's reports on the schedule of federal financial assistance, compliance with laws, regulations, contracts and grants and on the internal control structure are presented in compliance with the requirements of *Government Auditing Standards*, issued by the Comptroller General of the United States; Office of Management and Budget Circular A-128, *Audits of State and Local Governments*; the *Single Audit Act of 1984*; and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.

LOUIS L. ANDRIES
CERTIFIED PUBLIC ACCOUNTANT

126 COMANCHE TRAIL
WEST MONROE, LA 71291

(318) 396-3636

**Independent Auditor's Report on Supplementary
Schedule of Federal Financial Assistance**

EAST CARROLL PARISH POLICE JURY
Lake Providence, Louisiana

I have audited the primary government financial statements of East Carroll Parish Police Jury, primary government, as of December 31, 1995, and for each of the years in the two year period then ended, and have issued my report thereon dated December 9, 1996. These primary government financial statements are the responsibility of the East Carroll Parish Police Jury's management. My responsibility is to express an opinion on these primary government financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards; *Government Auditing Standards*, issued by the Comptroller General of the United States; and the provisions of Office of Management and Budget Circular A-128, *Audits of State and Local Governments*. Those standards and OMB Circular A-128 require that I plan and perform the audit to obtain reasonable assurance about whether the primary government financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the primary government financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

My audit was made for the purpose of forming an opinion on the primary government financial statements of East Carroll Parish Police Jury, taken as a whole. The accompanying Schedule of Federal Financial Assistance is presented for purposes of additional analysis and is not a required part of the primary government financial statements. The information in that schedule has been subjected to the auditing procedures applied in the audit of the primary government financial statements and, in my opinion, is fairly presented in all material respects in relation to the primary government financial statements taken as a whole.



West Monroe, Louisiana
December 9, 1996

PRACTICE LIMITED TO GOVERNMENTAL AUDITING AND ACCOUNTING

EAST CARROLL PARISH POLICE JURY
 Lake Providence, Louisiana
 Schedule of Federal Financial Assistance
 For the Two Years Ended December 31, 1995

| FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM NAME | CFDA NUMBER | PASS-THROUGH GRANTOR'S NUMBER | (DEFERRED) ACCRUED REVENUE AT DECEMBER 31, 1993 | REVENUE RECOGNIZED | ISSUES/ EXPENDITURES | REVENUE RECOGNIZED | ISSUES/ EXPENDITURES | (DEFERRED) ACCRUED REVENUE AT DECEMBER 31, 1995 |
|--|----------------|-------------------------------------|---|-----------------------|-------------------------|-----------------------|-------------------------|---|
| | | |1994..... |1995..... | | | | |
| UNITED STATES DEPARTMENT OF AGRICULTURE | | | | | | | | |
| Passed through Louisiana Department of Social Services: | | | | | | | | |
| Food Stamp Program | 10.551 * | 22-035-01 | (\$935,252) | \$3,435,000 | \$3,440,484 | \$3,473,000 | \$3,474,451 | (\$928,317) # |
| State Administrative Matching Grants for Food Stamp Program | 10.561 | 22-035-01 | 737 | 10,179 | 10,179 | 10,141 | 10,141 | 822 |
| Passed through Louisiana Department of Agriculture and Forestry: | | | | | | | | |
| Food Distribution | 10.550 | N/A | | 4,163 | 4,163 | 1,794 | 1,794 | |
| Total United States Department of Agriculture | | | (934,515) | 3,449,342 | 3,454,826 | 3,484,935 | 3,486,386 | (927,495) |
| UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT | | | | | | | | |
| Direct programs - Lower Income Housing Assistance Program | | | | | | | | |
| Passed through Louisiana Division of Administration | 14.156 * | N/A | | 459,513 | 458,458 | 499,287 | 461,147 | 20,808 |
| Community Development Block Grant | 14.228 * | | | 54,021 | 54,021 | 361,909 | 361,909 | |
| Total United States Department of Housing and Urban Development | | | NONE | 513,534 | 512,479 | 861,196 | 823,056 | 20,808 |
| Total Federal Financial Assistance | | | (\$934,515) | \$3,962,876 | \$3,967,305 | \$4,346,131 | \$4,309,442 | (\$906,687) |

* Major federal financial assistance program
 # Food stamp coupons on hand

LOUIS L. ANDRIES
CERTIFIED PUBLIC ACCOUNTANT

126 COMANCHE TRAIL
WEST MONROE, LA 71291

(318) 396-3636

**Independent Auditor's Report on Compliance
With Laws, Regulations, Contracts, and Grants**

EAST CARROLL PARISH POLICE JURY
Lake Providence, Louisiana

I have audited the primary government financial statements of the East Carroll Parish Police Jury, primary government, as of December 31, 1995, and for each of the years in the two year period then ended, and have issued my report thereon dated December 9, 1996.

I conducted my audit in accordance with generally accepted auditing standards; *Government Auditing Standards*, issued by the Comptroller General of the United States; the provisions of Office of Management and Budget Circular A-128; and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor. Those standards, OMB Circular A-128, and the audit guide require that I plan and perform the audit to obtain reasonable assurance about whether the primary government financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to the East Carroll Parish Police Jury, primary government, is the responsibility of the police jury's management. As part of obtaining reasonable assurance about whether the primary government financial statements are free of material misstatement, I performed tests of the East Carroll Parish Police Jury, primary government's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of my audit of the primary government financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, I do not express such an opinion.

Material instances of noncompliance are failures to follow requirements or violations of prohibitions, contained in laws, regulations, contracts, or grants that cause me to conclude that the aggregation of those failures or violations is material to the primary government financial statements. The results of my tests of compliance disclosed the following material instances of noncompliance:

PRACTICE LIMITED TO GOVERNMENTAL AUDITING AND ACCOUNTING

EAST CARROLL PARISH POLICE JURY

Lake Providence, Louisiana
Independent Auditor's Report
on Compliance, etc.,
December 31, 1995

**Need to Furnish Sworn
Financial Statements**

Finding: Louisiana Revised Statute (LRS) 24:514(E) requires the police jury to furnish to the Legislative Auditor sworn financial statements within ninety days of the close of the accounting year. Because of an ongoing investigative audit conducted by the Louisiana Legislative Auditor and the subsequent termination of the secretary/treasurer, the required financial statements for the year ended December 31, 1994, were not submitted to the Louisiana Legislative Auditor.

Recommendation: In the future, the police jury should ensure that the required financial statements are submitted to the Louisiana Legislative Auditor, as required by state law.

Management's Response: The secretary/treasurer stated that for any year that an audit is not performed, the annual financial statements will be submitted within ninety days of the close of the accounting year.

**Need to Complete Audit
Within Time Prescribed**

Finding: Louisiana Revised Statute (LRS) 24:513 (A)(5)(a) requires the police jury's audit to be completed within six months of the close of the police jury's fiscal year. Because of the termination of the secretary/treasurer, as noted above, and the additional responsibilities placed on the remaining office personnel, and their inexperience with many of these responsibilities, the police jury was unable to close the books and provide the financial and accounting records to the auditor in time for the audit to be completed within the prescribed time period.

Recommendation: In the future, the police jury should ensure that the jury's accounts and records are available for audit in sufficient time as to ensure that its audit is completed within the time prescribed by state law.

EAST CARROLL PARISH POLICE JURY
Lake Providence, Louisiana
Independent Auditor's Report
on Compliance, etc.,
December 31, 1995

Management's Response: The secretary/treasurer stated that the police jury will ensure that the jury's accounts and records are available for audit in sufficient time to ensure that the audit is completed within the time prescribed by state law.

Need to Solicit Bids

Finding: Louisiana Revised Statutes (LRS) 38:2211-2296 requires that the police jury advertise and let for bids all purchases of materials and supplies exceeding \$10,000. During the two years ended December 31, 1994, and 1995, the East Carroll Parish Police Jury purchased approximately \$17,000 and \$15,000, respectively, of tobacco products without advertising for bids. In addition, during the year ended December 31, 1995, although the police jury advertised for and received bids for motor fuels, the bids received were rejected and were not readvertised. Also in 1995, the police jury awarded bids for hot and cold mix asphalt and for crushed limestone without soliciting bids, thereby precluding other vendors that provide these materials from having an opportunity to bid on them.

Recommendation: In the future, the police jury should ensure that all expenditures of purchases of materials and supplies exceeding \$10,000 are advertised for bids and let to the lowest responsible bidder. In addition, no bids should be awarded for materials or supplies for which the police jury has not properly advertised for bids.

Management's Response: The secretary/treasurer stated that the police jury will advertise for bids all expenditures of purchases of materials and supplies expected to exceed \$10,000 and will award the contract to the lowest responsible bidder.

**Need to Comply with
Parish Transportation Act**

Finding: Louisiana Revised Statute (LRS) 48:755 requires that a 3-year capital improvement program be adopted. The program must be on a selective basis and must include overlay projects. For the two years ended December 31, 1995, the police jury performed overlay work on several parish roads without benefit of a capital improvement program.

EAST CARROLL PARISH POLICE JURY

Lake Providence, Louisiana
Independent Auditor's Report
on Compliance, etc.,
December 31, 1995

LRS 48:758(C) requires the police jury to certify that Parish Transportation Act funds have been expended in accordance with the standards established by law. For the year ended December 31, 1994, the police jury failed to submit a certification of compliance with the Parish Transportation Act.

Recommendation: The police jury should develop a 3-year capital improvement program on a selective basis. If any overlay work is anticipated, the program must include the overlay projects. Additionally, in the future, the police jury should certify annually that Parish Transportation Act funds have been expended in accordance with standards established by law.

Management's Response: The secretary/treasurer stated that the police jury was not aware of these requirements and in the future will develop a 3-year capital improvement program which will include any anticipated overlay projects. Additionally, for any year that an audit is not performed, the police jury will certify that Parish Transportation Act funds have been expended in accordance with standards established by law.

In addition to the above findings resulting from my audit of the police jury's primary government financial statements for the two years ended December 31, 1995, the Office of the Legislative Auditor conducted an investigative audit dated September 13, 1995. The following presents findings noted by the Legislative Auditor's Office, recommendations for corrective action, and action taken by the police jury as of December 9, 1996, with regard to those findings.

**Police Jury's Credit Card Used
To Purchase Personal Items**

Finding: During the period August 18, 1994, through February 6, 1995, Ms. Mary Edna Wilson, the secretary-treasurer of the East Carroll Police Jury, and her husband, Mr. Sedric L. "Ricky" Wilson, used a police jury credit card, without authorization, to charge personal goods and services totaling \$1,798. Ms. Wilson used parish funds to pay for these personal charges and did not reimburse the police jury until after we began our investigation.

EAST CARROLL PARISH POLICE JURY

Lake Providence, Louisiana
Independent Auditor's Report
on Compliance, etc.,
December 31, 1995

Legislative Auditor's Recommendation: We recommend that the police jury establish a written policy that prohibits personal use of police jury credit cards and ensures that all charges are properly reviewed before payment. In addition, we recommend that the District Attorney for the Sixth Judicial District of Louisiana review this information and take appropriate legal action.

Police Jury Action To Date: A written policy has been adopted concerning the use of police jury credit cards. Credit cards are used only for the payment of out of town hotel bills by persons on police jury business. Cards must be signed out and in and bills are reviewed before payment.

Funds Not Deposited by Assistant Secretary-Treasurer

Finding: The East Carroll Parish Police Jury received \$6,117 from the operations of the East Carroll Parish Prison's commissary store that was not deposited and cannot be accounted for. In each instance where a commissary deposit was short, Ms. Robin Hopkins, the police jury's assistant secretary-treasurer, either received the money, completed the deposit ticket, or both. In addition, Ms. Hopkins prepared a \$6,000 journal entry in the police jury's general ledger which made it appear that all of the money collected from the commissary store was deposited.

Legislative Auditor's Recommendation: We recommend that the police jury review its internal control structure for collections and implement procedures to ensure that (1) a proper recording of cash and other collections is maintained, (2) these assets are adequately safeguarded, (3) deposits are made in a timely manner, and (4) collections are reconciled to deposits on a periodic basis. In addition, we recommend that the District Attorney for the Sixth Judicial District of Louisiana review this information and take appropriate legal action, to include seeking restitution.

Police Jury Action To Date: It is the responsibility of the secretary-treasurer to receive and properly record all cash and other collections. Collections are to be secured in a lock box within the office vault until deposited, no later than the following business day after receipt. The police jury has adopted policies and procedures to provide proper control over all receipts.

EAST CARROLL PARISH POLICE JURY

Lake Providence, Louisiana
Independent Auditor's Report
on Compliance, etc.,
December 31, 1995

Christmas Tree Monies Not Deposited

Finding: Ms. Mary Edna Wilson, the secretary-treasurer of the East Carroll Parish Police Jury, collected but did not deposit at least \$1,207, between November 1989 and December 1994, that was intended for the police jury from the sale of Christmas trees. On March 9, 1995, nearly a month after we asked Ms. Wilson about the Christmas tree monies, an envelope containing cash was found in the police jury's vault which, according to Ms. Wilson, accounted for \$637 of the funds. The remaining \$570 is missing and cannot be accounted for. In addition, Ms. Wilson prepared a deposit ticket that caused police jury records to indicate that Christmas tree collections had been deposited when they had not.

Legislative Auditor's Recommendation: We recommend that the police jury implement controls to ensure that all collections are properly recorded in the police jury's records and deposited in timely manner. Also, we recommend that the police jury establish procedures to ensure that all future projects are properly accounted for, to include an accounting of sales and expenditures. Finally, we recommend that the police jury and the District Attorney for the Sixth Judicial District of Louisiana review this information and take appropriate legal action.

Police Jury Action To Date: As noted above policies and procedures have been implemented to ensure that all collections are properly accounted for and deposited in a timely manner.

**Cash Refund Not Deposited
Into Police Jury Accounts**

Finding: On September 20, 1994, Ms. Mary Edna Wilson, the secretary-treasurer of the East Carroll Parish Police Jury, received a \$190 cash refund when she returned a vacuum cleaner purchased by the police jury. This money was not deposited into police jury accounts. On September 30, 1994, Ms. Wilson used parish funds to purchase a second vacuum cleaner. Ms. Wilson kept this vacuum cleaner at her home for at least four months, until we questioned its whereabouts.

EAST CARROLL PARISH POLICE JURY

Lake Providence, Louisiana
Independent Auditor's Report
on Compliance, etc.,
December 31, 1995

Legislative Auditor's Recommendation: We recommend that the police jury establish procedures to ensure that refunds received are properly deposited into police jury accounts. In addition, we recommend that the police jury establish procedures to ensure that items purchased are used for their intended purposes. Finally, we recommend that the District Attorney for the Sixth Judicial District of Louisiana review this information and take appropriate legal action.

Police Jury Action to Date: Procedures have been implemented to ensure all collections are properly deposited in police jury accounts as indicated above.

Comments: The police jury's response to the Legislative Auditor's recommendation indicated that all employees would be notified that it will be cause for dismissal to use public property for private purposes or for any purpose not intended. During my audit, I noted no indication that employees had received such notification and was informed by the secretary-treasurer, that, to her knowledge, no notification had been issued.

**Secretary-Treasurer Held \$4,500
Deposit For Seven Months**

Finding: On June 2, 1993, Ms. Mary Edna Wilson, the secretary-treasurer of the East Carroll Parish Police Jury, collected \$4,500 when the police jury sold a house. This money was not deposited until seven months later.

Legislative Auditor's Recommendation: We recommend that the police jury review its internal control structure for collections and implement procedures requiring that all collections be deposited in a timely manner.

Police Jury Action to Date: Refer to the police jury action to date regarding funds not deposited by assistant secretary-treasurer.

EAST CARROLL PARISH POLICE JURY

Lake Providence, Louisiana
Independent Auditor's Report
on Compliance, etc.,
December 31, 1995

Expenditures Violate Louisiana Constitution

Finding: The East Carroll Parish Police Jury and the East Carroll Parish Prison Board may have violated the Louisiana Constitution by (1) paying a retainer fee and insurance premiums on behalf of a contractor, (2) compensating a former employee for services he may not have rendered, (3) paying excessive insurance premiums, and (4) providing free utilities to prison employees.

Legislative Auditor's Recommendation: We recommend that the police jury and prison board comply with the Louisiana Constitution by discontinuing its donations of public funds. We further recommend, that for special compensation, the police jury and prison board enter into written contracts that define the responsibilities of each party.

Police Jury Action to Date: A single written contract was entered into September 28, 1995, with the employees of the prison farm who were receiving utilities. The police jury has discontinued the payments to the former employee and has discontinued paying excessive insurance premiums for the prison guard and for the contractor. No written contract has been entered into with the contractor as indicated in the police jury's response to the Legislative Auditor, however, this practice has been discontinued and all work performed by the contractor is invoiced to the police jury and is paid for as billed.

It should be noted that all findings noted by the Legislative Auditor's Office were provided to the District Attorney for the Sixth Judicial District of Louisiana who in turn has referred the findings to the Louisiana Attorney General's Office for further investigation and possible legal action.

I considered these instances of noncompliance in forming my opinion on whether the East Carroll Parish Police Jury's 1995 financial statements are presented fairly, in all material respects, in conformity with generally accepted accounting principles, and this report does not affect my report dated December 9, 1996, on those primary government financial statements.

Except as described above, the results of my tests of compliance indicate that, with respect to the items tested, the East Carroll Parish Police Jury, primary government, complied, in all material respects, with the provisions referred to in the third paragraph of this report; and with respect to

EAST CARROLL PARISH POLICE JURY

Lake Providence, Louisiana
Independent Auditor's Report
on Compliance, etc.,
December 31, 1995

items not tested, nothing came to my attention that caused me to believe that the East Carroll Parish Police Jury, primary government, had not complied, in all material respects, with those provisions.

The audit report for the two years ended December 31, 1993, included findings related to the Parish Transportation Act and interfund transactions. Excepted as noted above, these findings have been resolved by management of the police jury.

This report is intended for the information of members of the East Carroll Parish Police Jury, management of the police jury, and interested state and federal agencies. This is not intended to limit the distribution of this report, which is a matter of public record.

James L. Anderson

West Monroe, Louisiana
December 9, 1996

LOUIS L. ANDRIES
CERTIFIED PUBLIC ACCOUNTANT

126 COMANCHE TRAIL
WEST MONROE, LA 71291

(318) 396-3636

**Independent Auditor's Report on Compliance With
Specific Requirements Applicable to Major
Federal Financial Assistance Programs**

EAST CARROLL PARISH POLICE JURY
Lake Providence, Louisiana

I have audited the primary government financial statements of the East Carroll Parish Police Jury as of December 31, 1995 and for each of the years in the two year period then ended, and have issued my report thereon dated December 9, 1996.

I have also audited the East Carroll Parish Police Jury's compliance with the requirements governing types of services allowed, reporting, eligibility, claims for advances and reimbursements, and the special requirements governing security over food stamps, contract rent and utility allowance limitations, initial and annual inspections, revenue restrictions, obligation of funds, and environmental reviews that are applicable to each of its major federal financial assistance programs, which are identified in the accompanying Schedule of Federal Financial Assistance, for the two years ended December 31, 1995. The management of the East Carroll Parish Police Jury is responsible for the police jury's compliance with those requirements. My responsibility is to express an opinion on compliance with those requirements based on my audit.

I conducted my audit of compliance with those requirements in accordance with generally accepted auditing standards; *Government Auditing Standards*, issued by the Comptroller General of the United States; and Office of Management and Budget Circular A-128, *Audits of State and Local Governments*. Those standards and OMB Circular A-128 require that I plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirement referred to above occurred. An audit includes examining, on a test basis, evidence about the East Carroll Parish Police Jury's compliance with those requirements. I believe that my audit provides a reasonable basis for my opinion.

The results of my audit procedures disclosed the following instances of noncompliance with the requirements referred to in the second paragraph of this report. I considered these instances of noncompliance in forming my opinion on compliance which is expressed in the following paragraph.

PRACTICE LIMITED TO GOVERNMENTAL AUDITING AND ACCOUNTING

EAST CARROLL PARISH POLICE JURY

Lake Providence, Louisiana
Independent Auditor's Report on
Compliance With Specific
Requirements, etc.,
December 31, 1995

Need to File Annual Reports on a Timely Basis

Finding: In accordance with the Department of Housing and Urban Development (HUD) regulations, the police jury is required to submit certain year end statements by the twentieth day of the month following the close of its fiscal year. For the fiscal years ended June 30, 1994, and 1995, the police jury failed to submit HUD Forms 52681 (Voucher for Payment of Annual Contributions and Operating Statement) and 52595 (Balance Sheet) by the twentieth day of the month following each of the fiscal year ends.

Recommendation: The police jury should establish and implement policies and procedures to ensure that all statements required by HUD regulations are filed on a timely basis.

Management's Response: The secretary/treasurer has informed me that the police jury has contracted with a public housing consultant to establish and implement policies and procedures to ensure that all statements required by HUD regulations are filed on a timely basis.

Need to Conduct Annual Inspections on Section 8 Housing Units

Finding: In accordance with the Department of Housing and Urban Development (HUD) regulations, the police jury is required to conduct annual inspections of units prior to executing the Housing Assistance Plan (HAP) contract to ensure that each unit meets housing quality standards. For the years ended December 31, 1994, and 1995, seven and nine, respectively, of the ten tenant files examined contained no evidence of an inspection of the unit.

Recommendation: The police jury should establish and implement policies and procedures to ensure that an annual inspection of each occupied unit is conducted.

Management's Response: The secretary/treasurer stated that the police jury will establish and implement policies and procedures to ensure that an annual inspection of each occupied unit is conducted.

EAST CARROLL PARISH POLICE JURY

Lake Providence, Louisiana
Independent Auditor's Report on
Compliance With Specific
Requirements, etc.,
December 31, 1995

In my opinion, except for those instances of noncompliance with the requirements applicable to its major federal financial assistance programs referred to in the fourth paragraph of this report, the East Carroll Parish Police Jury complied, in all material respects, with the requirement governing types of services allowed, reporting, eligibility, claims for advances and reimbursements, and the special requirements governing security over food stamps, contract rent and utility allowance limitations, initial and annual inspections, revenue restrictions, obligation of funds, and environmental reviews that are applicable to each of its major federal financial assistance programs for the two years ended December 31, 1995.

This report is intended for the information of the East Carroll Parish Police Jury, management of the police jury, and interested state and federal agencies. This is not intended to limit the distribution of this report, which is a matter of public record.

Louis A. Anderson

West Monroe, Louisiana
December 9, 1996

LOUIS L. ANDRIES
CERTIFIED PUBLIC ACCOUNTANT

126 COMANCHE TRAIL
WEST MONROE, LA 71291

(318) 396-3636

**Independent Auditor's Report on Compliance
With General Requirements Applicable to
Federal Financial Assistance Programs**

EAST CARROLL PARISH POLICE JURY
Lake Providence, Louisiana

I have audited the primary government financial statements of the East Carroll Parish Police Jury as of December 31, 1995 and for each of the years in the two year period then ended, and have issued my report thereon dated December 9, 1996.

I have applied procedures to test the East Carroll Parish Police Jury's compliance with the following requirements applicable to its federal financial assistance programs, which are identified in the accompanying Schedule of Federal Financial Assistance, for the two years ended December 31, 1995:

- Political activity
- Davis-Bacon Act
- Civil rights
- Cash management
- Real property acquisition and relocation assistance
- Federal financial reports
- Drug-Free Workplace
- Allowable costs/cost principles
- Administrative requirements

My procedures were limited to the applicable procedures described in the Office of Management and Budget's *Compliance Supplement for Single Audits of State and Local Governments*. My procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the East Carroll Parish Police Jury's compliance with the requirements listed in the preceding paragraph. Accordingly, I do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the second paragraph of this report. With respect to items not tested, nothing came to my attention that caused me to believe that the East Carroll Parish Police Jury, had not complied, in all material respects, with those requirements.

PRACTICE LIMITED TO GOVERNMENTAL AUDITING AND ACCOUNTING

EAST CARROLL PARISH POLICE JURY

Lake Providence, Louisiana
Independent Auditor's Report on
Compliance With General Requirements
Applicable to Federal Programs,
December 31, 1995

This report is intended for the information of the East Carroll Parish Police Jury, management of the police jury, and interested state and federal grantor agencies. This is not intended to limit the distribution of this report, which is a matter of public record.

Louis J. Andrieu

West Monroe, Louisiana
December 9, 1996

LOUIS L. ANDRIES
CERTIFIED PUBLIC ACCOUNTANT

126 COMANCHE TRAIL
WEST MONROE, LA 71291

(318) 396-3636

**Independent Auditor's Report on Compliance With
Specific Requirements Applicable to Nonmajor
Federal Financial Assistance Program Transactions**

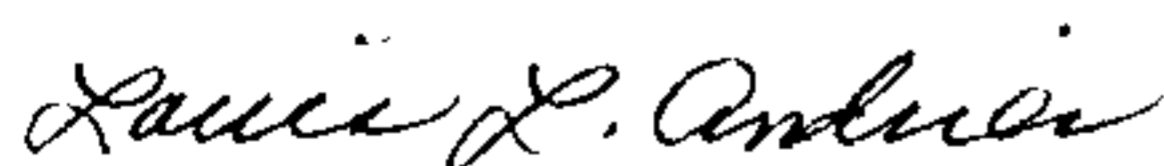
EAST CARROLL PARISH POLICE JURY
Lake Providence, Louisiana

I have audited the primary government financial statements of the East Carroll Parish Police Jury as of December 31, 1995 and for each of the years in the two year period then ended, and have issued my report thereon dated December 9, 1996.

In connection with my audit of the primary government financial statements of the East Carroll Parish Police Jury and with my consideration of the East Carroll Parish Police Jury's control structure used to administer federal financial assistance programs, as required by Office of Management and Budget Circular A-128, *Audits of State and Local Governments*, I selected certain transactions applicable to certain nonmajor federal financial assistance programs for the two years ended December 31, 1995. As required by OMB Circular A-128, I have performed auditing procedures to test compliance with the requirements governing types of services allowed, matching, and reporting that are applicable to those transactions. My procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the East Carroll Parish Police Jury's compliance with these requirements. Accordingly, I do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the preceding paragraph. With respect to items not tested, nothing came to my attention that caused me to believe that the East Carroll Parish Police Jury had not complied, in all material respects, with those requirements.

This report is intended for the information of the East Carroll Parish Police Jury, management of the police jury, and interested state and federal grantor agencies. This is not intended to limit the distribution of this report, which is a matter of public record.



West Monroe, Louisiana
December 9, 1996

PRACTICE LIMITED TO GOVERNMENTAL AUDITING AND ACCOUNTING

LOUIS L. ANDRIES
CERTIFIED PUBLIC ACCOUNTANT

126 COMANCHE TRAIL
WEST MONROE, LA 71291

(318) 396-3636

**Independent Auditor's Report
on the Internal Control Structure**

EAST CARROLL PARISH POLICE JURY
Lake Providence, Louisiana

I have audited the primary government financial statements of the East Carroll Parish Police Jury, primary government, as of December 31, 1995, and for each of the years in the two year period then ended, and have issued my report thereon dated December 9, 1996.

I conducted my audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the primary government financial statements are free of material misstatement.

The management of the East Carroll Parish Police Jury, primary government, is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of primary government financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing my audit of the primary government financial statements of the East Carroll Parish Police Jury, primary government, for the two years ended December 31, 1995, I obtained an understanding of the internal control structure. With respect to the internal control structure, I obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and I assessed control risk in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide an opinion on the internal control structure. Accordingly, I do not express such an opinion.

PRACTICE LIMITED TO GOVERNMENTAL AUDITING AND ACCOUNTING

EAST CARROLL PARISH POLICE JURY

Lake Providence, Louisiana
Independent Auditor's Report
on Internal Control Structure,
December 31, 1995

I noted the following matters involving the internal control structure and its operation that I consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control structure that, in my judgment, could adversely affect the police jury's ability to record, process, summarize, and report financial data consistent with the assertions of management in the primary government financial statements.

Need to Improve Organization of Files and Operation of Administrative Offices

Finding: During the course of my audit, I noted that the police jury did not employ a systematic and orderly system of filing and preserving vital records and documents of the jury. Some files contained information dating back more than twenty years, while much of the current information was stored in boxes in various locations within the offices and other police jury properties. The condition of the records made it very difficult for the office staff to locate documentation needed for the audit.

In connection with the above condition of the police jury's records, the police jury was unable to provide me with payroll registers and related payroll documentation for the two years ended December 30, 1995. As a result, I was unable to perform tests of payroll expenditures I considered necessary for the proper conduct of the audit.

Recommendation: The police jury should purge records not required to be retained by federal or state law and should organize its filing system in a logical and orderly fashion.

Management's Response: The secretary/treasurer stated that due to a leak in the jail, the first and second floor of the courthouse was flooded necessitating the jury to remove records and place them in temporary storage. She further stated that the police jury will purge records not required to be retained by federal or state law and has begun to organize its filing system in a logical and orderly fashion.

EAST CARROLL PARISH POLICE JURY

Lake Providence, Louisiana
Independent Auditor's Report
on Internal Control Structure,
December 31, 1995

**Need to Reconcile Federal
Wage Reports**

Finding: Totals on the W-2's for the two years ended December 1994, and 1995, did not agree to the aggregate of the Form 941's, Employer's Quarterly Federal Tax Return, or to the W-3's.

Recommendation: The police jury should ensure that all information submitted on the various federal reporting forms is accurate and should maintain these records in such a fashion as to be easily accessible. The police jury should also investigate the differences in the reported information and file corrected forms as may be needed.

Management's Response: The secretary/treasurer informed me that the police jury will be installing a computerized payroll system that will ensure that all information submitted on the various federal reporting forms is accurate and that the police jury will maintain these records in such a fashion as to be easily accessible. Additionally, the police jury will investigate the differences in the reported information and file corrected forms, if necessary.

Need to Reconcile All Bank Accounts

Finding: The bank reconciliation of the payroll bank account for the year ended December 31, 1995, was not readily available because of the condition of the files as mentioned above. The secretary/treasurer was later able to reconcile the bank account.

Recommendation: The police jury should reconcile all bank accounts on a monthly basis and maintain the reconciliations and bank statements in an orderly manner.

Management's Response: The secretary/treasurer stated that all accounts were reconciled at year end but because of the flooding problems mentioned above she was unable to locate the reconciliation but was able to reproduce the reconciliation.

EAST CARROLL PARISH POLICE JURY

Lake Providence, Louisiana
Independent Auditor's Report
on Internal Control Structure,
December 31, 1995

In addition to the above findings resulting from my audit of the police jury's primary government financial statements for the two years ended December 31, 1995, the Office of the Legislative Auditor conducted an investigative audit dated September 13, 1995. The following presents findings noted by the Legislative Auditor's Office; recommendations for corrective action and action taken by the police jury as of December 9, 1996, with regard to those findings.

WEAKNESSES EXIST IN PURCHASING CONTROLS

Finding: The East Carroll Parish Prison Board has not established adequate controls over its purchasing function. As a result, we were unable to determine whether all items purchased by the prison were used for their intended purposes.

Legislative Auditor's Recommendation: We recommend that the prison board establish and implement proper controls over its purchasing function to ensure that items purchased are used for their intended purposes.

Police Jury Action to Date: The prison board has instituted control procedures to ensure that all purchases are used for their intended purposes. The prison board has discontinued the practice of having a board member purchase food, clothing, and other items for use at the prison. All purchases are now delivered to the prison and the items received are compared to the invoices. Clothing for inmates is now purchased from an inmate enterprise at Angola State Penitentiary.

PRISON FUNDS USED TO PAINT POLICE JURY PRESIDENT'S PERSONAL TRACTOR

Finding: The East Carroll Parish Prison Board used prison funds to purchase paint and supplies to paint the personal tractor of Mr. Brown Nelson, the police jury's president. Mr. Nelson did not reimburse the prison for the painting supplies until the day after we spoke to him about the purchase-five months after the purchase was made.

Legislative Auditor's Recommendation: We recommend that the prison board establish and implement controls to ensure that prison funds are not used for personal purposes.

EAST CARROLL PARISH POLICE JURY

Lake Providence, Louisiana
Independent Auditor's Report
on Internal Control Structure,
December 31, 1995

Police Jury Action to Date: The prison board has implemented control procedures whereby all invoices received are reviewed by prison board members before payment.

A material weakness is a reportable condition in which the design or operation of one or more of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the primary government financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

My consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered material weaknesses as defined above. However, I believe the reportable conditions described above to be material weaknesses.

I also noted other matters involving the internal control structure and its operation that I have reported to the management of the East Carroll Parish Police Jury in a separate letter dated December 9, 1996.

This report is intended for the information of members of the East Carroll Parish Police Jury, management of the police jury, and interested state and federal agencies. This is not intended to limit the distribution of this report, which is a matter of public record.

James J. Anderson

West Monroe, Louisiana
December 9, 1996

LOUIS L. ANDRIES
CERTIFIED PUBLIC ACCOUNTANT

126 COMANCHE TRAIL
WEST MONROE, LA 71291

(318) 396-3636

**Independent Auditor's Report on Internal Control
Structure Used in Administering Federal
Financial Assistance Programs**

EAST CARROLL PARISH POLICE JURY
Lake Providence, Louisiana

I have audited the primary government financial statements of the East Carroll Parish Police Jury as of December 31, 1995, and for each of the years in the two year period then ended, and have issued my report thereon dated December 9, 1996. I have also audited the compliance of the East Carroll Parish Police Jury with requirements applicable to major federal financial assistance programs and have issued my report thereon dated December 9, 1996.

I conducted my audit in accordance with generally accepted auditing standards; *Government Auditing Standards*, issued by the Comptroller General of the United States; and Office of Management and Budget Circular A-128, *Audits of State and Local Governments*. Those standards and OMB Circular A-128 require that I plan and perform the audit to obtain reasonable assurance about whether the primary government financial statements are free of material misstatement and about whether the East Carroll Parish Police Jury complied with laws and regulations, noncompliance with which would be material to a major federal financial assistance program.

In planning and performing my audit for the two years ended December 31, 1995, I considered the internal control structure of the East Carroll Parish Police Jury in order to determine my auditing procedures for the purpose of expressing my opinion on the primary government financial statements of the East Carroll Parish Police Jury and on the compliance of the East Carroll Parish Police Jury with requirements applicable to major programs, and to report on the internal control structure in accordance with OMB Circular A-128. This report addresses my consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal financial assistance programs. I have addressed internal control structure policies and procedures relevant to my audit of primary government financial statements in a separate report dated December 9, 1996.

PRACTICE LIMITED TO GOVERNMENTAL AUDITING AND ACCOUNTING

EAST CARROLL PARISH POLICE JURY
Lake Providence, Louisiana
Independent Auditor's Report on Internal
Control Structure Used in Administering
Federal Financial Assistance Programs,
December 31, 1995

The management of the East Carroll Parish Police Jury is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles, and that federal financial assistance programs are managed in compliance with applicable laws and regulations. Because of inherent limitations in any internal control structure, errors, irregularities, or instances of noncompliance may nevertheless occur and not be detected. Also projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, I have classified the significant internal control structure policies and procedures used in administering federal financial assistance programs in the following categories:

Accounting applications:

- Revenues/receipts
- Expenditures/disbursements
- Payroll/personnel
- Budgeting/budgetary reporting
- Electronic data processing

General Requirements:

- Political activity
- Davis-Bacon Act
- Civil rights
- Cash management
- Real property acquisition and relocation assistance
- Federal financial reports
- Drug-Free Workplace
- Allowable costs/cost principles
- Administrative requirements

EAST CARROLL PARISH POLICE JURY

Lake Providence, Louisiana

Independent Auditor's Report on Internal
Control Structure Used in Administering
Federal Financial Assistance Programs,
December 31, 1995

Specific Requirements:

Types of services allowed

Eligibility

Reporting

Security over food stamps

Special requirements

Claims for advances and reimbursements

Amounts claimed or used for matching

For all of the internal control structure categories listed above, I obtained an understanding of the design of relevant policies and procedures and determined whether they have been placed in operation, and I assessed control risk.

During the years ended December 31, 1995 and 1994, the East Carroll Parish Police Jury expended 98 per cent and 99 per cent, respectively, of its total federal financial assistance under its major federal financial assistance programs.

I performed tests of controls, as required by OMB Circular A-128, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that I considered relevant to preventing or detecting material noncompliance with specific requirements and general requirements that are applicable to the police jury's major federal financial assistance programs, which are identified in the accompanying Schedule of Federal Financial Assistance. My procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, I do not express such an opinion.

My consideration of the internal control structure policies and procedures used in administering federal financial assistance would not necessarily disclose all matters in the internal control structure that might constitute material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that noncompliance with laws and regulations that would be

EAST CARROLL PARISH POLICE JURY
Lake Providence, Louisiana
Independent Auditor's Report on Internal
Control Structure Used in Administering
Federal Financial Assistance Programs,
December 31, 1995

material to a federal financial assistance program may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control structure and its operations that I consider to be material weaknesses as defined above.

This report is intended for the information of the East Carroll Parish Police Jury, management of the police jury, and interested state and federal agencies. This is not intended to limit the distribution of this report, which is a matter of public record.

Louis L. Andrieu

West Monroe, Louisiana
December 9, 1996

LOUIS L. ANDRIES
CERTIFIED PUBLIC ACCOUNTANT

RECEIVED
23 DEC 10 11:10:10

126 COMANCHE TRAIL
WEST MONROE, LA 71291

(318) 396-3636

December 9, 1996

MANAGEMENT LETTER

EAST CARROLL PARISH POLICE JURY
Lake Providence, Louisiana

In planning and performing my audit of the East Carroll Parish Police Jury's financial statements for the two years ended December 31, 1995, certain matters came to my attention which I believe should be conveyed to management of the police jury. These matters, while not appropriate for inclusion in the various auditor's reports accompanying the financial statements, are items which I believe should be brought to your attention.

INTERFUND TRANSACTIONS

I noted that the police jury records loans among funds in a single interfund loans account. This practice results in net amounts in the interfund accounts which do not reflect the true balances owed to or due from other funds. In addition, the interfund accounts of the various funds do not balance at the end of the year. The police jury should establish appropriately titled interfund accounts in its general ledger to record allowable loans and transfers. The jury should also reconcile the interfund accounts monthly to detect any posting errors and to ensure that no dedicated funds are being expended for purposes other than those authorized by the tax propositions.

SIGNING BLANK CHECKS

During the course of the audit, I determined that blank checks were signed for the purchase of food and other items for the prison district. No checks should be signed which are not properly completed to include the amount of the check. Proper documentation should also be obtained before checks are issued.

PRACTICE LIMITED TO GOVERNMENTAL AUDITING AND ACCOUNTING

MEMBER AMERICAN
INSTITUTE OF CERTIFIED
PUBLIC ACCOUNTANTS

SOCIETY OF LOUISIANA
CERTIFIED PUBLIC
ACCOUNTANTS

East Carroll Parish Police Jury
Management Letter
Page Two
December 31, 1995

PURCHASES OF LUNCHES

For the two years ended December 31, 1995, the police jury spent approximately \$17,000 at a local supermarket for lunches for trustees working at the courthouse and other locations within the parish. I believe that considerable savings could be realized by delivering lunches prepared at the prison to the trustees. In addition, it appears that this practice could violate the public bid law.

EXPENDITURES

During my test of expenditures, I noted that documentation could not be located for 6 of 154 disbursements tested. I also noted that the documentation for 12 of the disbursements examined were not signed by the person receiving the goods or services. All disbursements should be supported by an original invoice or other documentation signed by the person receiving the goods or services.

GENERAL

I am available to assist the police jury with any problems or questions they may have concerning the above or any other matters.

Respectfully,



Louis L. Andries