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EAST CARROLL PARISH POLICE JURY
Lake Providence, Louisiana

Primary Government Financial Statements
With Independent Auditor's Report
As of and for the Year Ended
December 31, 1994
With Supplemental Information Schedules

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the auditor, as required, and is available for review by public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

SEP 03 1995

Release Date _____

EAST CARROLL PARISH POLICE JURY
Lake Providence, Louisiana

Primary Government Financial Statements
With Independent Auditor's Report
As of and for the Year Ended December 31, 1996
With Supplemental Information Schedules

C O N T E N T S

	Statement	Page No.
Independent Auditor's Report		4
Primary Government Financial Statements		
Combined Balance Sheet, December 31, 1996 - All Fund Types and Account Groups	A	7
Governmental Fund Type:		
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances	B	8
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)	C	10
Notes to the Financial Statements		12
Supplemental Information Schedules:		
Special Revenue Funds:		
Combining Balance Sheet, December 31, 1996	1	35
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances	2	34

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

	Schedule	Page No.
Supplemental Information Schedules (Cont'd.)		
Public Works Funds		
Combining Balance Sheet, December 31, 1996	3	35
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances	4	36
Schedule of Compensation Paid Police Juries	5	38
Independent Auditor's Reports Required by Government Auditing Standards, OMB Circular A-028, Audit of State and Local Governments, and the Single Audit Act of 1994:		
Report on Supplementary Schedule of Federal Financial Assistance		40
Schedule of Federal Financial Assistance	6	41
Report on Compliance With Laws, Regulations, Contracts, and Grants		42
Report on Compliance With Specific Requirements Applicable to Major Federal Financial Assistance Programs		45
Report on Compliance With General Requirements Applicable to Federal Financial Assistance Programs		50

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

	Page No.
Report on Compliance With Specific Requirements Applicable to Nonmajor Federal Financial Assistance Program Transactions	52
Report on Internal Control Structure	53
Report on Internal Control Structure Used in Administering Federal Financial Assistance Programs	56

LOUIS L. ANDRIES
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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, 1996, and for the year 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, *Audit of State and Local Governments*. These 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, 1996, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles.

EAST CARROLL PARISH POLICE JURY

Lake Providence, Louisiana
Independent Auditor's Report,
December 31, 1986

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, 1986, and results of its operations for the year 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 August 26, 1987, 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.

Harold L. Boyles

West Monroe, Louisiana
August 26, 1987

**PRIMARY GOVERNMENT FINANCIAL STATEMENTS
(OVERVIEW)**

EAST CARROLL PARISH PROJECT, FIDUCIARY
 Lake Parralouca, Louisiana
 ALL FUND TYPES AND ACCOUNT GROUPS

Combined Balance Sheet, December 31, 1995

	-- OPERATIONAL FUND TYPE --		-- ACCOUNT GROUPS --		TOTAL (OPERATIONAL ONLY)
	NON-FIDUCIARY	FIDUCIARY	GENERAL FUND	CONTRACTS (OPERATIONAL ONLY)	
ASSETS AND OTHER DEBITS					
Cash and cash equivalents	50,579	500,402	551,248		551,247
Receivables	18,844	88,188	97,032		97,031
Due from other funds					20,080
Land, buildings, and equipment	11,803	1,547	13,350		4,831,739
Amounts receivable in other account fund			94,820,110		18,428
Amounts to be provided for maintenance of general long-term obligations					52,425
TOTAL ASSETS AND OTHER DEBITS	80,226	1,089,137	596,230	94,820,110	94,850,061
LIABILITIES AND FUND EQUITY					
Liabilities					
Cash receivables		8,152			8,151
Accounts payable	50,477	96,058	14,694		111,629
Payable to various payables		182			182
Due to other funds	1,297	2,043			20,080
Trade payables					20,080
Capital assets payable					21,011
Total Liabilities	52,171	106,335	14,694		161,174
Fund Equity					
Increment in general fund assets			94,820,110		4,861,739
Fund balances:					
Reserved for debt service			884,508		884,508
Unassigned - undesignated	115,278	1,038,160			1,153,438
Total Fund Equity	115,278	1,038,160	884,508	4,861,110	6,021,086
TOTAL LIABILITIES AND FUND EQUITY	167,449	1,244,545	596,230	94,820,110	95,000,064

The accompanying notes are an integral part of this statement.

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

**Combined Statement of Revenues, Expenditures,
and Changes in Fund Balance**
 For the Year Ended December 31, 1998

	GENERAL FUND	SPECIAL REVENUE FUND	POLICE JURY PROTECTION FUND SERVICE FUND	TOTAL ADMINISTRATIVE FUND
REVENUES				
Taxes:				
Ad valorem	\$148,355	\$782,248	\$27,233	\$957,836
Sales and use	45,538	464,838		510,376
Licenses and permits	24,267			24,267
Inter-governmental revenues:				
Federal funds - federal grants	18,165	497,043		515,208
State funds:				
Florida transportation funds		369,488		369,488
State revenue sharing (net)	58,422	15,291		73,713
Revenue taxes	10,085			10,085
Other	32,628	9,468		42,096
Fees, charges, and commissions for services	178,388	1,254		179,642
Fees and royalties		108,343		108,343
Use of money and property	38,524	27,119	1,584	67,227
Intergovernmental	362,388			362,388
Other revenues	1,161	31,000		32,161
Total revenues	<u>661,831</u>	<u>2,022,158</u>	<u>68,137</u>	<u>2,752,126</u>
EXPENDITURES				
Current:				
Capital procurement:				
Legislative	75,288			75,288
Judicial	77,071	78,288		155,359
Executive	39,468			39,468
Planning and administrative	135,124		1,624	136,748
Other general government	132,622			132,622
Public safety	38,645	41,383		80,028
Public works		623,587		623,587
Health and welfare	35,159	613,678		648,837
Culture and recreation	2,540	178,684		181,224
Economic development and assistance	18,773			18,773
Transportation		6,724		6,724
Debt service	8,194	63,731	68,446	139,371
Capital outlay	18,474	80,837		99,311
Total expenditures	<u>587,181</u>	<u>2,585,822</u>	<u>68,533</u>	<u>3,241,536</u>

(Continued)

HATT CARRIAGE, FALLEN POINT, LOUISIANA
 Lake Providence, Louisiana
 GOVERNMENTAL FUND TYPE
 Combined Statement of Revenues, Expenditures,
 and Changes in Fund Balances, etc., 1995

	GENERAL FUNDS	SPECIAL REVENUES	GRAND TOTAL REVENUES FROM SERVICES	TOTAL REVENUES FROM SERVICES
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>129,778</u>	<u>99,571</u>	<u>229,349</u>	<u>349,119</u>
OTHER FINANCING SOURCES (Used)				
Sale of fixed assets		799		799
Increase in capital assets		21,268		21,268
Operating transfers in	11,613	21,386		32,999
Operating transfers out	<u>(5,828)</u>	<u>(27,812)</u>		<u>(33,640)</u>
Total other financing sources (used)	<u>5,785</u>	<u>14,731</u>	<u>21,386</u>	<u>40,902</u>
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	<u>135,563</u>	<u>114,302</u>	<u>250,735</u>	<u>390,021</u>
FUND BALANCES AT BEGINNING OF YEAR	<u>184,083</u>	<u>1,012,868</u>	<u>119,689</u>	<u>1,316,640</u>
FUND BALANCES AT END OF YEAR	<u>319,646</u>	<u>1,127,170</u>	<u>370,424</u>	<u>1,816,840</u>

(Continued)

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**
 (Including Criminal Court Special Revenue Fund)

Continued Statement of Revenues, Expenditures,
 and Changes in Fund Balances - Budget
 (Cash) Basis and Actual
 For the Year Ended December 31, 1986

	GENERAL FUNDS			SPECIAL REVENUE FUNDS		
	BUDGET	ACTUAL	VARIANCE FAVORABLE	BUDGET	ACTUAL	VARIANCE UNFAVORABLE
REVENUES						
Taxes:						
All valuations taxes	\$142,340	\$126,499	(\$15,841)	\$675,956	\$694,273	(\$18,317)
Sales and use taxes	40,000	40,708	7,082	488,000	464,820	(23,180)
Licenses and permits	21,721	21,385	(336)			
Intergovernmental revenues:						
Federal funds -						
Federal grants	37,500	37,494	(6)	548,064	548,064	
State funds -						
Funds transportation funds				175,000	880,289	7,289
State revenue sharing (act)	61,484	61,525	41	15,000	21,845	6,845
Economic dev.	26,288	31,668	5,380			
Other state grants	32,969	36,549	3,580	18,000	9,880	(8,120)
Fees, charges, and						
contingencies for services	178,488	178,488		3,788	3,845	57
Use of money and property	9,626	36,767	27,141	23,788	27,149	3,361
Intergovernmental	665,888	665,888				
Other revenues	39,268	21,738	(17,530)	3,401	3,332	(69)
Total revenues	661,811	678,289	16,478	1,485,251	1,865,688	380,437
EXPENDITURES						
Current:						
General government:						
Legislative	71,286	76,288	5,002			
Judicial	81,433	86,618	5,185			
Police	22,888	29,999	7,111			
Finance and administrative	134,888	129,894	(4,994)			
Other general government	114,817	115,871	1,054			
Public safety	65,215	66,714	1,499	41,734	46,614	4,880
Public works				913,267	961,448	48,181
Health and welfare	31,400	31,330	(70)	615,419	622,392	6,973
Culture and recreation	8,548	8,650	102	154,415	156,660	2,245

(Continued)

HASTY CARROLL PARISH POLICE FUND

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
(Fiscal Years and Actual, etc., 1998)

	-----GENERAL FUNDS-----			-- SPECIAL REVENUE FUNDS--		
	SUBJECT	ACTUAL	PERCENTAGE FAVORABLE OR UNFAVORABLE	SUBJECT	ACTUAL	PERCENTAGE FAVORABLE OR UNFAVORABLE
EXPENDITURES: (Cont'd.)						
Current: (Cont'd.)						
Economic development and assistance	122,928	128,117	\$4,885			
Transportation				18,278	59,759	(157.1)
Debt service	186,194	186,194		67,172	62,454	666
Capital outlay				49,040	21,445	96.477
Total expenditures	309,122	394,309	(12,711)	1,094,290	1,795,418	32.176
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>11,634</u>	<u>11,271</u>	<u>12,905</u>	<u>44,693</u>	<u>69,311</u>	<u>54.275</u>
OTHER FINANCING SOURCES (Used)						
Operating transfers in				48,848	48,140	(1.444)
Operating transfers out	15,000	15,000	100%	(20,880)	(20,850)	4.810
Total other financing sources (used)	15,000	15,000	100%	27,968	27,290	66%
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	<u>6,634</u>	<u>6,271</u>	<u>12,805</u>	<u>61,373</u>	<u>86,492</u>	<u>54.879</u>
FUND BALANCES AT BEGINNING OF YEAR	<u>14,832</u>	<u>14,832</u>		<u>415,947</u>	<u>403,297</u>	
FUND BALANCES AT END OF YEAR	<u>21,466</u>	<u>21,103</u>	<u>\$3,663</u>	<u>477,320</u>	<u>489,789</u>	<u>126.012</u>

(Continued)

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 Year Ended December 31, 1996

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 2003.

Louisiana Revised Statutes 33:1236 gives the police jury various powers in regulating and directing the affairs of the parish and its inhabitants. The most notable of these 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:

Component Unit	Fiscal Year End	Criteria Used
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 Parish Housing Authority	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 and the Sixth Judicial District Criminal Court.

GASB Codification Section 2800.127 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 financially independent of the East Carroll Parish Police Jury.

II. 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 fund assets and general long-term obligations) that are not recorded in the "fund" 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. These revenues are legally restricted, either by its imposition 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 received and used for the payment of principal and interest on long-term obligations recorded in the long-term obligations account group.

**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

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

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 inseparable 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:

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 bills are filed with the recorder of

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

mortgages. Louisiana Revised Statute 47:1583 requires that the tax roll be filed on or before November 13 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.

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 event occurs.

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

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 his judgment, actual operations are differing materially from those anticipated in the original budget. During a regular meeting, the police jury reviews the proposed amendments, makes changes as it deems necessary, and formally adopts the amendments. The adoption of the amendments is included in police jury minutes published in the official journal.

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

For the year ended December 31, 1996, cash basis budgets were adopted for the General Fund and all special revenue funds, except the Criminal Court Special Revenue Fund, which is exempt from the requirements 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 Statement C (budget basis) to the same amounts shown on Statement B (GAAP basis):

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

	General Fund	Special Revenue Funds
Excess (deficiency) of revenues and other sources over expenditures and other uses (budget basis)	56,171	585,402
Adjustments:		
Receivables	(2,354)	86,686
Payables	(8,634)	(47,325)
Fund not budgeted		18,124
Inter-funds	(14,634)	(17,915)
Bank loans	180,000	
Other	128	
	<u>581,287</u>	<u>5176,797</u>
Excess of revenues and other sources over expenditures and other uses (GAAP basis)		

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

	Special Revenue Funds
Fund balance at end of year - Statement C	552,438
Adjustment - Criminal Court Fund	<u>19,471</u>
Cash and cash equivalents (net of overdrafts) - Statement A	<u>571,910</u>

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, 1996, the police jury has cash and cash equivalents (book balances), including overdrafts of \$1,952, totaling \$586,039 as follows:

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

Demand deposits	\$554,275
Petty cash	60
Time deposits	<u>31,700</u>
Total	<u>\$586,035</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, 1996, are secured as follows:

Bank balances	<u>\$632,033</u>
Federal deposit insurance	\$235,065
Pledged securities (unaffiliated)	<u>1,188,735</u>
Total	<u>\$1,425,768</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 unaffiliated (Category 3) under the provisions of GASB-Codification C20.106; however, Louisiana Revised Statute 38:1279 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.

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.

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

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, 1996, the police jury had no employee leave benefits requiring recognition in accordance with GASB Codification Section 660. 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.

III. SALES TAXES

East Carroll Parish has a one per cent sales and use tax, which was passed by the voters on October 18, 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.

L. 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.

2. REVENUES - BUDGET AND ACTUAL

For the year ended December 31, 1996, the East Carroll Parish Police Jury had budgeted revenues which exceeded actual revenues for the following funds:

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

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Special Revenue Funds:			
Drainage	\$825,528	\$111,482	\$14,126
Solid Waste	171,900	153,181	18,719
Rural Fire	50,790	45,874	4,916
Airport	1,700	1,616	84
Library	171,475	168,651	1,824
Health Unit	80,600	73,283	7,317

3. **LEVIED TAXES**

The following is a summary of authorized and levied ad valorem taxes for the year ended December 31, 1996:

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
Parishwide taxes:			
General Fund	4.00	4.09	Indefinite
Courthouse maintenance	2.00	2.05	1999
Road maintenance	3.00	3.24	2002
Drainage maintenance	3.00	3.24	2002
Solid waste collection and disposal	8.60	8.79	2000
Library maintenance	6.30	6.65	1999
Health unit	3.00	3.20	1997
District Taxes:			
Rural fire protection	2.00	2.14	1998
Rural fire protection debt service	Variable	4.68	2004

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 1996 assessed valuation (amounts expressed in thousands):

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

	1996 Assessed Valuation	Per cent of Total Assessed Valuation
Franklin Gas Company	\$2,695	8.97%
Columbia Gulf Transmission Co.	1,187	3.93%
Southern Natural Gas Co.	854	2.84%
Hill South Telecommunications	837	2.75%
Texas Gas	825	2.75%
Energy Services, Inc.	780	2.60%
Texas Eastern Transmission	634	2.11%
Duogo Corporation	464	1.54%
Terral Riverservice, Inc.	359	1.19%
Holtyreco Warehouses, Inc.	321	1.17%
Total	<u>\$8,976</u>	<u>29.88%</u>

4. RECEIVABLES

The following is a summary of receivables at December 31, 1996:

	General Fund	Special Revenue Funds	Debt Service Fund	Total
Taxes - Ad valorem	\$458,788	\$654,881	\$82,032	\$1,195,699
Grants:				
Federal	1,494			1,494
State	45,499	10,413		55,912
Other	7,162	29,282		36,444
Total	<u>\$472,943</u>	<u>\$694,576</u>	<u>\$82,032</u>	<u>\$1,249,551</u>

4. CHANGES IN GENERAL FIXED ASSETS

The following schedule presents changes in general fixed assets:

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

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.

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 Periodic Employees' Retirement System of Louisiana, Post Office Box 14619, Baton Rouge, Louisiana 70803-4619, or by calling (225) 928-1361.

Under Plan A, members are required by state statute to contribute 7.25 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 9.50 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 valuations 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, 1996, 1995, and 1994, were \$1,19,297, \$124,462, and \$108,724, respectively, equal to the required contributions for each year.

**3. 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 \$115,060. Of this amount, \$35,165 was for retiree benefits for eleven retirees.

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

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, 1996, the police jury has two capital leases in effect for equipment. The leases had an original recorded amount of \$268,630. 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, 1996:

<u>Year</u>	
1997	\$76,684
1998	76,684
1999	55,351
2000	34,363
2001	<u>7,068</u>
Total minimum lease payments	240,150
Less amount representing interest	<u>(28,655)</u>
Present value of net minimum lease payments	<u>\$211,495</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, 1996	\$215,389	\$570,000	\$785,389
Additions	51,568		51,568
Deductions	<u>(21,902)</u>	<u>(45,000)</u>	<u>(96,902)</u>
Long-term obligations at December 31, 1996	<u>\$215,055</u>	<u>\$525,000</u>	<u>\$740,055</u>

General obligation bonds payable at December 31, 1996, are comprised of the following individual issues:

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

\$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 \$45,000 through March 1, 2004. Interest rates are 7.20 per cent to 7.60 per cent. Debt retirement payments are made from Rural Fire Protection Debt Service Fund. \$525,000

As shown on Statement A, \$103,516 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, 1996, including interest of \$175,857, are as follows:

Year	Total
1997	\$67,618
1998	68,644
1999	69,469
2000	69,035
2001	65,340
Thereafter	<u>262,930</u>
Total	<u>\$698,837</u>

General obligation bonds totaling \$525,000, at December 31, 1996, are secured by an annual ad valorem tax levy. In accordance with Louisiana Revised Statute 29:262, 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.

II. CRIMINAL COURT FUND

Louisiana Revised Statute 15:271.11 requires that one-half of any balance remaining in the Criminal Court Fund at year end be transferred to the parish General Fund. The following details the amount due at December 31, 1996:

Balance due at January 1, 1996	NONE
Amount due	\$11,613
Amount remitted	<u>NONE</u>
Balance due at December 31, 1996	<u>\$11,613</u>

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

12. DUE FROM/TO OTHER FUNDS

Individual fund balances due from/to other funds at December 31, 1996, are as follows:

	Due from Other Funds	Due to Other Funds
General Fund	\$11,613	\$8,547
Special revenue funds:		
Criminal Court		11,613
Section 8 Hearing	<u>8,547</u>	
Total	<u>\$20,160</u>	<u>\$20,160</u>

13. RESTATEMENT OF FUND BALANCES

Prior to the year ended December 31, 1996, the financial statements of the Prison District No. 1 of the Sixth Judicial District of Louisiana, a component unit of the East Carroll Parish Police Jury, had been included in the special revenue funds of the police jury's financial statements. For the year ended December 31, 1996, the prison district issued its own financial statements. Additionally, subsequent to the issuance of the financial statements for the year ended December 31, 1996, an error was detected affecting the ending fund balance of the Section 8 Hearing Fund. The following schedule reconciles the ending fund balances of the special revenue funds as presented for the year ended December 31, 1996, with the beginning fund balances as presented in the accompanying financial statements:

Fund balances at December 31, 1995, as previously reported	\$1,646,726
Component unit previously reported	(645,957)
Error in fund balance of Section 8 Hearing Fund	<u>11,299</u>
Fund balances due at December 31, 1995, as restated	<u>\$1,011,068</u>

DAST CARRHO, L. PARISH POLICE JURY
Lake Providence, Louisiana
Notes to the Financial Statements (Continued)

14. FUND DEFICITS

The Airport and Section 8 Housing special revenue funds have deficit fund balances in the amount of \$114 and \$37,808, respectively, at December 31, 1996. The police jury intends to develop a plan to revise its rental payment standards in the Section 8 Housing program and to reduce administrative costs of the program to eliminate the deficit. The deficit in the Airport Fund will be eliminated by additional transfers from the General Fund.

15. LITIGATION AND CLAIMS

At December 31, 1996, the police jury is not involved in any lawsuits nor is the police jury's legal counsel aware of any asserted claims.

16. 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, 1996, follows:

Balance at January 1, 1996	\$928,317
Received	3,684,800
Issued	<u>(3,481,868)</u>
Balance at December 31, 1996	<u>\$1,131,249</u>

SUPPLEMENTAL INFORMATION SCHEDULES

EAST CARROLL PARISH POLICE JURY
Lake Providence, Louisiana
SUPPLEMENTAL INFORMATION SCHEDULES
As of and for the Year Ended December 31, 1996

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 systems. 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 hangar 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.

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.

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.

EMT CARROLL PAGER POLICE TRUST
 Lake Providence, Louisiana
 SPECIAL RESERVE FUNDS

Comparing Balance Sheet, December 31, 1999

	PUBLIC FUNDS	RESERVE FUNDS	GENERAL FUND	UNRESERVED FUNDS	RESERVE FUNDS	TOTAL FUNDS
ASSETS						
Cash and cash equivalents	904,688	828,140	848	818,595	848,698	3,408,869
Receivables	419,451	27,725	4,388	384,894	74,000	886,458
Due from other funds						88,347
TOTAL ASSETS	<u>1,324,139</u>	<u>855,865</u>	<u>852</u>	<u>1,203,489</u>	<u>922,700</u>	<u>4,305,093</u>
LIABILITIES AND FUND EQUITY						
Liabilities						
Cash over/short	541,968	51,987	819	81,998	85,973	682,761
Accounts payable						181
Prepaid subscription payable						(8)
Due to other funds						88,347
Total Liabilities	<u>41,968</u>	<u>51,987</u>	<u>819</u>	<u>81,998</u>	<u>85,973</u>	<u>179,688</u>
Fund Equity - Total Reserves (deficit) - reserved / non-reserved	<u>882,171</u>	<u>803,878</u>	<u>33</u>	<u>1,121,491</u>	<u>836,727</u>	<u>4,125,405</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>1,304,139</u>	<u>855,865</u>	<u>852</u>	<u>1,203,489</u>	<u>922,700</u>	<u>4,305,093</u>

EAST CARROLL FARMS POLYESTER
 Lanes, Partners, Limited
 FEDERAL BUSINESS RECEIPTS

Combining Schedule of Receipts, Expenditures,
 and Changes in Fund Balances
 For the Year Ended December 31, 1996

	<u>STATE</u> <u>TAXES</u>	<u>FEDERAL</u> <u>TAXES</u>	<u>PROPERTY</u> <u>INCOME</u>	<u>GENERAL</u> <u>INCOME</u>	<u>NET</u> <u>INCOME</u>	<u>NET</u> <u>INCOME</u>	<u>NET</u> <u>INCOME</u>
REVENUES							
Taxes	\$22,710	\$48,348		\$26,658	\$77,716		\$77,716
Ad valorem	44,550						44,550
State and use							
Intergovernmental revenues							
Individuals - Federal grants							
State funds							
Participations in bonds							
State (investor) bonds (100)		5,400	5,400				5,400
Other state funds							
Fees, charges, and commissions							
Fines and penalties	11,000	1,000		5,000,000	7,000		100,000
Loss of stocks and property	26,000						26,000
Other revenues							
Total revenues	<u>1,044,000</u>	<u>11,800</u>	<u>1,800</u>	<u>100,000</u>	<u>26,000</u>	<u>26,000</u>	<u>2,000,000</u>
EXPENDITURES							
Current:							
General operations:							
Salaries		41,000		70,000			70,000
Public utility							41,000
Public works							500,000
Health and welfare							60,000
Culture and recreation							100,000
Transportation							6,000
Debt service	50,000			1,000			49,000
Capital outlay							2,000
Total expenditures	<u>1,044,000</u>	<u>41,000</u>	<u>6,000</u>	<u>70,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000,000</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES							
	0	5,400	1,800	26,000	1,000	1,000	999,000

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

Combining Balance Sheet, December 31, 1996

	ROAD MAINTENANCE	DRAINAGE MAINTENANCE	SOLID WASTE	TOTAL
ASSETS				
Cash and cash equivalents	\$45,280	\$12,185	\$129,211	\$206,666
Receivables	<u>121,173</u>	<u>142,622</u>	<u>155,066</u>	<u>418,821</u>
TOTAL ASSETS	<u>\$166,453</u>	<u>\$154,787</u>	<u>\$284,287</u>	<u>\$605,467</u>
LIABILITIES AND FUND EQUITY				
Liabilities - accrued payable	\$42,587	\$15,164	\$15,209	\$72,960
Fund Equity - fund balances - unreserved - undesignated	<u>123,826</u>	<u>139,623</u>	<u>269,078</u>	<u>532,527</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$166,413</u>	<u>\$154,787</u>	<u>\$284,287</u>	<u>\$605,467</u>

EAST CARROLL PARISH POLICE JURY
Lafayette, Louisiana
PUBLIC WORKS DEPARTMENT

Comparing Schedule of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended December 31, 1996

	ROAD MAINTENANCE	DEBARGE MAINTENANCE	SEWER S&S	TOTAL
REVENUES				
Taxes				
Full value tax	\$ 129,816	\$ 129,816	\$ 129,816	\$ 429,448
Sales and use	464,128			464,128
Intergovernmental revenues -				
State funds - Parish transportation funds	169,460			169,460
Use of money and property	3,521	1,358	6,479	11,358
Other revenues	4,526	21,936		26,462
Total revenues	<u>709,451</u>	<u>153,060</u>	<u>136,794</u>	<u>1,099,305</u>
EXPENDITURES				
Current:				
Public works	634,885	144,813	144,769	924,467
Debt service	63,031			63,031
Capital outlay	56,475			56,475
Total expenditures	<u>754,391</u>	<u>144,813</u>	<u>144,769</u>	<u>1,043,973</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>15,060</u>	<u>8,247</u>	<u>22,025</u>	<u>45,332</u>
OTHER FINANCING SOURCES (Used)				
Sale of fixed assets	900			900
Increase in capital assets	51,568			51,568
Operating transfer in		16,000		16,000
Operating transfer out	<u>(18,000)</u>			<u>(18,000)</u>
Total other financing sources (used)	<u>34,468</u>	<u>16,000</u>	<u>50,000</u>	<u>100,468</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	<u>52,088</u>	<u>24,247</u>	<u>22,025</u>	<u>100,360</u>
FUND BALANCES AT BEGINNING OF YEAR	<u>123,798</u>	<u>115,566</u>	<u>283,668</u>	<u>523,032</u>
FUND BALANCES AT END OF YEAR	<u>175,886</u>	<u>139,813</u>	<u>305,693</u>	<u>625,392</u>



EAST CARROLL PARISH POLICE JURY
Lake Providence, Louisiana
SUPPLEMENTAL INFORMATION SCHEDULES
For the Year Ended December 31, 1996

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 33:1253, 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, Louisiana

Schedule of Compensation Paid Police Jurors
For the Year Ended December 31, 1996

Darrin Dixon	\$3,000
Carl E. Fontenberry	3,200
George Hopkins	3,200
Joseph Jackson	3,000
Hank Layton	150
Yvonda M. Lloyd	150
Hobby Moore	3,200
Barbara Nelson	3,200
W. L. Payne, President	8,145
Clifton Scott	3,000
Billy Travis	3,200
A. L. Thomas	150
Total	<u>\$65,795</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. ANDRÉS
CERTIFIED PUBLIC ACCOUNTANT

101 COMANCHE TRAIL
WEST MONROE, LA 70091

OR# 386-3626

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, 1996, and for the year then ended, and have issued my report dated August 26, 1997. 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, *Audit of State and Local Governments*. These 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 misstatements. 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 aspects in relation to the primary government financial statements taken as a whole.



West Monroe, Louisiana
August 26, 1997

BOULDER-CARROLL PARISH PROJECT JURY
 Lata, President, Louisiana
 Schedule of Federal Financial Assistance
 For the Year ended December 31, 1966

FEDERAL AGENCY - FUND NUMBER OR OTHER IDENTIFYING NUMBER	FY66 AMOUNT	TOTAL FEDERAL AMOUNT	REVENUE FROM OTHER SOURCES	REVENUE FROM OTHER SOURCES	REVENUE FROM OTHER SOURCES	REVENUE FROM OTHER SOURCES
UNITED STATES DEPARTMENT OF AGRICULTURE						
Parish (except Louisiana Department of Social Services: Food Stamp Program State Administrative Matching Grants for Food Stamp Program Total United States Department of Agriculture	\$1,201,400 8,580 14,000,000	14,009,980	1,000,000 811 1,000,811	1,000,811	1,000,811	1,000,811
UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES						
Other programs - Lower Income Housing Assistance Program Total Federal Financial Assistance	14,129,480	14,129,480	2,001,622 1,000,811	2,001,622 1,000,811	2,001,622 1,000,811	2,001,622 1,000,811

* Major Federal financial assistance programs
 of Food Stamp Program on hand

LOUIS L. ANDRIE
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**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, 1996, and for the year then ended, and have issued my report thereon dated August 26, 1997.

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. These 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 instance of noncompliance:

INSTITUTE LIMITED TO GOVERNMENTAL AUDITING AND ACCOUNTING

EAST CARROLL PARISH POLICE JURY

Lake Providence, Louisiana
Independent Auditor's Report
on Compliance, etc.,
December 31, 1996

**Need to Complete Audit
Within Time Prescribed**

Finding: Louisiana Revised Statute (LSR) 24:513(A)(2)(a) requires the police jury's audit to be completed within six months of the close of the police jury's fiscal year. Because 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 in a timely manner, the audit was not 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.

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.

I considered this instance of noncompliance in forming my opinion on whether the East Carroll Parish Police Jury's 1996 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 August 26, 1997, on their 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 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.

I also noted other matters involving compliance with laws that I have reported to the management of the East Carroll Parish Police Jury in a separate letter dated August 26, 1997.

EAST CARROLL PARISH POLICE JURY

Lake Providence, Louisiana

Independent Auditor's Report

on Compliance, etc.,

December 31, 1999

The audit report for the one year ended December 31, 1999, included findings related to sworn financial statements, timely completion of audits, public bid law, Parish Transportation Act, use of police jury credit cards, funds not deposited, and violations of the constitution. Excepted as noted in the finding above, these findings have been resolved by management of the police jury or in the cases of possible criminal violations are still pending attorney general action.

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.



West Monroe, Louisiana

August 26, 1997

LOUIS L. ANDRIES
CERTIFIED PUBLIC ACCOUNTANT

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(713) 796-3636

**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, 1996 and for the year then ended, and have issued my report thereon dated August 26, 1997.

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 cover food stamps, contract rent and utility allowance limitations, initial and annual inspections, program 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 year ended December 31, 1996. The management of the East Carroll Parish Police Jury is responsible for the police jury's compliance with these requirements. My responsibility is to express an opinion on compliance with these requirements based on my audit.

I conducted my audit of compliance with these 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, *Audit of State and Local Governments*. These standards and OMB Circular A-128 require that I plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the East Carroll Parish Police Jury's compliance with these 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.

PLATEAU LIMITED TO ENVIRONMENTAL STUDIES AND ACCOUNTING

EAST CARROLL PARISH POLICE JURY
 Lake Providence, Louisiana
 Independent Auditor's Report on
 Compliance With Specific
 Requirements, etc.,
 December 31, 1988

**Need to Properly Maintain Section 8
 Housing Tenant Files**

Finding: In accordance with Department of Housing and Urban Development (HUD) regulations, the police jury is required to maintain certain forms and other documentation in files of all tenants receiving housing assistance. My review of seven tenant files disclosed the following deficiencies:

Housing assistance payment contracts:	
Unsigned	5
Undated	1
Landlord/tenant lease:	
Unsigned	2
Undated	2
Incomplete rent responsibility test	2
Housing quality standards inspections	
not in file	7
Form 50058 undated	7
Landlord to tenant form unsigned	4
Warning and certificate of non fraud unsigned	4
Tenant rules and regulations not in file	
not in file	4
Lead based paint certificate unsigned	2

Recommendation: The police jury should establish and implement policies and procedures to insure that all tenant files are maintained in an orderly fashion and that the files contain all required forms and that the forms are properly completed and signed and dated as necessary. The police jury should consider contracting with an outside Public Housing Manager to assist in maintaining files, performing housing quality standards inspections, and instructing the police jury personnel in proper file management and housing inspections.

EAST CARROLL PARISH POLICE JURY

**Lake Providence, Louisiana
Independent Auditor's Report on
Compliance With Specific
Requirements, etc.,
December 31, 1996**

Management's Response: The secretary/treasurer of the police jury has informed that the police jury is in the process of contracting with a Public Housing Manager who has considerable experience with Section 8 Housing programs and that tenant files will be updated and maintained in a proper manner in the future.

Need to Maintain HAP Register

Finding: HUD regulations require that the police jury maintain a Housing Assistance Payments Register in which to record monthly housing assistance payments. The register should be current at all times so as to enable the police jury to verify monthly housing assistance payments. The police jury did not maintain a current HAP register with complete details as required by HUD for the year ended December 31, 1996. It should be noted, that subsequent to year end, the police jury instituted a computerized tenant accounting system which allows for complete HAP registers.

Recommendation: The police jury should ensure that the staff is adequately trained in use of the tenant accounting software and that complete and accurate HAP registers are maintained.

Management's Response: I was informed by the secretary/treasurer that current HAP registers, with all required information, are now being maintained.

Need to Avoid Bank Overdrafts

Finding: During my test of the Section 8 Housing Program, I noted that the Section 8 Existing and Moderate Rehabilitation bank accounts were both overdrawn at December 31, 1996. It appears that these overdrafts resulted from the police jury paying total contract rents in excess of published fair market rental values.

EAST CARROLL PARISH POLICE JURY

Lake Providence, Louisiana
Independent Auditor's Report on
Compliance With Specific
Requirements, etc.,
December 31, 1996

Recommendation: The police jury should adopt procedures to ensure that overdrafts do not occur in the Section 8 Program. A schedule of contract rent limits should be established which is within the allowable fair market rent and this schedule should be strictly adhered to. The police jury may also wish to consider suspending payments of administrative salaries from from program until such time as those negative balances have been eliminated.

Management's Response: The secretary/treasurer has informed me that total contract rent limits have been established and that all new assistance provided will remain within those limits. The secretary/treasurer also said that she will suggest to the police jury the possibility of paying administrative salaries from the General Fund instead of from the Section 8 Program.

Negative Rents Should Be Paid

Finding: HUD regulations require that utility allowances or negative rents be paid to program participants whenever the tenant's income is at such a level as to preclude them from contributing toward their housing rent. Although the police jury calculated the allowances, because of the shortage of available cash, as noted in the finding above, those allowances were not always paid to qualifying tenants.

Recommendation: The police jury should establish procedures to ensure that all assistance which should be provided to tenants is paid in accordance with HUD regulations.

Management's Response: The secretary/treasurer stated that the utility allowances will be calculated and paid as required by the regulations.

EAST CARROLL PARISH POLICE JURY

Lake Providence, Louisiana
Independent Auditor's Report on
Compliance With Specific
Requirements, etc.,
December 31, 1996

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 requirements governing types of services allowed, reporting, eligibility, claims for advances and reimbursements, and the special requirements governing security over food stamps, contract cost 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 year ended December 31, 1996.

The audit report for the two years ended December 31, 1995, included findings related to filing of annual reports and to annual inspections of Section 8 housing units. Except as noted above, those findings have been resolved by management of the police jury.

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.



West Monroe, Louisiana
August 26, 1997

LOUIS L. ANDRIS
CERTIFIED PUBLIC ACCOUNTANT

126 COMMANCHE TRAIL
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(504) 396-0606

**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, 1996 and for the year then ended, and have issued my report thereon dated August 26, 1997.

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 year ended December 31, 1996:

- Political activity
- Civil rights
- Child management
- Federal financial reports
- 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 listed, the results of these procedures disclosed no material instances of noncompliance with the requirements listed in the second paragraph of this report. With respect to items not listed, 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 these requirements.

PLAETEL 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, 1986

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
August 26, 1987

LOUIS L. ANDREWS
CERTIFIED PUBLIC ACCOUNTANT

126 COMPTON TRAIL
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CEB 794-7626

**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, 1996 and for the year then ended, and have issued my report thereon dated August 26, 1997.

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 year ended December 31, 1996. 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 these 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 these 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 these 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
August 28, 1997

PRACTICE LIMITED TO GOVERNMENTAL AUDITING AND ACCOUNTING

MEMBER AMERICAN
INSTITUTE OF CERTIFIED
PUBLIC ACCOUNTANTS

SOUTH OF LOUISIANA
CERTIFIED PUBLIC
ACCOUNTANTS

LOUIS L. ANDRIEN
CERTIFIED PUBLIC ACCOUNTANT

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WEST MONROE, LA 71291

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**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, 1996, and for the year then ended, and have issued my report thereon dated August 26, 1997.

I conducted my audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. These 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 year ended December 31, 1996, 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 CERTIFIED PUBLIC ACCOUNTANTS AND ACCOUNTING

DAST CARROLL PARISH POLICE JURY

Lake Providence, Louisiana
Independent Auditor's Report
on Internal Control Structure,
December 31, 1996

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**

Findings: 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 several years, while much of the current information was stored in boxes in various locations within the offices. The condition of the records made it very difficult for the office staff to locate documentation needed for the audit.

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

Management's Response: The secretary/treasurer stated that the police jury will adopt a record retention schedule will purge unneeded records and that the office staff has begun to organize its filing system in a logical and orderly fashion.

Need to Reconcile All Bank Accounts

Findings: The secretary/treasurer could not provide a reconciliation of the payroll bank account for the year ended December 31, 1996. As a result, I was unable to verify the cash balance in the payroll account at December 31, 1996.

LAST CARROLL PARISH POLICE JURY
Lake Providence, Louisiana
Independent Auditor's Report
on Internal Control Structure,
December 31, 1996

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

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

This report is intended for the information of members of the Last 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.



West Monroe, Louisiana
August 26, 1997

LOYLES L. ANDRIEUX
CERTIFIED PUBLIC ACCOUNTANT

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WEST MONROE, LA 71291

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**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, 1986, and for the year then ended, and have issued my report thereon dated August 26, 1987. 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 August 26, 1987.

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*. These 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 misstatements 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 year ended December 31, 1986, 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 August 26, 1987.

OFFICE OF THE COMPTROLLER GENERAL OF THE UNITED STATES

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, 1996**

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 recorded in accordance with management's authorizations 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
 - Civil rights
 - Club management
 - Federal financial reports
 - Allowable cost/expense principles
 - Administrative requirements

EAST CARROLL PARISH POLICE JURY

Lafayette, Louisiana

**Independent Auditor's Report on Internal
Control Structure Used in Administering
Federal Financial Assistance Programs,
December 31, 1996**

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 year ended December 31, 1996, the East Carroll Parish Police Jury expended 99 per cent 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 those 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 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.

EAST CADDOSH PARISH POLICE JURY
Lake Providence, Louisiana
Independent Auditor's Report on Internal
Control Structures Used in Administering
Federal Financial Assistance Programs,
December 31, 1986

This report is intended for the information of the East Caddosh 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.



West Monroe, Louisiana
August 26, 1987

LOUIS L. ANDREWS
CERTIFIED PUBLIC ACCOUNTANT

101 COMANCHE TRAIL,
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(714) 866-6666

August 26, 1997

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 year ended December 31, 1996, 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 auditors' reports accompanying the financial statements, are items which I believe should be brought to your attention.

UNFAVORABLE BUDGET VARIANCES

During my test of the police jury's compliance with the Local Government Budget Act for the year ended December 31, 1996, I noted that three of the special revenue funds ended the year with actual revenues and other sources which failed to meet budgeted revenues and other sources by 3% or more. These funds included Drainage Maintenance - 12.4%; Rural Fire Protection - 9.7%; and Health Unit - 9.1%. I realize that had the tax collector forwarded December tax statements timely that these variances would not have occurred, however, when it became apparent that these funds would not be received before year's end, another budget amendment should have been adopted by the jury to adjust the budgeted revenues downward.

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. Andrews

PRACTICE LIMITED TO GOVERNMENTAL AUDITING AND ACCOUNTING

MEMBER ASSOCIATE
INSTITUTE OF CERTIFIED
PUBLIC ACCOUNTANTS

MEMBER OF A CERTIFIED
PUBLIC ACCOUNTANT
ACCOUNTANTS