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East Carroll Parish Police Jury  
Lake Providence, Louisiana

Primary Government Financial Statements  
With Independent Auditors' Report  
As of and for the Year Ended December 31, 1967

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the auditor, or reviewer, county and other appropriate public officials. The report is available for public inspection at the Grand Jurors' office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date: SEP 16 1968

East Carroll Parish Police Jury  
Lake Providence, Louisiana

Primary Government Financial Statements  
With Independent Auditors' Report  
As of and for the Year Ended December 31, 1997

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

**Primary Government Financial Statements  
With Independent Auditors' Report  
As of and for the Year Ended December 31, 1997**

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## Independent Auditors' Report

Polish James

East Carroll Parish Police Jury  
Lake Providence, Louisiana

We have audited the PRIMARY GOVERNMENT FINANCIAL STATEMENTS of the East Carroll Parish Police Jury, Lake Providence, Louisiana, as of and for the year ended December 31, 1997 as listed in the table of contents. These primary government financial statements are the responsibility of the East Carroll Parish Police Jury's management. Our responsibility is to express an opinion on these primary government financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the 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. We believe that our audit provides a reasonable basis for our opinion.

As discussed in note 28 to the financial statements, the Police Jury has expended certain federal grant funds in a manner that may have violated certain of the restrictive provisions of the related grants. The possible outcome of those matters is uncertain at this time. Accordingly, no provision for any liability has been made in the primary government financial statements for possible federal claims for refunds of those grant monies. The Police Jury has not maintained adequate records of transactions of the payroll fund. We were not able to satisfy ourselves by other auditing procedures as to the fairness of payroll related liabilities for the year ended December 31, 1997. Accordingly, no provision for any liability has been made in the primary government financial statements for possible payroll liabilities.

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 our opinion, except for the effect on the financial statements of the uncertainties described in the preceding paragraph, the primary government financial statements present fairly, in all material respects, the financial position of the primary government of East Carroll Parish Police Jury, Lake Providence, Louisiana, as of December 31, 1997, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

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, 1997, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

Police Juries  
East Carroll Parish Police Jury  
Lake Providence, Louisiana

As discussed in note 15, during the year ended December 31, 1997 the East Carroll Parish Police Jury began accruing sales taxes collected by vendors in December 1997 and remitted to the Police Jury in January 1998 in accordance with Governmental Accounting Standards Board Statement No. 27, *Accounting for Taxpayer-Assessed Revenues in Governmental Funds*.

In accordance with Government Auditing Standards, we have also issued our reports dated July 30, 1998, on our considerations of the Police Jury's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

Our audit was made for the purpose of forming an opinion on the primary government financial statements taken as a whole. The SUPPLEMENTAL INFORMATION listed in the table of contents is presented for the purpose of additional analysis and is not a required part of the primary government financial statements. Such information has been subjected to the auditing procedures applied in the audit of the primary government financial statements and, in our opinion, is fairly presented in all material respects in relation to the primary government financial statements taken as a whole.

Included as page 44 is the Good Shepherd Fund Staff's, a fund of the East Carroll Parish Police Jury, schedule of revenues, expenditures and changes in fund balances for the year ended June 30, 1997 and its inclusion is a result of the fund operating on a different year-end than the primary government for purposes of reporting to its federal funding agency. This schedule is presented for the benefit of the federal funding agency and is not a required part of the primary government financial statements. Such information has been subjected to the auditing procedures applied in the audit of the primary government financial statements and, in our opinion, is fairly presented in all material respects in relation to the primary government financial statements taken as a whole.

Also, the accompanying OTHER INFORMATION as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

*Allan, Green & Company, LLP*

ALLAN, GREEN & COMPANY, LLP

Monroe, Louisiana  
July 30, 1998

**EAST GASPOLL FIRE/RESCUE JURY**  
Lake Providence, Louisiana

**ALL FUND TYPES AND ACCOUNT GROUPS**  
Combined Balance Sheet  
December 31, 1987

	*****GOVERNMENTAL FUNDS*****		
	GENERAL FUND	SPECIAL REVENUE FUNDS	DEBT SERVICE FUND
<b>ASSETS AND OTHER DEBITS</b>			
<b>Assets</b>			
Cash and cash equivalents	\$ 14,063	\$ 804,590	\$ 29,858
Investments	0	25,595	0
Receivables	149,252	681,955	73,841
Due from other funds	64,741	26,423	0
Inventory	0	2,983	0
Prepaid items	0	2,983	0
Land, buildings and equipment	0	0	0
<b>Other debts:</b>			
Amount available in debt service fund	0	0	0
Amount to be provided for retirement of general long-term obligations	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>
<b>TOTAL ASSETS AND OTHER DEBITS</b>	<u>\$ 388,056</u>	<u>\$ 1,536,546</u>	<u>\$ 103,701</u>
<b>LIABILITIES AND FUND EQUITY</b>			
<b>Liabilities:</b>			
Cash overdrafts	\$ 71,378	0	0
Accounts payable	46,049	150,820	0
Payroll deductions payable	0	11,788	2,854
Due to other funds	0	81,784	0
Notes payable	0	79,535	0
Capital leases payable	0	0	0
Bonds payable	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total Liabilities</b>	<u>\$ 117,427</u>	<u>\$ 383,027</u>	<u>\$ 2,854</u>
<b>Fund Equity:</b>			
Investment in general fixed assets	\$ 0	0	0
<b>Fund Balances:</b>			
Reserved for inventory and prepaid items	0	5,795	0
Reserved for debt service	0	0	88,647
Unreserved and undesignated fund balance	142,629	1,231,880	0
	<u>142,629</u>	<u>1,237,675</u>	<u>88,647</u>
<b>Total Equity and Other Credits</b>	<u>\$ 142,629</u>	<u>\$ 1,237,675</u>	<u>\$ 88,647</u>
<b>TOTAL LIABILITIES, EQUITY AND OTHER CREDITS</b>	<u>\$ 260,056</u>	<u>\$ 1,624,221</u>	<u>\$ 192,348</u>

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

Statement A

*****ACCOUNT GROUPS*****			
GENERAL	GENERAL		TOTAL
FUND	LONG TERM		(MEMORANDUM
ASSETS	DEBT/OTHER		ONLY)
\$	0 \$	0 \$	648,467
	0	0	28,838
	0	0	878,854
	0	0	81,184
	0	0	2,882
	0	0	2,800
4,800,000	0	0	4,800,000
	0	88,847	88,847
	0	501,548	501,548
<u>\$ 4,800,000</u>	<u>\$</u>	<u>501,548</u>	<u>\$ 7,114,389</u>
\$	0 \$	0 \$	11,310
	0	0	230,876
	0	0	30,823
	0	0	81,184
	0	0	19,520
	0	180,548	180,548
	0	471,088	471,088
<u>\$</u>	<u>0 \$</u>	<u>651,548</u>	<u>\$ 692,021</u>
\$	4,800,000 \$	0 \$	4,800,000
	0	0	0,780
	0	0	88,847
	0	0	1,864,287
<u>\$ 4,800,000</u>	<u>\$</u>	<u>0</u>	<u>6,553,914</u>
<u>\$ 4,800,000</u>	<u>\$</u>	<u>651,548</u>	<u>\$ 7,114,389</u>

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

**ALL-GOVERNMENTAL FUNDS**  
**Continued Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances**  
**For the Year Ended December 31, 1997**

Statement 8

	<u>GENERAL</u>	<u>SPECIAL</u>	<u>DEBT</u>	<u>TOTAL</u>
	<u>FUND</u>	<u>REVENUE</u>	<u>SERVICE</u>	<u>PROVISIONAL</u>
	<u>FUND</u>	<u>FUNDS</u>	<u>FUND</u>	<u>CHANGES</u>
<b>REVENUES</b>				
<b>Local sources:</b>				
<b>Taxes:</b>				
Ad valorem	\$ 148,174	\$ 701,808	\$ 80,000	\$ 930,071
Sales and use	82,227	439,530	0	521,757
Licenses and permits	22,380	0	0	22,380
<b>Intergovernmental revenues:</b>				
Federal funds - federal grants	48,797	1,274,008	0	1,322,805
State funds:				
Parish transportation funds	0	170,700	0	170,700
State revenue sharing (net)	10,388	3,803	0	14,191
Severance taxes	17,187	0	0	17,187
Other	82,787	0,000	0	82,787
Fees, charges, and commissions for services	180,008	1,870	0	181,878
Fines and forfeitures	0	88,288	0	88,288
Use of money and property	7,200	38,807	1,440	47,447
Intergovernmental	190,880	0	0	190,880
Other revenues	0,000	27,120	0	27,120
<b>Total Revenues</b>	<b>\$ 643,800</b>	<b>\$ 2,648,149</b>	<b>\$ 80,000</b>	<b>\$ 3,372,050</b>
<b>EXPENDITURES</b>				
<b>Current:</b>				
<b>General government:</b>				
Legislative	\$ 78,814	\$ 0	\$ 0	\$ 78,814
Judicial	607,870	60,254	0	668,124
Elections	24,880	0	0	24,880
Finance and administrative	100,042	200,412	3,444	470,898
Other general government	107,980	0	0	107,980
Public safety	82,788	28,770	0	111,558
Public works	0	808,700	0	808,700
Health and welfare	28,270	1,258,077	0	1,286,347
Culture and recreation	18,400	180,000	0	198,400
Economic development and assistance	28,178	0	0	28,178
Transportation	0	18,158	0	18,158
<b>Debt service:</b>				
Principal retirement	0	80,000	80,000	160,000
Interest and bank charges	0	8,004	27,437	35,441
Capital outlay	18,042	21,880	0	39,922
<b>Total Expenditures</b>	<b>\$ 881,282</b>	<b>\$ 2,831,882</b>	<b>\$ 80,000</b>	<b>\$ 3,613,165</b>
<b>EXCESS (Deficiency) OF REVENUES</b>				
<b>OVER EXPENDITURES</b>	<b>\$ -237,482</b>	<b>\$ 71,687</b>	<b>\$ 0,000</b>	<b>\$ -165,795</b>

(CONTINUED)



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

**ALL GOVERNMENTAL FUNDS**  
Condensed Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
For the Year Ended December 31, 1997

Statement B

	GENERAL FUND	SPECIAL REVENUE FUNDS	DEBT SERVICE FUND	TOTAL (MEMORANDUM ONLY)
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers in	\$ 1,124	\$ 8,000	\$ 0	\$ 9,124
Operating transfers out	<u>(8,000)</u>	<u>(8,000)</u>	<u>0</u>	<u>(16,000)</u>
<b>Total Other Financing Sources (Uses)</b>	\$ <u>304</u>	\$ <u>000</u>	\$ <u>0</u>	\$ <u>0</u>
<b>EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</b>	<u>(41,012)</u>	<u>11,863</u>	<u>(3,876)</u>	<u>(32,925)</u>
<b>FUND BALANCES AT BEGINNING OF YEAR, AS ORIGINALLY STATED</b>	\$ 188,371	\$ 1,037,367	\$ 100,300	\$ 1,485,954
<b>PREVIOUS PERIOD ADJUSTMENTS</b>	<u>4,378</u>	<u>60,855</u>	<u>0</u>	<u>65,233</u>
<b>FUND BALANCES AT BEGINNING OF YEAR, AS RESTATED</b>	\$ <u>192,749</u>	\$ <u>1,098,222</u>	\$ <u>100,300</u>	\$ <u>1,480,497</u>
<b>FUND BALANCES AT END OF YEAR</b>	\$ <u>151,737</u>	\$ <u>1,110,385</u>	\$ <u>96,424</u>	\$ <u>1,498,586</u>

(CONTINUED)

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

**EAST GERRARD PARISH POLICY JURY**  
 Lake Providence, Louisiana

**GOVERNMENTAL FUNDS - GENERAL FUND**  
 Condensed Statement of Revenues, Expenditures,  
 and Changes in Fund Balances - Budget (Final) Basis and Actual  
 For the Year Ended December 31, 1997

Statement C

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE</u>
<b>REVENUES</b>			
Local sources:			
Taxes:			
Ad valorem	\$ 142,507	\$ 133,282	\$ 9,225
Sales and use	43,000	47,644	4,644
Licenses and permits	20,528	22,480	1,952
Intergovernmental revenues:			
Federal funds - federal grants	16,880	17,898	(1,018)
State funds:			
State revenue sharing (net)	60,800	58,152	2,648
Revenue bonds	14,800	28,618	13,818
Other	25,780	24,450	1,330
Fees, charges, and commissions for services	129,895	128,908	987
Use of money and property			
Intergovernmental	100,000	148,908	48,908
Other revenues	2,800	71,029	68,229
<b>Total Revenues</b>	<b>\$ 580,005</b>	<b>\$ 603,211</b>	<b>\$ 23,206</b>
<b>EXPENDITURES</b>			
Current:			
General government:			
Legislative	\$ 26,804	\$ 19,814	\$ 7,990
Judicial	83,680	82,395	1,285
Elections	35,580	34,134	1,446
Finance and administrative	127,800	162,108	34,308
Other general government	119,800	104,888	14,912
Public safety	68,800	83,048	14,248
Health and welfare	38,100	35,462	2,638
Culture and recreation	4,100	10,085	5,985
Economic development and assistance	18,888	19,791	883
Capital outlay	12,000	12,288	288
<b>Total Expenditures</b>	<b>\$ 571,284</b>	<b>\$ 606,843</b>	<b>\$ 35,559</b>
<b>Excess (deficiency) of REVENUES OVER EXPENDITURES</b>	<b>\$ 8,721</b>	<b>\$ 9,368</b>	<b>\$ 647</b>

(continues)

EAST CARROLL PARISH POLICY JURY  
Lake Providence, Louisiana

GOVERNMENTAL FUNDS - GENERAL FUND  
Combined Statement of Revenues, Expenditures,  
and Changes in Fund Balances - Budget (Cost) Basis and Actual  
For the Year Ended December 31, 1987

Statement C

	BUDGET	ACTUAL	VARIANCE (FAVORABLE UNFAVORABLE)
OTHER FINANCING SOURCES (USES)			
Operating transfers-out	\$ (3,800)	\$ (8,000)	\$ (4,200)
Total Other Financing Sources (Uses)	\$ (3,800)	\$ (8,000)	\$ (4,200)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	4,000	(21,000)	(25,000)
FUND BALANCES AT BEGINNING OF YEAR	\$ 25,000	\$ 25,000	\$
FUND BALANCES AT END OF YEAR	\$ 29,000	\$ 4,000	\$ (25,000)

(CONTINUED)

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

**GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS**  
(Excluding Criminal Court, Restorative, and Child Nutrition Special Revenue Funds)  
Continued Statement of Revenues, Expenditures,  
and Changes in Fund Balances - Budget (Cash) (Basic and Annual)  
For the Year Ended December 31, 1997

Statement C

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<b>REVENUES</b>			
<b>Local sources:</b>			
Taxes:			
Ad valorem	\$ 598,640	\$ 738,872	\$ 140,232
Sales and use	378,000	410,734	32,734
Intergovernmental revenues:			
Federal funds - federal grants	594,148	499,835	(94,313)
State funds:			
Fishes transportation funds	185,000	178,158	(6,842)
State revenue sharing (net)	15,000	15,405	405
Fees, charges, and commissions for services	1,888	1,788	(100)
Use of money and property	21,180	35,045	13,865
Other revenues	8,072	44,822	36,750
<b>Total Revenues</b>	<b>\$ 1,363,828</b>	<b>\$ 1,827,189</b>	<b>\$ 463,361</b>
<b>EXPENDITURES</b>			
<b>Current:</b>			
General government:			
Finance and administrative	\$ 0	\$ 0	\$ 0
Public works	887,358	888,000	(642)
Health and welfare	838,824	878,738	39,914
Culture and recreation	182,878	182,896	18
Transportation	8,838	8,888	50
Debt service:			
Principal retirement	78,883	78,884	1
Capital outlay	10,500	39,528	29,028
<b>Total Expenditures</b>	<b>\$ 1,793,278</b>	<b>\$ 1,797,027</b>	<b>\$ 3,749</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>\$ 60,550</b>	<b>\$ 180,162</b>	<b>\$ 119,612</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Operating transfers in	\$ 48,800	\$ 8,000	\$ (40,800)
Operating transfers out	(80,800)	0	(80,800)
<b>Total Other Financing Sources (Uses)</b>	<b>\$ 3,000</b>	<b>\$ 8,000</b>	<b>\$ 5,000</b>

(CONTINUED)

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

**GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS**  
(Including Criminal Court, Recreant, and Child Nutrition Special Revenue Funds)  
Consolidated Statement of Revenues, Expenditures,  
and Changes in Fund Balances - Budget (Placed) Basis and Actual  
For the Year Ended December 31, 1997

Statement C

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u> <u>FAVORABLE</u> <u>(UNFAVORABLE)</u>
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	\$ 174,508	\$ 197,352	\$ 22,844
FUND BALANCES AT BEGINNING OF YEAR	<u>290,000</u>	<u>555,000</u>	<u>265,000</u>
FUND BALANCES AT END OF YEAR	<u>\$ 464,508</u>	<u>\$ 752,352</u>	<u>\$ 287,844</u>

(CONTINUED)

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

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

**Notes to the Primary Government Financial Statements  
As of and for the Year Ended December 31, 1997**

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

**Notes to the Primary Government Financial Statements**  
**As of and for the Year Ended December 31, 1997**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The East Carroll Parish Police Jury (the Police Jury) is the governing authority for East Carroll Parish and is a political subdivision of the state of Louisiana. The Police Jury is governed by nine jurors representing the various districts within the parish. The jurors serve four-year terms which expire in January 2000.

Louisiana Revised Statute 33:1206 gives the Police Jury various powers in regulating and directing the affairs of the parish and its inhabitants. The more 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, disabled, aged, 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 establishes criteria for determining the governmental reporting entity, and component units that should be considered part of the East Carroll Parish Police Jury for financial reporting purposes. The basic criteria for including a potential component unit within the reporting entity in financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and:
  - a. The ability of the Police Jury to impose its will on that organization and/or
  - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Police Jury.
2. Organizations 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.

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

**Notes to the Primary Government Financial Statements  
As of and for the Year Ended December 31, 1997**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**A. REPORTING ENTITY (Continued)**

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>
<b>Included within the reporting entity:</b>		
East Carroll Parish Library	December 31	1 and 3
Sixth Judicial District Criminal Court (East Carroll Parish)	December 31	2 and 3
<b>Not included within the reporting entity:</b>		
East Carroll Parish:		
Sherrif	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
Prison District No. 1	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.

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 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.



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

**Notes to the Primary Government Financial Statements  
As of and for the Year Ended December 31, 1997**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. FUNDS AND ACCOUNT GROUPS**

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.

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 governmental's general activities, where the focus of attention is on the providing of services to the public as opposed to proprietary funds where the focus of attention is on the recovering the cost of providing services to the public or other agencies through service charges or user fees. 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** — 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 law, proposition or by grant agreement, to expenditures for specified purposes such as road maintenance, solid waste disposal, social housing for very low income families, public library operations, etc.

**Debt Service Fund** — is used to account for transactions relating to revenues related and used for the payment of principal and interest on long-term obligations recorded in the long-term obligations account group.

**C. MEASUREMENT FOCUS AND 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.

East Carroll Parish Police Jury  
Lake, Louisiana, Louisiana

Notes to the Primary Government Financial Statements  
As of and for the Year Ended December 31, 1993

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (Continued)**

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**

All valorem taxes and the related state income sharing are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed on a calendar-year basis and attach to an enforceable lien and become due and payable on the date the tax rolls are filed with the recorder of mortgages. Louisiana Revised Statute 47:1503 requires that the tax roll be filed on or before November 15 of each year. Ad valorem taxes become delinquent if not paid by December 31. The taxes are normally collected in December of the current year and January and February of the ensuing year.

Sales taxes are susceptible to accrual.

Federal and state grants are recognized when the Police Jury is notified of 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 Primary Government Financial Statements  
As of and for the Year Ended December 31, 1997**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (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 event occurs.

**B. BUDGETS**

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.

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 the 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, 1997, 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 48:1303-1314 (Local Government Budget Act) and the Head Start and Child Nutrition funds. The Head Start and Child Nutrition budgets were approved by the Policy Council for Head Start, but were not approved by the Police Jury.

**E. CASH AND CASH EQUIVALENTS**

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

East Carroll Parish Police Jury  
Lake Providence, Louisiana

Notes to the Primary Government Financial Statements  
As of and for the Year Ended December 31, 1997

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**F. INVESTMENTS**

Investments are limited by R.S. 33:2855 and the Police Jury's investment policy. If the original maturity of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents. The only investments of the Police Jury are investments in LAMP which are reported at market.

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

The investment objective of the LAMP is the preservation of capital and the maintenance of liquidity and, to the extent consistent with such objective, current yield.

The LAMP was established as a cooperative endeavor to enable public entities of the state of Louisiana to aggregate funds for investment. This pooling is intended to improve administrative efficiency and increase investment yield. The Board of Directors of LAMP provides certain management and administrative services to LAMP and, through a competitive bidding process, selects a custodial bank and an investment advisor. The custodial bank holds the assets of LAMP and the investment decisions are made by the investment advisor. Both the custodial bank and the investment advisor are subject to the review and oversight of LAMP.

An audit of LAMP is conducted annually by an independent certified public accountant. The Legislative Auditor of the state of Louisiana has full access to the records of the LAMP.

The LAMP may invest in U. S. Government Securities. The LAMP is designed to comply with restrictions on investment by municipalities, parishes, and other types of political subdivisions imposed under Louisiana Revised Statute 33:2815.

The LAMP seeks to maintain a stable net asset value of \$1.00 per unit, but there can be no assurance that the LAMP will be able to achieve this objective. The LAMP's portfolio securities are valued at market value even though the amortized cost method is permitted by Rule 7a-7 of the Investment Company Act of 1940, as amended, which governs money market mutual funds (although the LAMP is not a money market fund and has no obligation to conform to this rule). The LAMP generally complies with other aspects of that rule, including the requirements that all portfolio securities acquired by the LAMP must have, at the time of purchase, a maximum remaining maturity of 387 days and meet certain additional quality standards and that the LAMP maintain a dollar-weighted average portfolio maturity of not more than 90 days.

The fair value of the position in the pool is the same as the value of the pool shares.

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

**Notes to the Primary Government Financial Statements  
As of and for the Year Ended December 31, 1997**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**G. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES**

During the course of operations, numerous transactions occur between individual funds for services rendered. These receivables and payables are classified as due from other funds or due to other funds on the balance sheet. Short-term interfund loans are classified as interfund receivables/payables.

**H. INVENTORY AND PREPAID ITEMS**

Inventories of the Child Nutrition (special revenue fund) fund consists of food purchased by the Police Jury and commodities granted by the United States Department of Agriculture through the Louisiana Department of Agriculture and Forestry. The commodities are recorded as revenues when received (issued); however, all inventory items are recorded as expenditures when consumed. All purchased inventory items are valued at cost using the first-in, first-out (FIFO) method. The value of commodities inventory is the assigned value provided by the United States Department of Agriculture.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

**I. FIXED ASSETS**

Fixed assets used in governmental fund types of the Police Jury are recorded in the general fixed assets account group at cost or indicated historical cost if purchased or constructed. Donated fixed assets are recorded at their estimated fair value at the date of donation. Assets in the general fixed assets account group are not depreciated nor interest during construction capitalized.

Public domain (infrastructure) general fixed assets (e.g. roads, bridges, sidewalks and other assets that are inseparable and of value only to the government) are capitalized.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not included in the general fixed assets account group.

**J. 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 ten to 13 days of vacation leave, depending on their length of service and position with the library. Part-time employees earn six days of vacation leave each year. Vacation leave cannot be accumulated. All 12-month employees earn ten days of sick leave each year. Sick leave can be accumulated up to 28 days. Part-time employees earn six days of sick leave each year. Sick leave lapses upon termination of employment.

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

**Notes to the Primary Government Financial Statements  
As of and for the Year Ended December 31, 1997**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**J. VACATION AND SICK LEAVE (Continued)**

At December 31, 1997, the Police Jury had no employee leave benefits requiring recognition in accordance with GASB Codification Section 508. 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.

**K. LONG-TERM OBLIGATIONS**

The Police Jury reports long-term debt of governmental funds at face value in the general long-term debt account group. Certain other governmental fund obligations not reported to be financed with current available financial resources are also reported in the general long-term debt account group.

For governmental fund types, bond premiums and discounts, as well as issuance costs, are recognized during the current period. Bond proceeds are reported as an other financing source net of the applicable premiums or discounts. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

**L. FUND EQUITY**

Reservations of fund balance represent amounts that are not appropriable or are legally segregated for a specific purpose.

Designations of fund balance represent tentative management plans that are subject to change.

**M. INTERFUND TRANSACTIONS**

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

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

**N. SALES TAXES**

The Police Jury has a one percent 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.

East Carroll Parish Police Jury  
Lake Providence, Louisiana

Notes to the Primary Government Financial Statements  
As of and for the Year Ended December 31, 1997

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**G. USE OF ESTIMATES**

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

**F. MEMORANDUM ONLY - TOTAL COLUMNS**

Total columns on the primary government financial statements are captioned as "memorandum only" because they do not represent consolidated financial information and are presented only to facilitate financial analysis. The columns do not present information that reflects financial position or results of operations in accordance with generally accepted accounting principles. Interfund eliminations have not been made in the aggregation of this data.

**NOTE 2 - BUDGET AND ACTUAL VARIANCES**

For the year ended December 31, 1997, the Police Jury had budgeted expenditures which exceeded actual expenditures in the following funds:

	Budget	Actual	Variance
Special Revenue Funds:			
Road maintenance and construction	\$735,841	\$785,350	\$ 49,509
Airport	5,828	9,608	3,780
Health unit	44,476	38,399	15,919

**NOTE 3 - CASH AND CASH EQUIVALENTS**

At December 31, 1997, the Police Jury had cash and cash equivalents (bank balances), including overdrafts of \$11,309, totaling \$837,168 as follows:

Demand deposits	\$817,923
Post office	00
Time deposits	<u>19,185</u>
Total	<u>\$837,108</u>

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

**Notes to the Primary Government Financial Statements**  
**As of and for the Year Ended December 31, 1997**

**NOTE 3 - CASH AND CASH EQUIVALENTS (Continued)**

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 building or controlled bank that is mutually acceptable to both parties. Cash and cash equivalents (bank balances) as December 31, 1997, are secured as follows:

Bank balances	<u>\$525,352</u>
Federal deposit insurance	\$293,074
Pledged securities (noncollateralized)	<u>531,628</u>
Total	<u>\$1,349,054</u>

Because the pledged securities are held by a collateral 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 (20.306), however, Louisiana Revised Statute 38:1219 imposes a statutory requirement on the collateral bank to advertise and sell the pledged securities within ten days of being notified by the Police Jury that the fiscal agent bank has failed to pay deposit funds upon demand.

**NOTE 4 - LEVIED TAXES**

The following is a summary of authorized and levied ad valorem taxes for the year ended December 31, 1997:

	<u>Authorized</u>	<u>Levied</u>	<u>Expiration</u>
	<u>Millage</u>	<u>Millage</u>	<u>Date</u>
<b>Parishwide taxes:</b>			
General fund	4.80	4.20	Indefinite
Classification maintenance	2.80	2.11	1998
Road maintenance	5.80	5.48	2002
Drainage maintenance	5.80	5.48	2000
Library maintenance	6.50	6.83	1999
Health care	3.80	3.20	2003
<b>District taxes:</b>			
Rural fire protection	2.80	2.20	1998
Rural fire protection debt service	Variable	4.70	2004
Waste collection and disposal	8.80	9.82	2000

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



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

**Notes to the Primary Government Financial Statements**  
**As of and for the Year Ended December 31, 1997**

**NOTE: b - INVESTMENTS**

Investments are categorized into three categories of credit risk:

1. Insured or registered, or securities held by the Police Jury or its agent in the Police Jury's name.
2. Uninsured and unregistered, with securities held by the counter party's trust department or agent in the Police Jury's name.
3. Uninsured and unregistered, with securities held by the counter party, or by its trust department or agent but not in the Police Jury's name.

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

Type of investment	Carrying Amount		Total Carrying Amount
	Fair Value	Adjusted Cost	
Investments not subject to categorization:			
Distorted investment pool	\$25,655	—	\$25,655

**NOTE: c - RECEIVABLES**

The following is a summary of receivables at December 31, 1997:

	General Fund	Special Revenue Funds	Debt Service Fund	Total
<b>Taxes:</b>				
Ad valorem	\$128,808	\$686,997	\$73,847	\$889,652
Sales tax	7,208	33,818	-	41,026
<b>Grants:</b>				
Federal	3,300	15,275	-	18,575
State	808	-	-	808
Other	272	6,205	—	6,477
<b>Total</b>	<b>\$140,252</b>	<b>\$803,555</b>	<b>\$73,847</b>	<b>\$917,654</b>

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

**Notes to the Primary Government Financial Statements  
As of and for the Year Ended December 31, 1997**

**NOTE 1 - CHANGES IN GENERAL FIXED ASSETS**

The following schedule presents changes in general fixed assets:

	Balance Beginning	Additions	Deletions	Balance Ending
<b>Police Jury</b>				
Land	\$ 357,665	\$ -	\$ -	\$ 357,665
Buildings	1,390,962	-	-	1,390,962
Furniture and Equipment	1,595,143	47,488	1,392	2,931,239
Assets under capital lease	313,288	-	-	313,188
Sub-total	<u>4,061,358</u>	<u>47,488</u>	<u>1,392</u>	<u>4,407,054</u>
<b>Library</b>				
Buildings	178,155	-	-	178,155
Furniture and Equipment	125,607	3,440	-	129,047
Books, periodicals, etc.	371,858	-	-	371,858
Sub-total	<u>675,620</u>	<u>3,440</u>	<u>-</u>	<u>679,060</u>
<b>Total</b>	<u>\$4,737,138</u>	<u>\$50,928</u>	<u>\$1,392</u>	<u>\$4,866,665</u>

**NOTE 8 - RETIREMENT SYSTEMS**

Substantially all employees of the Police Jury are members of the Parishal 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 ten 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 three percent 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, 1988, the benefit is equal to one percent of final average salary plus \$14 for each year of supplemental-plan-only service earned before January 1, 1980, plus three percent 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 30 consecutive or joint 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 Primary Government Financial Statements**  
**As of and for the Year Ended December 31, 1997**

**NOTE 8 - RETIREMENT SYSTEMS (Continued)**

Under Plan A, members are required by state statute to contribute 9.50 percent of their annual covered salary and the Police Jury is required to contribute at an actuarially-determined rate. The current rate is 7.35 percent of annual covered payroll. Contributions to the system also include one-fourth of one percent (except Orleans and East Baton Rouge Parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based upon the ratio of the salaries of the active members of each plan. The contribution requirements of plan members and the Police Jury are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:183, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Police Jury's contributions to the System under Plan A for the years ending December 31, 1997, 1996, and 1995, were \$126,899, \$119,297, and \$134,462, respectively, equal to the required contribution for each year.

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 14679, Baton Rouge, Louisiana 70808-4679, or by calling (504) 928-1261.

**NOTE 9 - OTHER POSTEMPLOYMENT BENEFITS**

The 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 \$157,892. Of this amount, \$113,676 was for retiree benefits for Police retirees.

**NOTE 10 - LEASES**

The Police Jury records items under capital leases as an asset and an obligation in the accompanying financial statements. At December 31, 1997, the Police Jury had two capital leases in effect for equipment. The leases had an original recorded amount of \$265,628. Obligations are netted 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, 1997:

Fiscal year:	
1998	\$ 76,684
1999	53,521
2000	34,363
2001	7,660
Total minimum lease payments	<u>169,868</u>
Less amount representing interest	<u>( 43,520)</u>
Present value of net minimum lease payments	<u>\$ 126,348</u>

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

**Notes to the Primary Government Financial Statements  
As of and for the Year Ended December 31, 1997**

**NOTE 11 - GENERAL LONG-TERM OBLIGATIONS**

The following is a summary of the long-term obligation transactions for the year ended December 31, 1997:

	Capital Leases	General Obligation Bonds	Total
Balance at beginning of year	\$117,015	\$421,800	\$538,815
Additions	-	-	-
Deductions	64,505	50,000	114,505
Balance at end of year	<u>\$52,510</u>	<u>\$371,800</u>	<u>\$424,310</u>

General obligation bonds payable at December 31, 1997, 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. 5. Principal is due in annual installments of \$15,000 to \$85,000 through March 1, 2004. Interest rates are 7.28 percent to 7.60 percent. Debt retirement payments are made from Rural Fire Protection Debt Service Fund.	\$475,080
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All principal and interest requirements are funded in accordance with Louisiana law by the annual ad valorem tax levy on taxable property within the parish. On December 31, 1997, the Police Jury had accumulated \$39,547 in the debt service fund for future debt requirements. The bonds are due as follows:

Year Ending December 31,	Principal Payments	Interest Payments	Total
1998	\$ 55,000	\$ 33,644	\$ 88,644
1999	60,000	29,408	89,408
2000	60,000	25,855	85,855
2001	65,000	20,338	85,338
2002	70,000	15,208	85,208
Thereafter	165,000	11,238	176,238
Total	<u>\$475,000</u>	<u>\$126,683</u>	<u>\$601,683</u>

In accordance with Louisiana Revised Statute 39:561, the Police Jury and its components are legally restricted from incurring long-term bonded debt in excess of ten percent of the assessed value of taxable property in the parish or district. The Police Jury and its reported component units are within that statutory limitation.

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

**Notes to the Primary Government Financial Statements  
As of and for the Year Ended December 31, 1997**

**NOTE 12 - CRIMINAL COURT FUND**

Louisiana Revised Statute 15:571.11 requires that one-half of any balance remaining in the criminal court fund at year end be transferred to the parish general fund. The following details the amount due at December 31, 1997:

Balance due at January 1, 1997	\$10,000
Amount due	8,334
Amount received	(5,886)
Balance due at December 31, 1997	<u>\$14,141</u>

**NOTE 13 - INTERFUND ASSETS/LIABILITIES**

Due from/to other funds:

Receivable Fund	Payable Fund	Amount
General Fund	Criminal Court	\$14,141
	Section 8 Existing	17,000
	Section 8 Moderate Rehabilitation	15,000
Food Stamp	Child Nutrition	1,307
Section 8 Existing	Section 8 Moderate Rehabilitation	15,000
Section 8 Voucher	Section 8 Voucher	2,486
	Section 8 Moderate Rehabilitation	5,400
	Section 8 Existing	(3,300)
<b>Total</b>		<u>\$81,334</u>

**NOTE 14 - INTERFUND TRANSFERS**

Opening transfers for the year ended December 31, 1997 were as follows:

Fund	Transfers In	Transfers Out
General fund	\$ 8,334	\$ 8,000
Special revenue funds:		
Airport	8,000	-
Criminal Court	-	8,334
<b>Totals</b>	<u>\$16,334</u>	<u>\$16,334</u>

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

**Notes to the Primary Government Financial Statements  
As of and for the Year Ended December 31, 1997**

**NOTE 15 - SUBJECTS TO ACTUAL RECONCILIATION**

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 (cash) to the same amounts shown on Statement D (GAAP basis):

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses (cash)	\$11,891	\$(97,297)
Adjustments:		
Receivables	(\$7,002)	(60,297)
Payables	(19,883)	14,799
Fund not budgeted	-	(54,276)
Interfunds	46,175	14,889
Other	1,292	(12,496)
Excess of revenues and other sources over expenditures and other uses (GAAP) basis	\$42,083	\$17,105

**NOTE 16 - FUND DEFICITS**

The following funds had deficit fund balances at December 31, 1997:

Airport	\$ 118
Head Start	75,418
Section 8 Housing	4,812
Section 8 Voucher	2,917
Section 8 Moderate Rehabilitation	12,866

The deficits in the Airport fund and the Head Start fund will be eliminated by transfers from the general fund. Administrative costs will be reduced in the Section 8 programs to eliminate the deficit.

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

**Notes to the Primary Government Financial Statements**  
**As of and for the Year Ended December 31, 1997**

**NOTE 17 - LITIGATION AND CLAIMS**

**Litigation**

At December 31, 1997, the Police Jury was not involved in any lawsuits nor was the Police Jury's legal counsel aware of any unasserted claims.

**Grant Disallowances**

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

The U. S. Department of Health and Human Services has disallowed \$48,863 in salary expenditures. This liability has been recorded in the Head Start special revenue fund.

**NOTE 18 - 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, 1997, follows:

Balance at January 1, 1997	\$ 1,041,449
Received	1,970,248
Issued	<u>(2,870,405)</u>
Balance at December 31, 1997	\$ 1,141,292

**NOTE 19 - PRIOR PERIOD ADJUSTMENTS**

Statement No. 32 of the Governmental Accounting Standards Board, *Accounting for Temporarily Assessed Tax Revenues in Governmental Funds*, became effective for the year ending December 31, 1996. According to Statement No. 32, December sales taxes remitted to the Police Jury in January should be accrued. In prior years to December 31, 1997, the Police Jury had not accrued sales tax revenue for December sales received in January 1998. A prior period adjustment was made to record \$43,088 of December 1997 sales tax received in January 1998. Of this total, \$4,318 was recorded in the general fund and \$38,763 was recorded in the road maintenance and construction special revenue fund.

The beginning fund balances for the Section 8 programs were restated to reflect accounts receivable and payable not included in the prior year as follows:

Section 8 Existing	\$14,938
Section 8 Voucher	<u>(5,620)</u>
Section 8 Medicaid Rehabilitation	14,938

East Carroll Parish Police Jury  
Lake Providence, Louisiana

Notes to the Primary Government Financial Statements  
As of and for the Year Ended December 31, 1997

**NOTE 19 - PRIOR PERIOD ADJUSTMENTS (Continued)**

Prior to the year ended December 31, 1997, the financial statements of the Child Nutrition and Food Stamp funds were not included in the Police Jury's financial statements. These funds are special revenue funds of the Police Jury and are included in the beginning fund balance. The beginning fund balance includes the following:

Child Nutrition	\$ 3,500
Food Stamp	(14,700)

**NOTE 20 - CONTINGENCIES**

Several problems were noted in compliance testing for the Section 8 program. Considering the pervasiveness of the problems identified the total amount of all federal awards received under all three Section 8 federal award programs totaling \$481,862 is questioned. No provision has been made in the financial statements for this contingency.

The only records provided for the salary fund were copies of checks written, copies of deposit slips and bank statements. Money was transferred to the imprest salary fund by all other funds of the Police Jury to cover gross payroll for salaries and hourly employees. The employer's payroll checks and payments to third parties for various withholdings were then written from the imprest salary fund. A recorded history for the salary fund for the year could not be provided. No provision for payroll liabilities has been made in the financial statements for this contingency.



East Carroll Parish Police Jury  
Lake Providence, Louisiana

**SUPPLEMENTAL INFORMATION**

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

**SPECIAL REVENUE FUNDS**

**ROAD MAINTENANCE AND CONSTRUCTION**

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 special parishwide ad valorem tax.

**DRAINAGE MAINTENANCE**

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

**GARBAGE DISTRICT NO. 1**

The solid waste fund accounts for the operations of the parishwide landfill project and is funded by a parishwide ad valorem tax.

**RURAL FIRE**

The rural fire fund accounts for insurance for fire protection provided to the residents of East Carroll Parish and is financed by monies from the general fund and federal revenue sharing fund.

**AIRPORT**

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**

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

**LIBRARY**

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

**HEALTH UNIT**

The health unit fund accounts for the maintenance and operation of the parish health unit. Financing is provided by a special parish wide ad valorem taxes.

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

**SPECIAL REVENUE FUNDS**

**CHILD NUTRITION**

This fund accounts for the activities of the child and adult care food program. This program assists states, through grants and donated foods, to initiate and maintain non-profit food service programs for eligible children and adults in non-residential day care settings.

**HEAD START**

The Head Start program provides comprehensive health, educational, nutritional, social and other services primarily to economically disadvantaged preschool children, including Indian children on federally-recognized reservations, and children of migratory workers and their families; and involves parents in activities with their children so that the children will attain overall social competence.

**SECTION 8 EXISTING**

Provides housing assistance payments to participating owners on behalf of eligible tenants to provide decent, safe and sanitary housing for low-income families in private market rental units at rents they can afford. This is primarily a tenant-based rental assistance program through which participants are assisted in rental units of their choice; however, a public housing agency may also attach up to 15 percent of its certificate funding to rehabilitated or newly constructed units under a project-based component of the program. All assisted units must meet program guidelines. Housing assistance payments are used to make up the difference between the approved rent due to the owner for the dwelling unit and the family's required contribution towards rent. Assisted families must pay the highest of 30 percent of the monthly adjusted family income, 30 percent of gross monthly family income, or the portion of welfare assistance designated for the monthly housing cost of the family.

**SECTION 8 VOUCHER**

Provides housing assistance payments to participating owners on behalf of eligible tenants to provide decent, safe and sanitary housing for very low-income families at rents they can afford. Housing assistance payments are generally the difference between the local payment standard and 30 percent of the family's adjusted income. The family has to pay at least 10 percent of gross monthly income for rent.

**SECTION 8 MODERATE REHABILITATION**

Provides housing assistance payments to participating owners on behalf of eligible tenants to provide decent, safe and sanitary housing for very low-income families at rents they can afford. Housing assistance payments are used to make up the difference between the approved rent due to the owner for the dwelling unit and the occupant family's required contribution towards rent. Assisted families must pay the highest of 30 percent of their monthly adjusted family income, 30 percent of gross family income, or the portion of welfare assistance designated for housing toward rent.

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

**SPECIAL REVENUE FUNDS**  
Combining Balance Sheet  
December 31, 1997

	<b>ROAD MAINTENANCE AND CONSTRUCTION</b>			
	<b>ROAD CONSTRUCTION</b>	<b>ROAD MAINTENANCE</b>	<b>SANITARY DISTRICT NO. 1</b>	<b>FORAL FIRE</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 76,660	\$ 12,767	\$ 176,400	\$ 44,051
Investments	0	0	0	0
Receivables	147,793	111,894	149,737	34,589
Due from other funds	0	0	0	0
Inventory	0	0	0	0
Prepaid items	0	0	0	0
<b>TOTAL ASSETS</b>	<b>\$ 224,453</b>	<b>\$ 124,661</b>	<b>\$ 326,137</b>	<b>\$ 78,640</b>
<b>LIABILITIES AND FUND EQUITY</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 37,483	\$ 393	\$ 6,993	\$ 1,532
Prepaid deductions payable	2,215	1,630	0	0
Notes payable	0	0	0	0
Due to other funds	0	0	0	0
<b>Total Liabilities</b>	<b>\$ 39,698</b>	<b>\$ 1,923</b>	<b>\$ 6,993</b>	<b>\$ 1,532</b>
<b>Fund Equity:</b>				
<b>Fund Balances:</b>				
Reserved for inventory and prepaid items	\$ 0	\$ 0	\$ 0	\$ 0
Investment and undesignated	184,755	122,738	319,144	77,108
<b>Total Equity</b>	<b>\$ 184,755</b>	<b>\$ 122,738</b>	<b>\$ 319,144</b>	<b>\$ 77,108</b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$ 224,453</b>	<b>\$ 124,661</b>	<b>\$ 326,137</b>	<b>\$ 78,640</b>

Exhibit 1

AIRPORT	CRIMINAL COURT	LIBRARY	HEALTH UNIT	CHILD NUTRITION	HEAD START
\$ 134	\$ 18,867	\$ 124,058	\$ 180,754	\$ 6,872	\$ 60,760
0	0	20,000	0	0	0
0	5,277	198,798	87,180	4,875	844
0	0	0	0	0	1,207
0	0	0	0	2,883	0
0	0	0	0	0	2,800
<u>\$ 134</u>	<u>\$ 24,144</u>	<u>\$ 292,856</u>	<u>\$ 267,934</u>	<u>\$ 14,630</u>	<u>\$ 64,614</u>
\$ 372	\$ 1,868	\$ 2,314	\$ 6,048	\$ 0	\$ 67,885
0	0	0	0	0	13,744
0	0	0	0	0	18,628
0	14,345	0	0	1,267	0
<u>\$ 372</u>	<u>\$ 16,173</u>	<u>\$ 2,314</u>	<u>\$ 6,048</u>	<u>\$ 1,267</u>	<u>\$ 100,257</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,883	\$ 2,800
<u>(1,280)</u>	<u>8,324</u>	<u>(87,238)</u>	<u>(222,888)</u>	<u>18,330</u>	<u>(73,521)</u>
<u>\$ (1,280)</u>	<u>\$ 8,324</u>	<u>\$ (87,238)</u>	<u>\$ (222,888)</u>	<u>\$ 18,330</u>	<u>\$ (73,521)</u>
<u>\$ 134</u>	<u>\$ 24,144</u>	<u>\$ 292,856</u>	<u>\$ 267,934</u>	<u>\$ 14,637</u>	<u>\$ 65,414</u>

(continued)

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

**SPECIAL REVENUE FUNDS**  
 Combining Balance Sheet  
 December 31, 1987

Exhibit 1

	SECTION 1 SPENDING	SECTION 2 VOUCHER	SECTION 3 MOB RENTAL	TOTAL
<b>ASSETS</b>				
Cash and cash equivalents	\$ 5,701	\$ 2,704	\$ 20,840	\$ 29,245
Investments	0	0	0	0
Receivables	5,000	0	4,283	9,283
Due from other funds	22,488	14,700	0	37,188
Inventory	0	0	0	0
Prepaid items	0	0	0	0
<b>TOTAL ASSETS</b>	<b>\$ 23,189</b>	<b>\$ 17,404</b>	<b>\$ 25,123</b>	<b>\$ 65,716</b>
<b>LIABILITIES AND FUND EQUITY</b>				
<b>LIABILITIES:</b>				
Accounts payable	\$ 10,088	\$ 11,713	\$ 15,830	\$ 37,631
Payroll deductions payable	0	183	27	210
Taxes payable	0	0	0	0
Due to other funds	20,200	7,486	22,850	50,536
<b>Total Liabilities</b>	<b>\$ 30,288</b>	<b>\$ 20,382</b>	<b>\$ 38,707</b>	<b>\$ 89,377</b>
<b>Fund Equity:</b>				
<b>Fund Balances:</b>				
Reserved for inventory and prepaid items	\$ 0	\$ 0	\$ 0	\$ 0
Unreserved and undesignated	23,189	17,404	25,123	65,716
<b>Total Equity</b>	<b>\$ 23,189</b>	<b>\$ 17,404</b>	<b>\$ 25,123</b>	<b>\$ 65,716</b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$ 53,477</b>	<b>\$ 37,786</b>	<b>\$ 63,830</b>	<b>\$ 155,093</b>

(continued)

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

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**(EAST CARROLL) PARISH POLICY JURY**  
**Lake Providence, Louisiana**

**SPECIAL REVENUE FUNDS**  
**Combining Schedule of Revenues, Expenditures,**  
**and Changes in Fund Balances**  
**For the Year Ended December 31, 1987**

	ROAD			
	CONSTRUCTION	MAINTENANCE	DISTRICT NO. 1	RURAL
<b>REVENUES</b>				
<b>Local sources:</b>				
<b>Taxes:</b>				
Ad valorem	\$ 128,730	\$ 129,700	\$ 155,190	\$ 40,577
Sales and use	420,800	0	0	0
<b>Intergovernmental receipts:</b>				
Federal funds - federal grants	0	0	0	0
State funds:				
Parish transportation funds	130,480	0	0	0
State revenue sharing (net)	0	0	0	0
Other state funds	0	0	0	9,388
Fees, charges, and reimbursements for services	0	0	0	0
Fines and forfeitures	0	0	0	0
Use of money and property	4,707	1,200	7,884	2,128
Other revenues	9,083	1,388	0	0
<b>Total Revenues</b>	<b>\$ 703,800</b>	<b>\$ 132,288</b>	<b>\$ 173,074</b>	<b>\$ 52,093</b>
<b>EXPENDITURES</b>				
<b>Current:</b>				
General government:				
Judicial	\$ 0	\$ 0	\$ 0	\$ 0
Finance and administrative	0	0	0	0
Public safety	0	0	0	28,778
Public works	685,000	50,100	140,848	0
Health and welfare	0	0	0	0
Culture and recreation	0	0	0	0
Transportation	0	0	0	0
Debt service:				
Principal retirement	88,880	0	0	0
Interest and bond charges	8,004	0	0	0
Capital outlay	21,281	788	200	0
<b>Total Expenditures</b>	<b>\$ 795,365</b>	<b>\$ 50,888</b>	<b>\$ 141,048</b>	<b>\$ 28,778</b>
<b>EXCESS (Deficiency) OF REVENUES</b>	<b>\$ (119,735)</b>	<b>\$ (81,000)</b>	<b>\$ 30,100</b>	<b>\$ 23,315</b>



Section 2

ADAPT	ORIGINAL COURT	LIBRARY	HEALTH UNIT	CHILD NUTRITION	HEAD START
\$	\$	\$	\$	\$	\$
			180,418	71,076	
					80,730
			8,000		
1,076					
	88,288				
		8,000	8,000		1,810
		70,076		2,760	2,804
\$	1,076 \$	88,288 \$	187,738 \$	80,800 \$	80,840 \$
\$	\$	67,034 \$	\$	\$	\$
					100,412
			64,843	78,238	600,888
		188,808			
8,000					8,400
		70,772	70		
\$	8,000 \$	67,034 \$	175,740 \$	64,883 \$	78,838 \$
					673,611
\$	8,000 \$	5,004 \$	11,890 \$	27,850 \$	8,118 \$
					687,116

CONTINUED

**EAST CADDOSH PARISH POLICY JURY  
Lake Providence, Louisiana**

**SPECIAL REVENUE FUNDS**  
Comparing Schedule of Revenues, Expenditures,  
and Changes in Fund Balances  
For the Year Ended December 31, 1997

	1997			
	MAINTENANCE AND CONSTRUCTION	SPRING MAINTENANCE	GARAGE DISPOSALS	RURAL FIRE
<b>OTHER FINANCING SOURCES (USES)</b>				
Opening transfers in	\$ 0 \$	0 \$	0 \$	0
Opening transfers out	\$ 0	0	0	0
<b>Total Other Financing Sources (Uses)</b>	\$ 0 \$	0 \$	0 \$	0
<b>EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</b>	179,775	49,615	24,132	15,233
<b>FUND BALANCES AT BEGINNING OF YEAR, AS ORIGINALLY STATED</b>	\$ 115,850 \$	138,659 \$	289,078 \$	62,817
<b>PRIOR PERIOD ADJUSTMENT</b>	36,882	0	0	0
<b>FUND BALANCES AT BEGINNING OF YEAR, AS RESTATED</b>	\$ 152,732 \$	138,659 \$	289,078 \$	62,817
<b>FUND BALANCES AT END OF YEAR</b>	\$ 332,507 \$	188,274 \$	313,210 \$	78,050

Exhibit 2

ADULTS	CRIMINAL COURT	LIBRARY	HEALTH UNIT	CHILD NUTRITION	HEAD START
\$ 8,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>0</u>	<u>(8,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
\$ 8,000	\$ (8,000)	\$ 0	\$ 0	\$ 0	\$ 0
<u>0</u>	<u>(8,000)</u>	<u>11,800</u>	<u>21,800</u>	<u>8,710</u>	<u>(56,710)</u>
\$ (110)	\$ 16,814	\$ 230,210	\$ 236,180	\$ 3,800	\$ (4,700)
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
\$ (110)	\$ 16,814	\$ 230,210	\$ 236,180	\$ 3,800	\$ (4,700)
<u>(110)</u>	<u>8,234</u>	<u>261,200</u>	<u>236,880</u>	<u>12,200</u>	<u>(78,410)</u>

(CONTINUED)

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

**SPECIAL REVENUE FUNDS**  
 Containing Schedule of Revenues, Expenditures,  
 and Changes in Fund Balances  
 For the Year Ended December 31, 1997

Exhibit 2

	SECTION 6 (COSTING)	SECTION 8 (VOUCHER)	SECTION 9 (MCD/REPAIR)	TOTAL
<b>REVENUES</b>				
Local sources:				
Taxes:				
Ad valorem	\$	\$	\$	\$ 791,838
Sales and use	0	0	0	428,450
Intergovernmental resources:				
Federal funds - federal grants	508,072	40,288	651,781	1,074,028
State funds:				
Parish transportation funds	0	0	0	178,100
State revenue sharing (SRS)	0	0	0	5,000
Other state funds	0	0	0	8,388
Fees, charges, and commissions for services	0	0	0	1,875
Fines and forfeitures	0	0	0	88,388
Use of money and property	287	60	578	90,987
Other revenues	0	0	0	21,073
<b>Total Revenues</b>	<b>\$ 1,290,495</b>	<b>\$ 40,288</b>	<b>\$ 652,359</b>	<b>\$ 1,983,142</b>
<b>EXPENDITURES</b>				
Current:				
External government:				
Judicial	\$	\$	\$	\$ 65,834
Finance and administrative	0	0	0	280,433
Public safety	0	0	0	38,730
Public works	0	0	0	608,308
Health and welfare	381,800	47,814	110,054	1,158,617
Culture and recreation	0	0	0	105,839
Transportation	0	0	0	18,158
Debt service:				
Principal retirement	0	0	0	68,688
Interest and bond charges	0	0	0	8,004
Capital outlay	0	0	0	21,888
<b>Total Expenditures</b>	<b>\$ 381,800</b>	<b>\$ 47,814</b>	<b>\$ 110,054</b>	<b>\$ 541,668</b>
<b>(EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES)</b>	<b>\$ 908,695</b>	<b>\$ (7,526)</b>	<b>\$ (54,695)</b>	<b>\$ 846,474</b>

(CONTINUED)

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

**SPECIAL REVENUE FUNDS**  
**Containing Schedule of Revenues, Expenditures,**  
**and Changes in Fund Balances**  
**For the Year Ended December 31, 1997**

EXHIBIT 2

	<u>SECTION 8</u> <u>EXISTING</u>	<u>SECTION 8</u> <u>VOUCHER</u>	<u>SECTION 8</u> <u>NO. 89488</u>	<u>TOTAL</u>
<b>OTHER FINANCING SOURCES (LINES)</b>				
Operating transfers in	\$ 0	\$ 0	\$ 0	\$ 0
Operating transfers out	<u>0</u>	<u>0</u>	<u>0</u>	<u>\$ 0</u>
<b>Total Other Financing Sources (Lines)</b>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER LINES</b>	<u>(22,045)</u>	<u>(1,548)</u>	<u>(8,480)</u>	<u>17,967</u>
<b>FUND BALANCES AT BEGINNING OF YEAR, AS ORIGINALLY STATED</b>	\$ (37,008)	\$ 4,248	\$ (10,447)	\$ 1,137,187
<b>PERIOD ADJUSTMENT</b>	<u>24,838</u>	<u>(3,025)</u>	<u>14,876</u>	<u>86,689</u>
<b>FUND BALANCES AT BEGINNING OF YEAR, AS RESTATED</b>	<u>\$ 12,238</u>	<u>\$ 1,223</u>	<u>\$ (5,571)</u>	<u>\$ 1,223,876</u>
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$ 24,212</u>	<u>\$ (1,802)</u>	<u>\$ (12,695)</u>	<u>\$ 1,223,373</u>

(CONCLUDED)

East Carroll Parish Police Jury  
Lake Providence, Louisiana

SPECIAL REVENUE FUNDS

GENERAL

Exhibit B

**COMPENSATION PAID POLICE JURORS**

The schedule of compensation paid to police jurors is presented in compliance with House Concurrent Resolution No. 94 of the 1879 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 35:1213, 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 \$400 per month.

Schedule of Compensation Paid Police Jurors  
For the Year Ended December 31, 1997

Bruce F. Nelson, President	\$ 8,400
St. L. Payne	7,200
Earl K. Fontenberry	7,200
Billy Travis	7,200
George Hopkins	7,200
Joseph Jackson	7,200
Ch'Ron Scott	7,200
Darin Dixon	7,200
Robby J. Moore	<u>7,200</u>
Total	<u>\$66,000</u>

EAST CARROLL PARISH POLICY JURY  
Lake Providence, Louisiana

5000 SHEPHERD HEAD START  
Condensed Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
For the Year Ended June 30, 1997

Exhibit A

REVENUES

Local sources:

Intergovernmental revenues:

Federal funds - federal grants

\$ 688,000

Other revenues

188,317

Total Revenues

\$ 876,317

EXPENDITURES

Current:

General government:

Finance and administrative

\$ 609,000

Transportation

2,987

Total Expenditures

\$ 611,987

EXCESS (Deficiency) OF REVENUES

264,330

OVER EXPENDITURES

(507)

FUND BALANCES AT BEGINNING OF YEAR

\$ (18,992)

FUND BALANCES AT END OF YEAR

\$ (19,499)

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

**OTHER REPORT REQUIRED BY  
GOVERNMENT AUDITING STANDARDS**

The first report following this page is a report on compliance and on internal control over financial reporting based on an audit of financial statements performed in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States. The section of the report on compliance is based solely on the audit of the primary government financial statements and presents, where applicable, compliance matters that would be material to the primary government financial statements. The section of the report on internal control over financial reporting is, likewise, based solely on the audit of the primary government financial statements and includes, where appropriate, any reportable conditions and/or material weaknesses.

**OTHER REPORT REQUIRED BY  
OFFICE OF MANAGEMENT AND BUDGET (OMB) CIRCULAR No. A-133**

The second report following this page contains information on the report on compliance with requirements applicable to each major program and internal control over compliance in accordance with OMB Circular No. A-133. The section of the report on compliance is related to tests of compliance with laws, regulations, contracts and grants relating to federal awards programs. The section of the report on internal control over compliance is, likewise, related to matters that would be significant and/or material to federal awards programs.



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A Fellow of the  
American Institute of  
CPAs

Tim Green, CPA

Margie Williams, CPA

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

Police Jury  
East Carroll Parish Police Jury  
Lake Providence, Louisiana

We have audited the primary government financial statements of East Carroll Parish Police Jury, as of and for the year ended December 31, 1997, and have issued our report thereon dated July 30, 1998. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

### **Compliance**

As part of obtaining reasonable assurance about whether the Police Jury's primary government financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under Government Auditing Standards and which are described in the accompanying schedule of findings and questioned costs as items 97-02, 97-05, 97-07, 97-08 and 97-10. We have also noted certain immaterial instances of noncompliance which we have reported to management of the Police Jury in a separate letter dated July 30, 1998.

### **Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Police Jury's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our 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 financial statements. Reportable conditions are described in the accompanying Schedule of Findings and Questioned Costs as items 97-01, 97-03, 97-04, 97-06, 97-09 and 97-08.

Police Jury  
West Carroll Parish Police Jury  
Lake Providence, Louisiana

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the 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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, we consider items 93-F3, 97-F4, 97-F5 and 97-F8 to be material weaknesses. We have also noted other matters involving the internal control over financial reporting, which we have reported to management of the Police Jury in a separate letter dated July 30, 1998 included later in this report.

This report is intended for the information of the Jury, management and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.



ALLEN, GREEN & COMPANY, LLP

Monroe, Louisiana  
July 30, 1998

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## Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular No. A-133

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

### Compliance

We have audited the compliance of the East Carroll Parish Police Jury, Lake Providence, Louisiana, with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular No. A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended December 31, 1997. The Police Jury's major federal programs are identified in the summary of audited results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Police Jury's management. Our responsibility is to express an opinion on East Carroll Parish Police Jury's compliance based on our audit.

We evaluated our audit of compliance in accordance with generally accepted auditing standards, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and OMB Circular No. A-133, Audits of State, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular No. A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Police Jury's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Police Jury's compliance with those requirements.

As described in items 95-F10, 97-F11, 97-F12, and 97-F13 in the accompanying Schedule of Findings and Questioned Costs, the Police Jury did not comply with the requirements regarding allowable costs, eligibility and special tests and provisions that are applicable to its Section 8 and Head Start programs. Compliance with such requirements is necessary, in our opinion, for the Police Jury to comply with the requirements applicable to those programs.

In our opinion, except for the noncompliance described in the preceding paragraph, the Police Jury complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 1997.

Police Annex  
East Carroll Parish Police Jury  
Lake Providence, Louisiana

#### Internal Control Over Compliance

The management of the Police Jury is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Police Jury's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular No. A-133.

We noted certain matters involving the internal control over compliance and its operation that we consider to be reportable conditions. Reportable conditions involve matters arising in our attention relating to significant deficiencies in the design or operation of the internal control over compliance, that in our judgment, could adversely affect the Police Jury's ability to administer a major federal program in accordance with the applicable requirements of laws, regulations, contracts, and grants. A reportable condition is described in the accompanying Schedule of Findings and Questioned Costs as item #1-F-10.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. However, we believe the reportable condition described above is a material weakness.

#### Schedule of Expenditures of Federal Awards

We have audited the primary government financial statements of the Police Jury, as of and for the year ended December 31, 1997, and have issued our report thereon dated July 30, 1998. Our audit was performed for the purpose of forming an opinion on the primary government financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular No. A-133 and is not a required part of the primary government financial statements of the Police Jury. Such information has been subjected to the auditing procedures applied in the audit of the primary government financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the primary government financial statements taken as a whole.

This report is intended for the information of the board, management and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

*Allen, Green & Company, LLP*

ALLEN, GREEN & COMPANY, LLP

Monroe, Louisiana  
July 30, 1998

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

**Schedule of Expenditures of Federal Awards  
For the Year Ended December 31, 1997**

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM NAME	CFDA Number	Pass-Through Grantor No.	Expenditures
<b>CASH FEDERAL AWARDS</b>			
United States Department of Agriculture			
Passed Through Louisiana Department of Social Services			
State Administrative Matching Grants for Food Stamp Program	90.563	N/A	\$ 18,797
Passed Through Louisiana Department of Education			
Children's Food Program	90.558	N/A	<u>81,580</u>
Total United States Department of Agriculture			<u>100,377</u>
United States Department of Housing and Urban Development			
Direct Programs:			
Section 8 Choice			
Section 8 Voucher Program	14.859	F502118	49,789
Section 8 Moderate Rehabilitation Program	14.856	F502118	100,781
Section 8 Rental Certificate Program	14.857	F502118	<u>339,032</u>
Total United States Department of Housing and Urban Development			<u>490,602</u>
United States Department of Health and Human Services			
Direct Programs:			
Head Start	93.608	06C10030/02 & 23	<u>809,723</u>
<b>TOTAL CASH FEDERAL AWARDS</b>			<u><u>1,380,082</u></u>
<b>NON-CASH FEDERAL AWARDS</b>			
United States Department of Agriculture			
Passed Through Louisiana Department of Social Services			
Food Stamp Program	90.553	N/A	\$2,874,485
Passed Through Louisiana Department of Agriculture and Forestry			
Food Distribution Program	90.558	N/A	<u>1,740</u>
<b>TOTAL NON-CASH FEDERAL AWARDS</b>			<u><u>2,876,225</u></u>
<b>TOTAL FEDERAL AWARDS</b>			<u><u>\$4,256,307</u></u>

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

**Notes to the Schedule of Expenditures of Federal Awards  
For the Year Ended December 31, 1997**

**NOTE 1 - GENERAL**

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of the East Carroll Parish Police Jury, Lake Providence, Louisiana. The East Carroll Parish Police Jury (the "Police Jury") reporting entity is defined in note 1 to the Police Jury's primary government financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, is included on the schedule.

**NOTE 2 - BASIS OF ACCOUNTING**

The accompanying Schedule of Expenditures of Federal Awards is prepared using the modified accrual basis of accounting, which is described in note 1 to the Police Jury's primary government financial statements.

**NOTE 3 - RELATIONSHIP TO PRIMARY GOVERNMENT FINANCIAL STATEMENTS**

Federal awards revenues are reported in the Police Jury's primary government financial statements as follows:

	<u>Federal Sources</u>
General fund	\$ 16,760
Special revenue funds:	
Child Nutrition	83,240
Food Stamp	889,210
Sections 8 Existing	379,872
Sections 8 Voucher	40,208
Sections 8 Moderate Rehabilitation	<u>181,780</u>
Total	<u>\$1,507,260</u>

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 financial statements.

**NOTE 4 - RELATIONSHIP TO FEDERAL FINANCIAL REPORTS**

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

**NOTE 5 - MATCHING REVENUES AND STATE FUNDING**

For those funds that have matching revenues and state funding, federal expenditures were determined by deducting matching revenues from total expenditures.

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

**Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 1997**

**PART I - Summary of the Auditors' Results**

**Financial Statement Audit**

- i. The type of audit report issued was qualified.
- ii. There was reportable conditions required to be disclosed by Government Auditing Standards issued by the Comptroller General of the United States.

Four of the reportable conditions disclosed were considered material weaknesses as defined by the Government Auditing Standards.

- iii. There were five instances of noncompliance that were considered material, as defined by the Government Auditing Standards, to the financial statement.

**Audit of Federal Awards**

- iv. There were reportable conditions required to be disclosed by OMB Circular No. A-133.
- v. The type of report the auditor issued on compliance for major programs was qualified.
- vi. The audit disclosed audit findings which the auditor is required to report under OMB Circular No. A-133, Section 5.03(a).
- vii. The major federal programs are:

CFDA# 18.551	Food Stamp Program
CFDA# 493.600	Head Start
Section 8 Cluster	
CFDA# 14.805	Section 8 Yearly Program
CFDA# 14.855	Section 8 Moderate Rehabilitation Program
CFDA# 14.857	Section 8 Rental Certificate Program
- viii. The dollar threshold used to distinguish between Type A and Type B programs as described in OMB Circular No. A-133, Section 5.200(d) was \$380,800.
- ix. The auditor does not qualify as a low-risk auditor under OMB Circular No. A-133, Section 5.58.

East Carroll Parish Police Jury  
Lake Providence, Louisiana

Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 1997

**PART II:** Findings related to the financial statements which are required to be reported in accordance with Generally Accepted Government Auditing Standards:

**Reference # and Title:** 97-01 **Problem Stated With Head Start Payroll**

**Entity-wide or program/department specific:** This finding is specific to the Good Shepherd Head Start program.

**Criteria or specific requirement:** Documentation for salary expenditures should include the following:

- An employee's file should have proof of existence.
- Salary of employees should match an approved salary schedule.
- The supervisor should approve all weekly time records.
- Salary expenditures should be supported by time records.

**Condition found:** Of the 38 payroll disbursements from the Head Start program tested, we noted the following:

- Four instances of no proof of identification in the files.
- Nine instances of salary not matching the salary schedule.
- Two instances in which Science Childrens program hourly rate was higher than the regular hourly rate.
- Thirty instances of weekly time records not approved by a supervisor.
- One instance of failure to locate weekly time record.

**Possible asserted effect (costs and/or files):**

**Costs:** The costs is unknown.

**Files:** The effect is that complete support for salary expenditures was not present at the time of the audit.

**Recommendations to prevent future occurrences:**

- Proof of existence should be obtained from all employees and retained in personnel files.
- All salaries should match an approved salary schedule.
- The supervisor should approve all weekly time records.
- All salary expenditures should be supported by weekly time records.



East Carroll Parish Police Jury  
Lake Providence, Louisiana

Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 1997

**PART II - Findings related to the financial statements which are required to be reported in accordance with Generally Accepted Government Auditing Standards:**

**Reference # and Title:** 97-F3 **Late Filing of Audit Report**

**Entity-wide or program/departmentspecific:** This finding is entity-wide.

**Criteria or specific requirement:** Louisiana Revised Statute (L.R.S.) 24:503 (A) (5) (a) requires the audit of the Police Jury to be completed within six months of the close of the Police Jury's year-end (December 31).

**Condition found:** The audit report was filed two months beyond the six-month deadline.

**Possible corrected effect (cause and effect):**

**Cause:** The Secretary-Treasurer and Assistant Secretary-Treasurer left the Police Jury in February 1998. Many accounting problems were uncovered after their departure resulting in the current auditor withdrawing his audit engagement letter. The audit was bid twice in order to ensure that the audit cost was the most reasonable possible. An audit contract was not signed between the Police Jury and the auditor until May 1998.

**Effect:** The untimely filing of the audit report violated L.A. R.S. 24:503 (A)(5) (a).

**Recommendations to prevent future occurrences:** In the future, the Police Jury should engage an auditor before year-end to ensure the audit is completed timely.

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

**Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 1997**

**PART II - Findings related to the financial statements which are required to be reported in accordance with Generally Accepted Government Auditing Standards:**

**Reference # and Title:            93-F3                                    Transaction of Salary Fund Not Recorded**

**Entity-wide or program/department specific:** This finding is entity-wide and involves all payroll transactions for the Police Jury.

**Criteria or specific requirements:** All transactions of the salary fund must be recorded in order to provide complete information for employee's W-2s, payroll returns and payroll liabilities at December 31, 1997.

**Condition found:** The only records provided for the salary fund were copies of check stubs, copies of deposit slips and bank statements. Money was transferred to the interest salary fund by all other funds of the Police Jury to cover gross payroll for salaried and hourly employees. The employees' payroll checks and payments to third-parties for various withholdings were then written from the interest salary fund. A recorded history for the salary fund for the year could not be provided to the auditors.

**Possible asserted effect (cause and effect):**

**Cause:** Unknown

**Effect:** Without a recorded history for the salary fund for the year, no documentation can be provided for the W-2s issued to employees or the payroll returns filed. The amounts of various payroll liabilities at December 31, 1997 cannot be determined.

**Recommendations to prevent future occurrences:** Transactions of the salary fund should be recorded monthly. This information could then be used to prepare and file accurate payroll tax returns and W-2s and other employees' withholdings.

East Carroll Parish Police Jury  
Lake Providence, Louisiana

Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 1997

**PART II - Findings related to the financial statements which are required to be reported in accordance with Generally Accepted Government Auditing Standards:**

**Reference # and Title: 97-19 Salary Fund Bank Account Not Reconciled**

**Entity-wide or program/department specific:** This finding is entity-wide and involves all payroll transactions for the Police Jury.

**Criteria or specific requirements:** Good internal control requires bank reconciliations be prepared for all bank accounts in a timely manner and that someone independent of recording transactions, issuing, or signing checks for the account perform the reconciliation.

**Condition found:** The impact salary fund was not reconciled for any month during the year ended December 31, 1997.

**Possible associated effect (cause and effect):**

**Cause Unknown.**

**Effect:** The fact that the salary fund was not reconciled by someone independent of the transactions for the fund allowed two employees to write salary checks to themselves in excess of their authorized salary. See finding 97-19.

**Recommendation to prevent future occurrences:** The salary fund bank account should be reconciled monthly and by someone independent of the check issuing, signing and printing processes.

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

**Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 1997**

**PART II - Findings related to the financial statements which are required to be reported in accordance with Generally Accepted Government Auditing Standards:**

**Reference # and Title:**      **97-08**                              **Secretary-Treasurer and Assistant Secretary-Treasurer  
Paid Themselves Excess Salary**

**Entity-wide or program/department specific:** This finding is entity-wide.

**Criteria or specific requirement:** The authorized salaries for 1997 based on information provided by the Police Jurors for the Secretary-Treasurer and for Assistant Secretary-Treasurer were \$11,600 and \$15,100 respectively.

**Condition found:** The Secretary-Treasurer paid herself \$45,377 in excess of her authorized salary for the year. The Assistant Secretary-Treasurer paid herself \$9,531 in excess of her authorized salary for the year.

**Possible asserted effect (cause and effect):**

**Cause:** The payments were possible because the salary fund was maintained by the Assistant Secretary-Treasurer and no one else reviewed the transactions in this account. The Secretary-Treasurer and Assistant Secretary-Treasurer were both authorized check signers.

**Effect:** Excess payments to two employees were made from the salary fund.

**Recommendation to prevent future occurrences:** The bank reconciliation for the salary fund should be performed by someone independent of the accounting for the fund and independent of check signing for the fund. Checks should have the signature of at least one police juror.

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

**Schedule of Findings and Questioned Costs**  
**For the Year Ended December 31, 1997**

**PART II - Findings related to the financial statements which are required to be reported in accordance with Generally Accepted Government Auditing Standards:**

**Reference # and Title: 97-06                      Lack of Documentation for Travel Expenditures**

**Entity-wide or program/department specific:** This finding is entity-wide.

**Criteria or specific requirement:** Good internal control requires documentation for all expenditures.

**Condition found:** In testing 15 travel expenditures we noted eight expenditures with no documentation and eight expenditures lacking documentation of the reason for the travel.

**Possible asserted effect (cause and effect):**

**Cause:** The cause is unknown.

**Effect:** No documentation, except for the cancelled check, for several travel expenditures was in the file and several other travel expenditures were missing certain necessary documentation.

**Recommendations to prevent future occurrences:** All travel expenditures should be supported by an original invoice and documentation of the purpose of the trip.

**Reference # and Title: 97-07                      Parish Transportation Act**

**Entity-wide or program/department specific:** This finding is specific to the road maintenance fund.

**Criteria or specific requirement:** The Parish Transportation Act (LSA-R.S. 48:735 System of Administration) requires all construction (including on-site projects) spent from the Parish Transportation Fund to be based upon engineering plans and specifications.

**Condition found:** The Police Jury did not have engineering plans and specifications for construction work performed in 1997.

**Impact responsible for judging the occurrence and consequences:** The Police Jury received \$175,000 in Parish Transportation Funds for 1997. The construction expenditures were approximately \$130,000 for 1997.

**Possible asserted effect (cause and effect):**

**Cause:** Unknown.

**Effect:** The Police Jury did not comply with the Parish Transportation Act.

**Recommendations to prevent future occurrences:** The Police Jury should use engineering plans and specifications for all construction projects.

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

**Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 1997**

**PART II - Findings related to the financial statements which are required to be reported in accordance with Generally Accepted Government Auditing Standards:**

**Reference # and Title:        97-F8                                Section 8 Landlord/Tenant Files**

**Federal program and specific Federal award identification:**

Section 8 Rental Certificate Program and CFDA # 14.852  
Section 8 Moderate Rehabilitation Program and CFDA # 14.856  
Section 8 Rental Voucher Program and CFDA # 14.855

**Criteria or specific requirement:** This finding is a result of performing the procedures outlined in the U. S. Office of Management and Budget "A-133 Compliance Supplement" for the Section 8 Cluster (dated May 1996) regarding eligibility and special tests and procedures, except for the results of conflict of interest situations procedures which have been included in another finding in this audit report.

**Condition found:** See finding 97-F18.

**Reference # and Title:        97-F9                                Possible Conflict of Interest**

**Federal program and specific Federal award identification:**

Section 8 Rental Certificate Program and CFDA # 14.852  
Section 8 Moderate Rehabilitation Program and CFDA # 14.856  
Section 8 Rental Voucher Program and CFDA # 14.855

**Criteria or specific requirement:** This finding is a result of performing the "Conflict of Interest Situations" procedures identified in the U. S. Office of Management and Budget No. A-133 Compliance Supplement for the Section 8 Cluster (dated May 1996) regarding Special Tests and Procedures.

**Condition found:** See finding 97-F11.

East Carroll Parish Police Jury  
Lake Providence, Louisiana

Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 1977

**PART III - Findings and questioned costs for federal awards which are required to be reported under OMB Circular No. A-133 Section 5(b)(4):**

**Reference # and Title:** 95-F10 Section 8 Rental/Transient Elix

**Federal program and specific Federal award identification:**

Section 8 Rental Certificate Program and CFDA # 14.857

Section 8 Moderate Rehabilitation Program and CFDA # 14.856

Section 8 Rental Voucher Program and CFDA # 14.855

Federal Agency: U. S. Department of Housing and Urban Development  
Direct Program: Contract #FW2118

**Criteria or specific requirement:** This finding is a result of performing the procedures outlined in the U. S. Office of Management and Budget "A-133 Compliance Supplement" for the Section 8 Cluster (dated May 1976) regarding eligibility and special rules and provisions, except for the review of conflict of interest situation procedures which have been included in another finding in this audit report.

**Condition found:** The auditor selected housing assistance payments (HAP) from the disbursement journals for April 1977. The number of units occupied and the number selected from each program to test are as follows:

	Number of Units	
	Occupied	Signed
a. Section 8 Rental Certificate Program	181	20
b. Section 8 Moderate Rehabilitation Program	44	10
c. Section 8 Rental Voucher Program	13	5

Of twenty-seven Section 8 Rental Certificate Program files chosen for testing:

Four tenant files could not be found.

One had no application in the file.

Two annual recertifications were not in the file.

Filecos had no copy of form 50258 or form 58099 in the file.

Six did not have social security numbers for all residents over six years of age.

Filecos did not have income verified by a third party.

None had an income calculation incorrect due to:

Three did not include utility allowance.

One included dependent and disability deduction for the same dependent.

One had incorrect number of dependents.

One had no recalculation in the file.

Three calculations were incorrect.

Eighteen had no HUD form 9888 in the file.

One tenant income exceeded the maximum limit.

Twenty had no annual inspection in the file.

Two inspections failed, no documentation of repairs.

Twenty-two had no rent reasonableness documentation.

Three gross rent exceeded FMR.

Two adjustments were not supported by documentation.

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

**Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 1997**

**PART III - Findings and questioned costs for federal awards which are required to be reported under OMB Circular No. 4-135 Section 510(a):**

**Reference # and Title:            97-719                            Section 8 Landlord/Tenant Files (Continued)**

**Condition found: (Continued)**

Of ten Section 8 Moderate Rehabilitation Program files chosen for testing:

One information for 1997 could not be found, listed 1998 information.

Three annual inspections were not in the file.

Ten had no copy of HUD Form 50058 or Form 50059 in the file.

Four information did not agree to support in the file.

One income was not verified by a third party.

Three income were calculated incorrectly due to:

    One did not consider utility allowances.

    One had no calculation in the file.

One income calculation did not include all the deductions.

Six had no HUD Form 9846 in the file.

Nine had no annual inspection in the file.

Of five Section 8 Rental Voucher Program tenant files chosen for testing:

One tenant file could not be found.

Three had no tenant application in the file.

Four had no HUD Form 50858 or Form 50859 in the file.

One information read/did not agree to support in the file.

Two had no social security number for residents over six years of age in the file.

Two tenant incomes not verified by a third party.

One income calculation was incorrect.

Three had no HUD Form 9846 in the file.

One tenant income exceeded the maximum HUD limit.

Three had no annual inspection in the file.

**Identification of questioned costs and how they were computed:**

Considering the pervasiveness of the problems identified in the conditions above the total amount of all federal awards received under all three federal award programs are questioned. The total amount of each federal award program for the 1997 calendar year were as follows:

Section 8 Rental Certificate Program	\$219,072
Section 8 Moderate Rehabilitation Program	181,780
Section 8 Rental Voucher Program	40,208
Total	<u>\$441,060</u>



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

**Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 1997**

**PART III - Findings and questioned costs for Federal awards which are required to be reported under OMB Circular No. A-133 Section 500(a):**

**Reference # and Title:            97-010                      Section 8 Landlord/Tenant Files (Continued)**

**Proper perspective for judging the prevalence and consequences:** The population consists of 157 rental units. The sample of 47 landlord/tenant files (audit revealed) that the problems are pervasive.

**Probable asserted effect, cause, and effect:** The auditor believes the reasons for the condition of the landlord/tenant files may be attributable to some degree to each of the following items:

- a. Only one person primarily being responsible for maintaining the files for approximately 160 Section 8 units.
- b. Both the director and assistant director of the Section 8 program employed with the East Carroll Parish Police Jury have been terminated. The director has pleaded guilty to felony theft and the assistant director has been indicted on felony theft, but pleaded not guilty.
- c. There existed more than one instance of a conflict of interest, which has been reported in another finding in this audit report.

The probable effects of these findings are:

- a. Many units would not meet Housing Quality Standard.
- b. The rent for many units exceeded what is the fair-market rental on comparable rental units.
- c. HUD's portion of the monthly rental amount was probably more than would have been required if annual re-certification had been performed.
- d. Landlords probably reaped a windfall by 1) not having to make costly repairs that would have probably been required by annual inspections, 2) receiving rents on units that would not have met Housing Quality Standards, and 3) receiving excessive rental amounts because rent reasonableness tests were not performed.

**Recommendations to prevent future occurrences:**

The Board and management should evaluate the work performed to date on the contract presently existing between the Police Jury and the third-party administrator of the Section 8 program. Considering this finding and the resulting work that needs to be performed for the landlord/tenant files to be complete, some drastic measures should be taken by the Police Jury to correct the problems noted. The options of the Police Jury seems to be:

- a. Strengthen the present agreement with the third-party administrator by including some performance indicators,
- b. Contract with another third-party administrator, or
- c. Have the Police Jury's personnel take over the management of the Section 8 program.

East Carroll Parish Police Jury  
Lake Providence, Louisiana

Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 1997

**PART III - Findings and questioned costs for federal awards which are required to be reported under OMB Circular No. A-133 Section .508(a)**

**Reference # and Title:** 97-113 **Possible Conflict of Interest**

**Federal program and specific Federal award identification:**

Section 8 Rental Certificate Program and CFDA # 14.853

Section 8 Moderate Rehabilitation Program and CFDA # 14.856

Section 8 Rental Voucher Program and CFDA # 14.852

Federal Agency: U. S. Department of Housing and Urban Development

Direct Program Contact: #PA2118

**Criteria or specific requirements:** This finding is a result of performing the "Conflict of Interest Situations" procedures identified in the U. S. Office of Management and Budget No. A-133 Compliance Supplement for the Section 8 Contract (dated May 1996) regarding Special Tests and Procedures.

**Condition found:** The Housing Assistance Payment (HAP) Contract, Part A Section 17 Conflict of Interest reads in part:

- a. **Prohibited interest.** The following classes of persons may not have any direct or indirect interest in HAP contract:
  - i. any employee of the Housing Authority . . . who formulates policy or who influences decisions with respect to the program;
  - ii. any public official, member of a governing body . . . who exercises functions or responsibilities with respect to the program;
- d. **Disclosure.** The tenant shall be responsible for ensuring that any member of such classes promptly discloses their interest or prospective interest to the Housing Authority and HUD.
- e. **Waiver.** The conflict of interest prohibition on this section may be waived by the HUD field office, for good cause.

None of the following people provided documentation of a waiver from the HUD field office.

Several "Possible Conflict of Interest Situations" were identified as part of the auditors' testing as reported below.

1. Ms. Dorothy Butler was the assistant director of the Section 8 program for 1997. Her husband managed approximately 4000 Section 8 rental units owned by the Sanford Martin Myers Trustee while Ms. Butler was an employee of the Section 8 program. Her husband acknowledged in an interview with the auditors that he managed the units and was receiving compensation for same.

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

**Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 1997**

**PART III - Findings and questioned costs for federal awards which are required to be reported under OMB Circular No. A-133 Section 500(a):**

**Reference # and Title:                    97-011                    Possible Conflict of Interest (Continued)**

**Condition found: (Continued)**

3. Police juror, Mr. Bobby Moore's son and daughter each own a rental unit that is on the Section 8 program.
3. Police juror, Mr. Earl K. Fortenberry's son owned a rental unit that was on the Section 8 program.
4. Police juror, Mr. Billy Travis' daughter rented a unit on the Section 8 program for several months during 1997. The rental unit was owned by the son of police juror, Mr. Earl K. Fortenberry.

**Identification of questioned costs and how they were computed:**

Questioned costs for each person in the condition above are as follows:

Mr. Dorothy Butler (payments to Mamie Myers Tustin)	\$18,660
Mr. Bobby Moore (payments to Paul Moore)	3,056
Mr. Bobby Moore (payments to Felicia Moore)	3,056
Mr. Earl K. Fortenberry (payments to Michael Fortenberry)	3,684

The questioned cost amounts is the amount of the monthly payments in April 1997 multiplied by twelve.

**Possible asserted effect (cause and effect):** The cause is unknown. The effect is that expenditures may have occurred that otherwise would have not have been authorized by someone completely independent in the situation.

**Recommendations to prevent future occurrences:** All Board members and personnel of the Section 8 program should be notified of the conflict of interest rules.

Unless a waiver can be obtained from HUD, all questionable situations should be changed such that the conflicts no longer exist. The questionable situations should be reviewed with the Louisiana Code of Ethics rules to ensure they would not be a state law violation.

East Carroll Parish Police Jury  
Lake Providence, Louisiana

Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 1997

**PART III - Findings and questioned costs for federal awards which are required to be reported under OMB Circular No. A-133 Section 31 B(4)**

**Reference # and Title:** 97-032                      **Title of Head Start Student Files**

**Federal program and specific federal award identification:**

Head Start, CFDA #90-600

Contract #60C1802822

Federal Agency: U. S. Department of Health and Human Services

Direct Program

**Criteria or specific requirement:** This finding is a result of taxing student files for eligibility. Student files were taxed for completeness of application, immunization record, proof of birth date, proof of physical, proof of two home visits, proof of income and income eligibility.

**Conditions found:** Of the fifteen student files taxed the following conditions were noted:

- Two files without immunization records.
- Four files without proof of birth date.
- Four files without proof of physical.
- One file without proof of first or second home visit.
- Two files without proof of second home visit.
- Five files without proof of income.

**Proper perspective for judging the prevalence and consequences:** Fifteen student files were selected and taxed from a total of 156 files.

**Possible asserted effect (cause and effect):**

**Cause:** The cause is unknown.

**Effect:** Eligibility to participate in the program cannot be determined for students with documentation missing from the files.

**Recommendations to prevent future occurrences:** All current student files should be reviewed for the required documentation. A check list of required documentation should be developed and used for all new files.

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

**Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 1997**

**PART III - Findings and questioned costs for federal awards which are required to be reported under OMB Circular No. A-133 Section 51002**

**Reference # and Title:            97-013                            Decrease of Salary from Head Start Program**

**Federal program and specific federal award identification:**

Head Start, CPDA #93-608

Federal Award #96C19920012 and 96C19920013

Federal Agency: U. S. Department of Health and Human Services

Disco Program

**Condition found:** Twelve-month employees of the Head Start program were paid from both the Head Start program and the Summer Childcare program for the period May 29, 1997 through August 6, 1997 (ten weeks). These employees were paid from both programs for the same time period and also were paid at a higher rate of pay from the Summer Childcare program than the Head Start program. These employees were paid from the Summer Childcare program for two weeks before the program began.

**Identification of questioned costs and how they were computed:** The employees were overpaid by the amount of salaries paid for this time period from the Head Start program, \$48,661.

**Proper perspective for judging the propriety and consequences:** The employees paid from the Summer Childcare program were compared to Head Start employees to determine the employees paid from both programs. Eight employees and the Head Start director were identified as being paid from both programs.

**Possible accrued effect, cause and effect:**

**Cause:** The cause is unknown.

**Effect:** The effect is that Head Start overpaid salaries by \$48,661.

**Recommendations to prevent future occurrences:** It appears twelve month employees of Head Start would not be entitled to be paid additional amounts from the Summer Childcare program. These expenditures should be reviewed with the Police Jury's legal counsel to determine the propriety of the expenditures.

## Other Financial Information

The information in the following section concerns management's actions or omissions concerning prior and current-year audit findings and is required by U. S. Office of Management and Budget (OMB) Circular No. A-133. This information has been prepared by the management of the East Carroll Parish Police Jury. Management accepts full responsibility, as required by OMB Circular No. A-133, for the accuracy of the information. This information has not been audited by the auditor except as required by OMB Circular A-133 Section 300(c), and accordingly, no opinion is expressed. Section 300(c) requires the auditor to follow-up on prior audit findings, perform procedures to assess the reasonableness of the summary schedule of prior audit findings prepared by the auditee, and report, as a current-year audit finding when the auditor concludes that the summary schedule of prior audit findings materially misrepresents the status of any prior audit finding.

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

**Summary Schedule of Prior Audit Findings  
For the Year Ended December 31, 1997**

**Finding Reference #:** **Finding #1 of the Schedule of Reportable Conditions**

**Title:** **Need to Complete Audit Within Time Prescribed**

**Initially occurred:** December 31, 1995.

**Condition:** Louisiana Revised Statute (LRS) 24:519 (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 the Police Jury was unable to close the books and provide the financial and accounting records to the auditors in time for the audit to be completed in a timely manner, the audit was not completed within the prescribed time period.

**Planned Corrective Action:** See Corrective Action Plan for current year finding.

**Person Responsible for Corrective Action:**

Mr. W. L. Payne, President  
East Carroll Parish Police Jury  
400 First Street  
Lake Providence, LA 71254

Phone: (318) 559-1256

Fax: (318) 559-1262

**Finding Reference #:** **Finding #2 of the Schedule of Reportable Conditions**

**Title:** **Needs to Improve Organization of Files and Operation of Administrative Offices**

**Initially occurred:** December 31, 1995.

**Condition:** 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 Police 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.

**Corrective Action Taken:** All existing records were provided to the auditors for the year ended December 31, 1997.

**Person Responsible for Corrective Action:**

Mr. W. L. Payne, President  
East Carroll Parish Police Jury  
400 First Street  
Lake Providence, LA 71254

Phone: (318) 559-1256

Fax: (318) 559-1262

East Carroll Parish Police Jury  
Lake Providence, Louisiana

Summary Schedule of Police Audit Findings  
For the Year Ended December 31, 1997

Finding Reference #: Finding #3 of the Schedule of Reportable Conditions

Title: Need to Reconcile All Bank Accounts

Initially occurred: Unknown

Condition: The Secretary-Treasurer could not provide a reconciliation of the payroll bank account for the year ended December 31, 1996. As a result, it was unable to verify the cash balance in the payroll account at December 31, 1996.

Planned Corrective Action: See Corrective Action Plan for current year finding #37-13.

Person Responsible for Corrective Action:

Mr. W. L. Payne, President  
East Carroll Parish Police Jury  
408 First Street  
Lake Providence, LA 71254

Phone: (318) 559-1254  
Fax: (318) 558-1582



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

**Summary Schedule of Prior Audit Findings  
For the Year Ended December 31, 1997**

**Finding Reference #:**   Finding #1 of the Schedule of Findings and Questioned Costs

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

**Initially occurred:**   December 31, 1996.

**Condition:** 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. Seven tenant files were reviewed and identified the following deficiencies:

Housing assistance payment contracts	
Unassigned	3
Unfilled	1
Landlord/Tenant lease	
Unassigned	3
Unfilled	3
Incomplete cost reimbursement form	2
Housing quality standards inspections not in file	7
Form 50250 unfilled	2
Landlord to tenant form unassigned	4
Warning and certificate of nonred assigned	4
Tenant rules and regulations not in file	4
Lead-based paint certificate unassigned	2

**Planned Corrective Action:** See corrective action plan for current-year finding 899-P9.

**Person Responsible for Corrective Action:**

Mr. W. L. Pryor, President  
East Carroll Parish Police Jury  
400 First Street  
Lake Providence, LA 71254

Phone: (504) 599-2254  
Fax: (518) 559-1562

**Anticipated Completion Date:**   December 31, 1998.

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

**Summary Schedule of Prior Audit Findings  
For the Year Ended December 31, 1997**

**Finding Reference #:** **Finding #1 of the Schedule of Findings and Questioned Costs**

**Title:** **Need to Maintain a HAF Register**

**Initially occurred:** December 31, 1996.

**Condition:** HUD regulations require that the Police Jury maintain a Housing Assistance Payments Register in which is 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 HAF register with complete details as required by HUD for the year ended December 31, 1996.

**Corrective Action Taken:** The Police Jury instituted a computerized tenant accounting system which allows for complete HAF registers.

**Person Responsible for Corrective Action:**

Mr. W. L. Pappas, President  
East Carroll Parish Police Jury  
400 First Street  
Lake Providence, LA 71254

Phone: (337) 599-2254  
Fax: (318) 599-1502

**Finding Reference #:** **Finding #2 of the Schedule of Findings and Questioned Costs**

**Title:** **Need to Avoid Bank Overdrafts**

**Initially occurred:** December 31, 1996.

**Condition:** During my test of the Section 8 Housing Program, I noted that the Section 8 Existing and Modern 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.

**Corrective Action Taken:** At December 31, 1997, the Section 8 bank accounts were not overdrawn.

**Person Responsible for Corrective Action:**

Mr. W. L. Pappas, President  
East Carroll Parish Police Jury  
400 First Street  
Lake Providence, LA 71254

Phone: (318) 599-2254  
Fax: (318) 599-1502

East Carroll Parish Police Jury  
Lake Providence, Louisiana

Summary Schedule of Prior Audit Findings  
For the Year Ended December 31, 1997

Finding Reference #: Finding #4 of the Schedule of Findings and Questioned Costs

Title: Negative Items Should Be Paid

Initially occurred: December 31, 1996.

Condition: HED regulations require that utility allowances or negative items be paid to program participants whenever the tenant's income is at such a level as to preclude them from contributing toward their housing cost. Although the Police Jury calculated the allowances, because of the shortage of available cash, as noted in the finding above, these allowances were not always paid to qualifying tenants.

Corrective Action Taken: All allowances due to tenants have been paid.

**Person Responsible for Corrective Action:**

Mr. M. L. Payne, President  
East Carroll Parish Police Jury  
800 First Street  
Lake Providence, LA 71354

Phone: (504) 358-2296  
Fax: (504) 590-1500

East Carroll Parish Police Jury  
Lake Providence, Louisiana

Corrective Action Plan for Current-Year Findings and Questioned Cost  
December 30, 1997

Reference # and Title: 95-F1 Problems Noted with Head Start Payroll

Condition: Of the 30 payroll disbursements from the Head Start program tested, we noted the following:

- Five instances of no proof of identification in the files.
- Nine instances of salary not matching the salary schedule.
- Two instances in which Summer Children program hourly rate was higher than the regular hourly rate.
- Three instances of weekly time records not approved by a supervisor.
- One instance of failure to locate weekly time record.

Corrective Action Planned: Personnel files will be kept up to date including proof of identification, approved salary schedule and all other pertinent information. Also, time cards will be approved by a supervisor and will be maintained in a safe place.

Person Responsible for Corrective Action:

Mr. W. L. Payne, President  
East Carroll Parish Police Jury  
480 First Street  
Lake Providence, LA 71254

Phone: (504) 529-2248  
Fax: (510) 358-1582

Anticipated Completion Date: Immediately.

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

**Corrective Action Plan for Current-Year Findings and Questioned Cost  
December 31, 1997**

**Reference # and Title:** 97-03 **Late Filing of Audit Report**

**Condition:** The audit report was filed two months beyond the six-month deadline.

**Corrective Action Planned:** The Police Jury has already engaged an auditor for the year ending December 31, 1998.

**Person Responsible for Corrective Action:**

Mr. W. L. Payne, President

Phone: (318) 558-1256

East Carroll Parish Police Jury

Fax: (318) 558-1582

408 First Street

Lake Providence, LA 71254

**Anticipated Completion Date:** December 31, 1998.

**Reference # and Title:** 97-03 **Transactions of Salary Fund Not Reconciled**

**Condition:** The only records provided for the salary fund were copies of checks written, copies of deposit slips and bank statements. Money was transferred to the impact salary fund by all other funds of the Police Jury to cover gross payroll for salaried and hourly employees. The employees' payroll checks and payments to third parties for various withholdings were then written from the impact salary fund. A reconciled history for the salary fund for the year could not be provided to the auditor.

**Corrective Action Planned:** The Police Jury has set up the salary fund on the computer system in order to maintain history and tax information.

**Person Responsible for Corrective Action:**

Mr. W. L. Payne, President

Phone: (318) 558-1256

East Carroll Parish Police Jury

Fax: (318) 558-1582

408 First Street

Lake Providence, LA 71254

**Anticipated Completion Date:** December 31, 1998.

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

**Corrective Action Plan for Current Year Findings and Questioned Cost  
December 31, 1997**

**Reference # and Title:** 87-84 **Salary Fund Bank Account Not Reconciled**

**Condition:** The impact salary fund was not reconciled for any month during the year ended December 31, 1997.

**Corrective Action Planned:** The salary fund will be maintained on the computer and will be reconciled monthly.

**Person Responsible for Corrective Action:**

Mr. W. L. Payne, President  
East Carroll Parish Police Jury  
408 First Street  
Lake Providence, LA 71254

Phone: (318) 558-2256  
Fax: (318) 558-1582

**Anticipated Completion Date:** December 31, 1998.

**Reference # and Title:** 87-85 **Secretary-Treasurer and Assistant Secretary-Treasurer  
Paid Therefrom Excess Salary**

**Condition:** The Secretary-Treasurer paid herself \$45,975 in excess of her authorized salary for the year. The Assistant Secretary-Treasurer paid herself \$38,931 in excess of her authorized salary for the year.

**Corrective Action Planned:** Carefully authorized check requests for the salary fund are either the President, Vice President or Secretary-Treasurer. Two signatures are required.

**Person Responsible for Corrective Action:**

Mr. W. L. Payne, President  
East Carroll Parish Police Jury  
408 First Street  
Lake Providence, LA 71254

Phone: (318) 558-2256  
Fax: (318) 558-1582

**Anticipated Completion Date:** December 31, 1998.

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

**Corrective Action Plan for Current-Year Findings and Questioned Cost  
December 31, 1997**

**Reference # and Title:** 97-06 **Lack of Documentation for Travel Expenditures**

**Condition:** In testing 25 travel expenditures we noted eight expenditures with no documentation and eight expenditures lacking documentation of the reason for the travel.

**Corrective Action Planned:** Travel receipts are now required for all reimbursements of travel expenses. Also, notation is made as to the nature of the travel.

**Person Responsible for Corrective Action:**

Mr. W. L. Foye, President  
East Carroll Parish Police Jury  
400 First Street  
Lake Providence, LA 71254

Phone: (318) 558-2150  
Fax: (318) 559-1500

**Anticipated Completion Date:** December 31, 1998.

**Reference # and Title:** 97-17 **Parish Transportation Act**

**Condition:** The Police Jury did not have engineering plans and specifications for construction work performed in 1997.

**Corrective Action Planned:** In the future, the Police Jury will use engineering plans for all construction projects.

**Person Responsible for Corrective Action:**

Mr. W. L. Foye, President  
East Carroll Parish Police Jury  
400 First Street  
Lake Providence, LA 71254

Phone: (318) 559-2150  
Fax: (318) 559-1500

**Anticipated Completion Date:** December 31, 1998.

East Carroll Parish Police Jury  
Lake Providence, Louisiana

Corrective Action Plan for Current-Year Findings and Questioned Cost  
December 31, 1997

Reference # and Title: 97-08 Section 8 Landlord/Tenant Files

Condition: See Corrective Action Plan for 97-F18.

Reference # and Title: 97-09 Possible Conflict of Interest

Condition: See Corrective Action Plan for 97-F11.



East Carroll Parish Police Jury  
Lake Providence, Louisiana

Corrective Action Plan for Current-Year Findings and Questioned Cost  
December 31, 1997

Reference # and Title: 97-030

Section 5 Landlord/Tenant Files

**Qualifying:** The auditor audited housing assistance payments (HAP) from the disbursement journals for April 1997. The number of units occupied and the number selected from each program is set out as follows:

	Number of Units	
	Occupied	Traced
a. Section 8 Rental Certificate Program	109	27
b. Section 8 Moderate Rehabilitation Program	44	10
c. Section 8 Rental Voucher Program	17	3

Of twenty-seven Section 8 Rental Certificate Program files chosen for testing:

Four tenant files could not be found.

One had no application in the file.

Two annual recertifications were not in the file.

Fifteen had no copy of Form 5038B or Form 5038B in the file.

Six did not have social security numbers for all residents over six years of age.

Fifteen did not have income verified by a third party.

Nine had an income calculation incorrect due to:

Three did not include utility allowances.

One included dependent and disability deductions for the same dependent.

One had incorrect number of dependents.

One had no calculation in the file.

Three calculations were incorrect.

Eighteen had no HUD Form 5886 in the file.

One tenant address exceeded the maximum limit.

Twenty had no annual inspection in the file.

Two inspections failed, no documentation of repairs.

Twenty-two had no rent reasonableness documentation.

Three gross rent exceeded FMR.

Two adjustments were not supported by documentation.

Of ten Section 8 Moderate Rehabilitation Program files chosen for testing:

One information for 1997 could not be found, dated 1998 information.

Three annual recertifications were not in the file.

Two had no copy of HUD Form 5805B or Form 5805B in the file.

Four information did not agree to support in the file.

One income was not verified by a third party.

Three income were calculated incorrectly due to:

One did not consider utility allowance.

One had no calculation in the file.

One income calculation did not include all the deductions.

Six had no HUD Form 5886 in the file.

Nine had no annual inspection in the file.

East Carroll Parish Police Jury  
Lake Providence, Louisiana

Corrective Action Plan for Current-Year Findings and Questioned Cost  
December 31, 1997

Reference # and Title: 97-039

Section 8 Landlord/Tenant Files (Continued)

Conditions Found: (Continued)

Of five Section 8 Rental Voucher Program tenant files chosen for testing:

One tenant file could not be found.

Three had no tenant applications in the file.

Four had no HUD form 50050 or form 50059 in the file.

One information used did not agree to support in the file.

Two had no social security number for tenants over six years of age in the file.

Two tenant incomes not verified by a third party.

One income calculation was incorrect.

Three had no HUD form 6886 in the file.

One tenant income exceeded the maximum HUD limit.

Three had no annual inspection in the file.

Corrective Action Planned: The Section 8 Program Administrator changed in April of 1998 to one of the Police Jury's employees who will manage the Section 8 program. This employee is in the process of reviewing tenant files and performing annual inspections for all units on the Section 8 program.

Persons Responsible for Corrective Action:

Mr. W. L. Payne, President

East Carroll Parish Police Jury

400 First Street

Lake Providence, LA 71254

Phone: (337) 558-2255

Fax: (337) 558-1382

Anticipated Completion Date: December 31, 1998

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

**Corrective Action Plan for Current-Year Findings and Questioned Cost  
December 30, 1997**

<b>Reference # and Title</b>	<b>87-F11</b>	<b>Possible Conflict of Interest</b>
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**Condition:** The Housing Assistance Payment (HAP) Contract, Part A Section 17 Conflict of Interest reads in part:

- a. **Prohibited interest.** The following classes of persons may not have any direct or indirect interest in HAP contract:
  - ii. any employee of the Housing Authority . . . who formulates policy or who influences decisions with respect to the program;
  - iii. any public official, member of a governing body, . . . who exercises functions or responsibilities with respect to the program;
- d. **Disclosure.** The owner shall be responsible for assuring that any member of such classes promptly discloses their interest or prospective interest to the Housing Authority and HUD.
- e. **Waiver.** The conflict of interest prohibition on this section may be waived by the HUD field office for good cause.

None of the following people provided documentation of a waiver from the HUD field office.

Several "Possible Conflict of Interest Situations" were identified as part of the auditor's testing as reported below:

1. Ms. Dorothy Butler was the assistant director of the Section 8 program for 1993. Her husband managed approximately fifteen Section 8 rental units owned by the husband Martin Myers Trustee while Ms. Butler was an employee of the Section 8 program. The husband acknowledged in an interview with the auditor that he managed the units and was receiving compensation for same.
2. Police juror, Mr. Bobby Moore's son and daughter each own a rental unit that is on the Section 8 program.
3. Police juror, Mr. Earl K. Fortinberry's son owned a rental unit that was on the Section 8 program.
4. Police juror, Ms. Billy Travis' daughter rented a unit on the Section 8 program for several months during 1997. The rental unit was owned by the son of police juror, Mr. Earl K. Fortinberry.

**Corrective Action Planned:** All Board Members and personnel of the Section 8 program have been made aware of the conflict of interest rules.

**Person Responsible for Corrective Action:**

Mr. W. L. Payne, President  
East Carroll Parish Police Jury  
400 First Street  
Lake Providence, LA 71254

Phone: (718) 539-2156  
Fax: (718) 539-1902

**Anticipated Completion Date:** Immediately.

East Carroll Parish Police Jury  
Lake Providence, Louisiana

Corrective Action Plan for Current-Year Findings and Questioned Cost  
December 31, 1997

Reference # and Title: 97-F12 Test of Head Start Student Files

**Conditions:** Of the 19300 student files tested the following conditions were noted:

- Two files without immunization records.
- Four files without proof of birth date.
- Four files without proof of physical.
- One file without proof of first or second home visit.
- Two files without proof of second home visit.
- Five files without proof of income.

**Corrective Action Planned:** All student files will be reviewed and kept up-to-date in documentation.

**Person Responsible for Corrective Action:**

Mr. W. L. Payne, President  
East Carroll Parish Police Jury  
408 First Street  
Lake Providence, LA 71254

Phone: (318) 559-2256  
Fax: (318) 559-1502

**Anticipated Completion Date:** December 31, 1998.

Reference # and Title: 97-F13 Disengagement of Salaries from Head Start Program

**Conditions:** Twenty-four employees of the Head Start program were paid from both the Head Start program and the Summer Childcare program for the period May 25, 1997 through August 8, 1997 (ten weeks). These employees were paid from both programs for the same time period and also were paid at a higher rate of pay from the Summer Childcare program than the Head Start program. These employees were paid from the Summer Childcare program for two weeks before the program began.

**Corrective Action Planned:** All expenditures from Head Start are now reviewed by the Oversight Committee, which consists of three Police Jurors. Proposed major expenditures are approved by the entire Police Jury.

**Person Responsible for Corrective Action:**

Mr. W. L. Payne, President  
East Carroll Parish Police Jury  
408 First Street  
Lake Providence, LA 71254

Phone: (318) 559-2256  
Fax: (318) 559-1502

**Anticipated Completion Date:** Immediately.

## **Management Letter Items**

# ALLEN, GREEN & COMPANY, LLP

CERTIFIED PUBLIC ACCOUNTANTS



3414 Forrest Street  
Monroe, Louisiana 71201  
Telephone (504) 856-4422

Post Office Box 6629  
Monroe, Louisiana 71211-0629  
Facsimile (514) 508-4884

Ernest L. Allen, CPA  
*Principal*

Tim Green, CPA

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Maelys Williams, CPA

## Management Letter

Police Jury  
East Carroll Parish Police Jury  
Lake Providence, Louisiana

In planning and performing our audit of the primary government financial statements of the East Carroll Parish Police Jury for the year ended December 31, 1998, we considered the Police Jury's internal control structure to plan our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

However, during our audit, we noted certain matters involving the internal control structure and other operational matters that are presented for your consideration. This letter does not affect our report dated July 28, 1998 on the financial statements of the Police Jury. We will review the status of these matters during our next audit engagement. Our comments and recommendations, all of which have been discussed with appropriate members of management, are intended to improve the internal control structure or result in other operating efficiencies. We will be pleased to discuss these comments in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations. Our comments are summarized in the Schedule of Management Letter Items presented later in this report.

Included later in this report is management's response to our current-year management letter items. Management's response can be found in the Corrective Action Plan for the Current-Year Management Letter Items. We have performed no audit work to verify the content of the response.

Also included immediately following this letter is a Status of Prior Management Letter Items. This information has not been audited by Allen, Green & Company, LLP and no opinion is expressed. However, we did follow-up on prior management letter items and performed procedures to assess the reasonableness of the Status of Prior Management Letter Items prepared by the auditee, and we would report, as a current-year management letter item when Allen, Green & Company, LLP concludes that the Status of Prior Management Letter Items materially misrepresents the status of any prior management letter item.

Our audit procedures are designed primarily to enable us to form an opinion on the financial statements and, therefore, may not reveal all weaknesses in policies and procedures that may exist.

This report is intended for the information of the Board, management and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

*Allen Green & Company, LLP*

ALLEN, GREEN & COMPANY, LLP

Monroe, Louisiana  
July 30, 1998

East Carroll Parish Police Jury  
Lake Providence, Louisiana

Status of Police Management Letter Items  
December 31, 1997

Management Item #: 96-011                      Unfavorable Budget Variances

Initially occurred: December 31, 1995.

Condition: These special revenue funds ended the 1995 year with actual revenues and other sources falling to meet budget revenues and other sources by 35% or more. State statute requires budget amendments whenever the variance is 3% or more. The funds were Drainage Maintenance - 12.4%, Rural Fire Protection - 5.7%, and Health Unit - 8.1%.

Correction Action Planned: See correction action planned for current year 97-005.

Person Responsible for Corrective Action:

Mr. W. L. Payne, President  
East Carroll Parish Police Jury  
403 First Street  
Lake Providence, LA 71354

Phone: (504) 599-2254  
Fax: (504) 558-1580

East Carroll Parish Police Jury  
Lake Providence, Louisiana

Schedule of Management Letter Items  
As of and for the Year Ended December 31, 1997

Reference # and Title:	90-M1	Centralization of Accounting Functions
1. <b>Entity-wide or program/department specific:</b>		This management item is entity-wide.
2. <b>Criteria or specific requirement:</b>		Centralization of accounting functions generally provides good accounting and internal control. The Parish Transportation Act requires centralization of the accounting, and example of the importance placed on centralization of the accounting.
3. <b>Condition found:</b>		Recently, the accounting for the Police District was relocated to the Secretary-Treasurer's office. We like this change and would recommend centralization of as many of the accounting functions as possible.  At least one fund's accounting is being performed at a decentralization location - Good Shepherd Head Start.
4. <b>Recommendations:</b>		All accounting functions that could be centralized should be centralized, if at all possible. Space restraints may hinder the accomplishment of this recommendation. This would provide better control and oversight by the Board and the management of the Police Jury.
Reference # and Title:	91-M2	Police Jury's Oversight of Funds/Component Units
1. <b>Entity-wide or program/department specific:</b>		This management item is entity-wide.
2. <b>Condition found:</b>		It appears the Police Jury should have taken a more active role in the activities of at least one fund (Good Shepherd Head Start) during this audit period. This may have been caused by the fact that an advisory board existed for the Good Shepherd Head Start which may have led some Jurors to conclude that they should take a less active role.
3. <b>Possible asserted effect (cause and effect):</b>		<p><b>Cause:</b> The Police Jury was unaware of their management responsibilities concerning Good Shepherd Head Start.</p> <p><b>Effect:</b> Several questionable transactions have occurred at Good Shepherd Head Start for which the Police Jury is responsible.</p>
4. <b>Recommendations:</b>		The Police Jury should review with its legal council its management responsibilities concerning all funds and component units under its jurisdiction.



East Carroll Parish Police Jury  
Lake Providence, Louisiana

Schedule of Management Letter Items  
As of and for the Year Ended December 31, 1997

Reference # and Title: 97-001

Check Signing Policy

1. **Entity-wide or program/department specific:** This management item is entity-wide.
2. **Criteria or specific requirement:** For the year ended December 31, 1997, both the Secretary-Treasurer and the Assistant Secretary-Treasurer were authorized to sign checks.
3. **Condition found:** The practice of allowing both employees to sign checks led to the payment of excess salary to these employees.
4. **Possible asserted effect/cause and effect:**

Cause: Two employees were authorized check signers.

Effect: Both of these employees wrote themselves additional payroll checks from the salary fund.
5. **Recommendation:** The check signing policy should be changed to require at least one Police Jury's signature on all checks.

East Carroll Parish Police Jury  
Lake Providence, Louisiana

Schedule of Management Letter Items  
As of and for the Year Ended December 31, 1997

Reference # and Title: 97-044 Failure to Obtain Bond Commission Approval

**Entity-wide or program/department specific:** This finding is specific to the Good Shepherd Head Start program.

**Criteria or specific requirement:** The Good Shepherd Head Start budget for the fiscal year ended June 30, 1997 was \$642,182. The federal agency reimbursed the Good Shepherd Head Start program for \$642,182 in expenditures.

R. S. 39:1410.60(A) provides, in part, that no parish, municipality, public board, political or public corporation, subdivision, or taxing district created under or by the constitution and laws of the state shall have authority to borrow money, incur debt, or issue bonds, or other evidences of debt without the consent and approval of the State Bond Commission.

**Condition found:** Total expenditures of the Good Shepherd Head Start program exceeded the approved budget by \$19,748. Since this additional \$19,748 was not included in the budget, these expenditures were not reimbursed by the federal agency.

The Director of the Good Shepherd Head Start program obtained a bank loan for \$20,515 without prior approval from the Bond Commission. The Director obtained this loan using the Police Jury's tax identification number and she alone signed the loan document.

**Possible avoided effect, cause, and effect:**

**Cause:** The cause is unknown.

**Effect:** The Good Shepherd Police Council may have violated R.S. 39:1410.60(A) when it authorized the Executive Director to secure a bank loan without prior approval from the State Bond Commission.

**Recommendations to prevent future occurrence:** The Police Jury should monitor budget-to-actual expenditures on a monthly basis so adjustments can be made if it appears actual expenditures will exceed the budget.

Prior approval should be obtained from the State Bond Commission before the Police Jury incurs debt.

East Carroll Parish Police Jury  
Lake Providence, Louisiana

Schedule of Management Letter Items  
As of and for the Year Ended December 31, 1997

Reference # and Title: 97-08 Budget Overruns

Entity-wide or program/department-specific: This finding is specific to the funds noted.

Criteria or specific requirements: The "Louisiana Local Government Budget Act" requires budgets be amended if expected actual expenditures exceed budgeted expenditures by five percent.

Condition found: The Police Jury had unfavorable budget variances exceeding five percent for the following funds:

Fund	Budget	Actual	Unfavorable Variance
General fund	171,204	608,047	127,648
Airport	6,038	8,699	2,661
Health and	84,476	58,305	(16,171)

Possible associated effect (Cause and effect):

Cause: Unknown.

Effect: The Police Jury did not comply with the Louisiana Government Budget Act.

Recommendations to prevent future occurrences: The Police Jury should monitor budget to actual expenditures, and amend the budget when necessary.

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

**Corrective Action Plan for Current-Year Management Letter Items  
As of and for the Year Ended December 31, 1997**

**Reference # & Title: 97-011                      Centralization of Accounting Functions**

**Condition:** Recently, the accounting for the Prison District was relocated to the Secretary-Treasurer's office. We like this change and would recommend centralization of as many of the accounting functions as possible. The Good Shepherd Head Start accounting is being performed at a decentralized location.

**Corrective action planned:** The Policy Jury is in the process of analyzing employee duties and responsibilities to make changes needed for adequate segregation and good controls over decentralized locations.

**Person Responsible for Corrective Action:**

Mr. W. L. Payne, President  
East Carroll Parish Police Jury  
400 First Street  
Lake Providence, LA 71254

Phone: (504) 559-2254  
Fax: (518) 559-1582

**Anticipated completion date:** December 31, 1998.

**Reference Number & Title: 97-012                      Police Jury's Oversight of Funds/Component Units**

**Condition:** It appears the Police Jury should have taken a more active role in the activities of at least one fund (Good Shepherd Head Start) during this audit period. This may have been caused by the fact that an advisory board existed for the Good Shepherd Head Start which may have led some jurors to conclude that they should take a less active role.

**Corrective action planned:** The Police Jury will review with legal counsel its management responsibilities concerning all funds and component units under its jurisdiction.

**Person Responsible for Corrective Action:**

Mr. W. L. Payne, President  
East Carroll Parish Police Jury  
400 First Street  
Lake Providence, LA 71254

Phone: (504) 559-2254  
Fax: (518) 559-1582

**Anticipated completion date:** December 31, 1998.

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

**Corrective Action Plan for Current Year Management Letter Items  
As of and for the Year Ended December 31, 1997**

**Reference # and Title:** 97-043 **Check Signing Policy**

**Condition:** The practice of allowing both the Secretary-Treasurer and the Assistant Secretary-Treasurer to sign checks led to the payment of excess salary to these employees.

**Corrective action planned:** The only employee now allowed to sign checks is the Secretary-Treasurer.

**Person Responsible for Corrective Action:**

Mr. W. L. Payne, President  
East Carroll Parish Police Jury  
480 First Street  
Lake Providence, LA 71254

Phone: (318) 558-2156  
Fax: (318) 599-1902

**Anticipated completion date:** Immediately.

**Reference # and Title:** 97-044 **Failure to Obtain Bond Commission Approval**

**Condition:** Total expenditures of the Good Shepherd Head Start program exceeded the approved budget by \$19,788. Since this additional \$19,788 was not included in the budget, these expenditures were not reimbursed by the Federal agency.

The Director of the Good Shepherd Head Start program obtained a bank loan for \$28,595 without prior approval from the Bond Commission. The Director obtained this loan using the Police Jury's tax identification number and she alone signed the loan document.

**Corrective Action Planned:** The Police Jury intends to monitor the expenditures of the Head Start program and compare the actual expenditures to the budget on a monthly basis.

The Police Jury will also seek State Bond Commission approval before incurring debt.

**Person Responsible for Corrective Action:**

Mr. W. L. Payne, President  
East Carroll Parish Police Jury  
480 First Street  
Lake Providence, LA 71254

Phone: (318) 558-2156  
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**Anticipated Completion Date:** Immediately.

East Carroll Parish Police Jury  
Lake Providence, Louisiana

Corrective Action Plan for Current-Year Management Letter Items  
As of and for the Year Ended December 31, 1997

Reference # and Title: 97-089

**Budget Overruns**

**Condition:** The Police Jury had unfavorable budget variances exceeding five percent for the following funds:

Fund	Budget	Actual	Unfavorable Variance
General fund	\$71,294	\$98,042	127,448
Airport	8,838	9,698	2,860
Health and	\$4,076	\$8,395	13,519

**Corrective Action Planned:** The Police Jury will monitor budget to actual expenditures and amend the budget when required.

**Person Responsible for Corrective Action:**

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East Carroll Parish Police Jury  
408 First Street  
Lake Providence, LA 71254

Phone: (518) 559-3295  
Fax: (518) 559-1802

**Anticipated Completion Date:** December 31, 1998.