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

**General-Purpose Financial Statements
And Independent Auditors' Report
As of and for the Year Ended December 31, 1998**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date **JUL 14 1999**

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

**General-Purpose Financial Statements
And Independent Auditors' Report
As of and for the Year Ended December 31, 1998**

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

**General-Purpose Financial Statements
And Independent Auditors' Report
As of and for the Year Ended December 31, 1998**

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Independent Auditors' Report

Police Jurors
East Carroll Parish Police Jury
Lake Providence, Louisiana

We have audited the GENERAL-PURPOSE FINANCIAL STATEMENTS of the East Carroll Parish Police Jury, Lake Providence, Louisiana, as of and for the year ended December 31, 1998, as listed in the table of contents. These general-purpose financial statements are the responsibility of the East Carroll Parish Police Jury's management. Our responsibility is to express an opinion on these general-purpose 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 19 of the notes to the general-purpose 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 this matter is uncertain at this time. Accordingly, no provision for any liability has been made in the financial statements for possible federal claims for refunds of those grant monies.

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, and the omission of certain component units as reflected in Note 1A of the notes to the general-purpose financial statements, the general-purpose financial statements present fairly, in all material respects, the financial position of the East Carroll Parish Police Jury, Lake Providence, Louisiana, as of December 31, 1998, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

The Police Jury has not presented the disclosures required by Governmental Accounting Standards Board Technical Bulletin, "Disclosures About Year 2000 Issues," as amended by Governmental Accounting Standards Board Technical Bulletin 99-1, that the Governmental Accounting Standards Board has determined are necessary to supplement, although not be a part of, the basic financial statements. In addition, we do not provide assurance that the Police Jury is or will become year 2000 compliant, that the Police Jury's year 2000 remediation efforts will be successful in whole or in part, or that parties with which the Police Jury does business are or will become year 2000 compliant.

Police Jurors
East Carroll Parish Police Jury
Lake Providence, Louisiana

In accordance with Government Auditing Standards, we have also issued our reports dated June 18, 1999, on our consideration of the Police Jury's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

Our audit was made for the purpose of forming an opinion on the general-purpose 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 general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general-purpose 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.

Allen, Green + Company, LLP

ALLEN, GREEN & COMPANY, LLP

Monroe, Louisiana
June 18, 1999

EAST CARROLL PARISH POLICE JURY
Lake Providence, Louisiana

ALL FUND TYPES, ACCOUNT GROUPS AND COMPONENT UNIT
Combined Balance Sheet
December 31, 1998

	*****GOVERNMENTAL FUNDS*****		
	GENERAL FUND	SPECIAL REVENUE FUNDS	DEBT SERVICE FUND
ASSETS AND OTHER DEBITS			
Assets			
Cash and cash equivalents	\$ 13,894	\$ 871,331	\$ 26,931
Investments	0	72,019	0
Receivables	142,491	735,462	80,469
Interfund receivable	27,069	64,775	0
Inventory	0	3,252	0
Prepaid items	0	3,935	0
Land, buildings and equipment	0	0	0
Other debits			
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>
TOTAL ASSETS AND OTHER DEBITS	<u>\$ 183,454</u>	<u>\$ 1,750,774</u>	<u>\$ 107,400</u>
LIABILITIES AND FUND EQUITY			
Liabilities:			
Cash overdraft	\$ 0	\$ 3,394	\$ 0
Accounts payable	49,871	124,396	0
Payroll deductions payable	2,124	15,652	0
Interfund payable	7,298	84,546	0
Deferred revenue	0	28,923	0
Notes payable	0	14,898	0
Capital leases payable	0	0	0
Compensated absences payable	0	0	0
Bonds payable	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities	<u>\$ 59,293</u>	<u>\$ 271,809</u>	<u>\$ 0</u>
Fund Equity:			
Investment in general fixed assets	\$ 0	\$ 0	\$ 0
Fund Balances:			
Reserved for inventory and prepaid items	0	7,187	0
Reserved for debt service	0	0	107,400
Unreserved and undesignated	124,161	1,471,778	0
	<u>124,161</u>	<u>1,471,778</u>	<u>0</u>
Total Equity and Other Credits	<u>\$ 124,161</u>	<u>\$ 1,478,965</u>	<u>\$ 107,400</u>
TOTAL LIABILITIES, EQUITY AND OTHER CREDITS	<u>\$ 183,454</u>	<u>\$ 1,750,774</u>	<u>\$ 107,400</u>

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

Statement A

*****ACCOUNT GROUPS*****

GENERAL FIXED ASSETS	GENERAL LONG-TERM OBLIGATIONS	TOTAL (PRIMARY GOVERNMENT)	COMMUNITY ACTION AGENCY OF EAST CARROLL PARISH	TOTAL REPORTING ENTITY (MEMORANDUM ONLY)
\$ 0	\$ 0	\$ 912,156	\$ 38,540	\$ 950,696
0	0	72,019	0	72,019
0	0	958,422	0	958,422
0	0	91,844	0	91,844
0	0	3,252	0	3,252
0	0	3,935	0	3,935
4,940,079	0	4,940,079	15,675	4,955,754
0	107,400	107,400	0	107,400
0	429,543	429,543	3,167	432,710
<u>\$ 4,940,079</u>	<u>\$ 536,943</u>	<u>\$ 7,518,650</u>	<u>\$ 57,382</u>	<u>\$ 7,576,032</u>
\$ 0	\$ 0	\$ 3,394	\$ 0	\$ 3,394
0	0	174,267	11,007	185,274
0	0	17,776	0	17,776
0	0	91,844	0	91,844
0	0	28,923	15,439	44,362
0	0	14,898	0	14,898
0	113,868	113,868		113,868
0	3,075	3,075	3,167	6,242
0	420,000	420,000	0	420,000
<u>\$ 0</u>	<u>\$ 536,943</u>	<u>\$ 868,045</u>	<u>\$ 29,613</u>	<u>\$ 897,658</u>
\$ 4,940,079	\$ 0	\$ 4,940,079	\$ 15,675	\$ 4,955,754
0	0	7,187	0	7,187
0	0	107,400	0	107,400
0	0	1,595,939	12,094	1,608,033
<u>\$ 4,940,079</u>	<u>\$ 0</u>	<u>\$ 6,650,605</u>	<u>\$ 27,769</u>	<u>\$ 6,678,374</u>
<u>\$ 4,940,079</u>	<u>\$ 536,943</u>	<u>\$ 7,518,650</u>	<u>\$ 57,382</u>	<u>\$ 7,576,032</u>

EAST CARROLL PARISH POLICE JURY
Lake Providence, Louisiana

ALL GOVERNMENTAL FUNDS AND COMPONENT UNIT
Combined Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended December 31, 1998

	GENERAL FUND	SPECIAL REVENUE FUNDS	DEBT SERVICE FUND
REVENUES			
Local sources:			
Taxes:			
Ad valorem	\$ 159,942	\$ 753,150	\$ 92,639
Sales and use	43,760	457,394	0
Licenses and permits	29,451	0	0
Intergovernmental revenues:			
Federal funds - federal grants	0	1,146,993	0
State funds:			
Parish transportation funds	0	179,074	0
State revenue sharing (net)	50,389	22,357	0
Severance taxes	33,140	0	0
Other	86,364	52,134	0
Fees, charges, and commissions for services	122,033	3,170	0
Fines and forfeitures	0	175,855	0
Use of money and property	8,804	47,084	1,516
Intergovernmental	100,000	0	0
Other revenues	28,112	15,587	2,854
	\$ 661,995	\$ 2,852,798	\$ 97,009
EXPENDITURES			
Current:			
General government:			
Legislative	\$ 74,669	\$ 0	\$ 0
Judicial	92,490	192,081	0
Elections	49,665	0	0
Finance and administrative	139,521	113,135	612
Other general government	191,174	0	0
Public safety	75,344	41,359	0
Public works	0	943,717	0
Health and welfare	3,448	1,015,284	0
Culture and recreation	15,489	184,262	0
Economic development and assistance	18,381	0	0
Transportation	0	31,795	0
Debt service:			
Principal retirement	0	69,319	55,000
Interest and bank charges	0	8,004	33,644
Capital outlay	14,530	40,046	0
	\$ 674,711	\$ 2,639,002	\$ 89,256
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ (12,716)	\$ 213,796	\$ 7,753

Statement B

TOTAL (PRIMARY GOVERNMENT)	COMMUNITY ACTION AGENCY OF EAST CARROLL PARISH	TOTAL REPORTING ENTITY (MEMORANDUM ONLY)
\$ 1,005,731	\$ 0	\$ 1,005,731
501,154	0	501,154
29,451	0	29,451
1,146,993	205,533	1,352,526
179,074	0	179,074
72,746	0	72,746
33,140	0	33,140
138,498	0	138,498
125,203	0	125,203
175,855	0	175,855
57,404	0	57,404
100,000	0	100,000
46,553	673	47,226
\$ 3,611,802	\$ 206,206	\$ 3,818,008
\$ 74,669	\$ 0	\$ 74,669
284,571	0	284,571
49,665	0	49,665
253,268	144,725	397,993
191,174	0	191,174
116,703	0	116,703
943,717	0	943,717
1,018,732	59,919	1,078,651
199,751	0	199,751
18,381	0	18,381
31,795	0	31,795
124,319	0	124,319
41,648	0	41,648
54,576	0	54,576
\$ 3,402,969	\$ 204,644	\$ 3,607,613
\$ 208,833	\$ 1,562	\$ 210,395

(CONTINUED)

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

**ALL GOVERNMENTAL FUNDS AND COMPONENT UNIT
Combined Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended December 31, 1998**

	GENERAL FUND	SPECIAL REVENUE FUNDS	DEBT SERVICE FUND
OTHER FINANCING SOURCES (USES)			
Operating transfers in	\$ 0	\$ 25,800	\$ 0
Operating transfers out	(5,800)	(20,000)	0
Proceeds from capital lease	0	32,000	0
Total Other Financing Sources (Uses)	\$ (5,800)	\$ 37,800	\$ 0
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	\$ (18,516)	\$ 251,596	\$ 7,753
FUND BALANCES AT BEGINNING OF YEAR	142,677	1,227,369	99,647
FUND BALANCES AT END OF YEAR	\$ 124,161	\$ 1,478,965	\$ 107,400

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

Statement B

TOTAL (PRIMARY GOVERNMENT)	COMMUNITY ACTION AGENCY OF EAST CARROLL PARISH	TOTAL REPORTING ENTITY (MEMORANDUM ONLY)
\$ 25,800	\$ 0	\$ 25,800
(25,800)	0	(25,800)
32,000	0	32,000
\$ 32,000	\$ 0	\$ 32,000
\$ 240,833	\$ 1,562	\$ 242,395
1,469,693	10,532	1,480,225
\$ 1,710,526	\$ 12,094	\$ 1,722,620

(CONCLUDED)

EAST CARROLL PARISH POLICE JURY
Lake Providence, Louisiana

GOVERNMENTAL FUNDS- GENERAL FUND
Combined Statement of Revenues, Expenditures,
and Changes in Fund Balances - Budget (Cash) Basis and Actual
For the Year Ended December 31, 1998

Statement C

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
Local sources:			
Taxes:			
Ad valorem	\$ 153,000	\$ 159,942	\$ 6,942
Sales and use	47,000	40,572	(6,428)
Licenses and permits	24,800	28,261	3,461
Intergovernmental revenues:			
State funds:			
State revenue sharing (net)	58,000	57,687	(313)
Severance taxes	32,700	33,140	440
Other	31,700	83,529	51,829
Fees, charges, and commissions for services	120,958	122,033	1,075
Use of money and property	5,875	8,804	2,929
Intergovernmental	100,000	100,000	0
Other revenues	3,500	19,702	16,202
Total Revenues	\$ 577,533	\$ 653,670	\$ 76,137
EXPENDITURES			
Current:			
General government:			
Legislative	\$ 77,817	\$ 74,669	\$ 3,148
Judicial	75,000	99,318	(24,318)
Elections	24,000	49,665	(25,665)
Finance and administrative	110,700	105,313	5,387
Other general government	164,400	189,592	(25,192)
Public safety	102,200	75,344	26,856
Health and welfare	3,500	3,448	52
Culture and recreation	5,600	15,489	(9,889)
Economic development and assistance	17,464	18,381	(917)
Capital outlay	0	8,724	(8,724)
Total Expenditures	\$ 580,681	\$ 639,943	\$ (59,262)
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ (3,148)	\$ 13,727	\$ 16,875

(CONTINUED)

EAST CARROLL PARISH POLICE JURY
Lake Providence, Louisiana

GOVERNMENTAL FUNDS- GENERAL FUND
Combined Statement of Revenues, Expenditures,
and Changes in Fund Balances - Budget (Cash) Basis and Actual
For the Year Ended December 31, 1998

Statement C

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
OTHER FINANCING SOURCES (USES)			
Operating transfers out	\$ (5,500)	\$ (5,800)	\$ (300)
<i>Total Other Financing Sources (Uses)</i>	<u>\$ (5,500)</u>	<u>\$ (5,800)</u>	<u>\$ (300)</u>
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	<u>(8,648)</u>	<u>7,927</u>	<u>16,575</u>
FUND BALANCES AT BEGINNING OF YEAR	\$ 142,677	\$ 142,677	\$ 0
FUND BALANCES AT END OF YEAR	<u>\$ 134,029</u>	<u>\$ 150,604</u>	<u>\$ 16,575</u>

(CONTINUED)

EAST CARROLL PARISH POLICE JURY
Lake Providence, Louisiana

GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
(Excluding Criminal Court , Headstart, and Child Nutrition Special Revenue Funds)
Combined Statement of Revenues, Expenditures,
and Changes in Fund Balances - Budget (Cash) Basis and Actual
For the Year Ended December 31, 1998

Statement C

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
Local sources:			
Taxes:			
Ad valorem	\$ 711,000	\$ 901,940	\$ 190,940
Sales and use	445,000	454,254	9,254
Intergovernmental revenues:			
Federal funds - federal grants	361,670	395,560	33,890
State funds:			
Parish transportation funds	196,000	196,461	461
State revenue sharing (net)	15,000	22,357	7,357
Other	27,636	35,468	7,832
Fees, charges, and commissions for services	3,000	3,170	170
Use of money and property	37,275	46,518	9,243
Other revenues	7,125	7,695	570
Total Revenues	<u>\$ 1,803,706</u>	<u>\$ 2,063,423</u>	<u>\$ 259,717</u>
EXPENDITURES			
Current:			
General government:			
Judicial	\$ 45,500	\$ 48,840	\$ (3,340)
Finance and administrative	0	0	0
Public safety	44,730	41,359	3,371
Public works	1,004,208	910,480	93,728
Health and welfare	335,674	379,147	(43,473)
Culture and recreation	194,000	187,502	6,498
Transportation	26,674	26,239	435
Debt service:			
Principal retirement	76,683	73,251	3,432
Capital outlay	46,500	40,166	6,334
Total Expenditures	<u>\$ 1,773,969</u>	<u>\$ 1,706,984</u>	<u>\$ 66,985</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>\$ 29,737</u>	<u>\$ 356,439</u>	<u>\$ 326,702</u>
OTHER FINANCING SOURCES (USES)			
Operating transfers in	\$ 25,800	\$ 25,800	\$ 0
Operating transfers out	(20,000)	(20,000)	0
Total Other Financing Sources (Uses)	<u>\$ 5,800</u>	<u>\$ 5,800</u>	<u>\$ 0</u>

(CONTINUED)

EAST CARROLL PARISH POLICE JURY
Lake Providence, Louisiana

GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
(Excluding Criminal Court , Headstart, and Child Nutrition Special Revenue Funds)
Combined Statement of Revenues, Expenditures,
and Changes in Fund Balances - Budget (Cash) Basis and Actual
For the Year Ended December 31, 1998

Statement C

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	\$ 35,537	\$ 362,239	\$ 326,702
FUND BALANCES AT BEGINNING OF YEAR	<u>70,000</u>	<u>1,281,513</u>	<u>1,211,513</u>
FUND BALANCES AT END OF YEAR	<u>\$ 105,537</u>	<u>\$ 1,643,752</u>	<u>\$ 1,538,215</u>

(CONCLUDED)

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

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

**Notes to the General-Purpose Financial Statements
As of and for the Year Ended December 31, 1998**

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

**Notes to the General-Purpose Financial Statements
As of and for the Year Ended December 31, 1998**

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

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

A. REPORTING ENTITY

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

Governmental Accounting Standards Board (GASB) Statement No. 14 establishes criteria for determining the governmental reporting entity and component units that should be considered part of the East Carroll Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB 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 General-Purpose Financial Statements
As of and for the Year Ended December 31, 1998**

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>Method of Inclusion</u>	<u>Fiscal Year End</u>	<u>Criteria Used</u>
Included within the reporting entity:			
East Carroll Parish Library	Blended	December 31	1 and 3
Sixth Judicial District Criminal Court (East Carroll Parish)	Blended	December 31	2 and 3
Community Action Association of East Carroll Parish	Discrete	December 31	1 and 3
Not included within the reporting entity:			
East Carroll Parish:			
Sheriff		June 30	2 and 3
Assessor		December 31	2 and 3
Clerk of Court		June 30	2 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 not to include the following component units in the general-purpose financial statements: Sheriff, Assessor, Clerk of Court, East Carroll Hospital Service District, East Carroll Parish Housing Authority, East Carroll Recreation District and Prison District No. 1.

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

B. 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.

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

**Notes to the General-Purpose Financial Statements
As of and for the Year Ended December 31, 1998**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. FUNDS AND ACCOUNT GROUPS (Continued)

Funds are classified into three categories; governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate "fund types." Governmental funds are used to account for government's general activities, where the focus of attention is on the providing of services to the public as opposed to proprietary funds where the focus of attention is on 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 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. Those revenues are legally restricted, either by tax proposition or by grant agreement, to expenditures for specified purposes such as road maintenance, solid waste disposal, rental housing for very low income families, public library operation, etc.

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

Account groups

The *general fixed assets account group* is used to account for fixed assets not accounted for in proprietary or trust funds.

The *general long-term debt account group* is used to account for general long-term debt and certain other liabilities that are not specific liabilities of proprietary or trust funds.

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 Providence, Louisiana**

**Notes to the General-Purpose Financial Statements
As of and for the Year Ended December 31, 1998**

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

Revenues

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

Sales taxes are susceptible to accrual.

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

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

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

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

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

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 General-Purpose Financial Statements
As of and for the Year Ended December 31, 1998**

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 events occur.

D. BUDGETS

Preliminary budgets for the ensuing year are prepared by the secretary-treasurer prior to December 31 of each year. The availability of the proposed budgets for public inspection and the date of the public hearing on the proposed budgets are then advertised in the official journal. During its regular December meeting, the Police Jury holds a public hearing on the proposed budgets in order to receive comments from residents of the parish. Changes are made to the proposed budgets based on the public hearing and the desires of the Police Jury as a whole. The budgets are then adopted during the Police Jury's regular December meeting, and a notice of the adoption is then published in the official journal.

The secretary-treasurer presents necessary budget amendments to the Police Jury during the year when, in her judgment, actual operations are differing materially from those anticipated in the original budget. During a regular meeting, the Police Jury reviews the proposed amendments, makes changes as it deems necessary, and formally adopts the amendments. The adoption of the amendments is included in Police Jury minutes published in the official journal.

The Police Jury exercises budgetary control at the functional level. Within functions the secretary-treasurer has the discretion to make changes as she deems necessary for proper control. Unexpended appropriations lapse at year end and must be 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, 1998, 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 30:1301-1314 (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.

Community Action Agency of East Carroll Parish (Component Unit)

Preliminary budgets of the Community Action Agency of East Carroll Parish for the ensuing year are prepared by the executive director in November and made available to the public. The budgets are then adopted by the Board of Directors of the Community Action Agency of East Carroll Parish during the regular December meeting. The proposed budgets are prepared on the modified accrual basis of accounting. The budgets are established and controlled by the Board of Directors at the function level of expenditure.

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

**Notes to the General-Purpose Financial Statements
As of and for the Year Ended December 31, 1998**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. BUDGETS (Continued)

Community Action Agency of East Carroll Parish (Component Unit) (Continued)

Appropriations lapse at year-end and must be reappropriated for the following year to be expended. All changes in the budgets must be approved by the Board and the grantor agencies.

Formal budgetary integration is employed as a management control device during the year.

E. CASH AND CASH EQUIVALENTS

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

F. INVESTMENTS

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

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

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

Definitions:

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

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

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

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

**Notes to the General-Purpose Financial Statements
As of and for the Year Ended December 31, 1998**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. INVESTMENTS (Continued)

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 restriction on investment by municipalities, parishes, and other types of political subdivisions imposed under Louisiana Revised Statute 33:2955.

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 2a-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 397 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.

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 interfund receivables/payables on the balance sheet. Short-term interfund loans are also classified as interfund receivables/payables.

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

**Notes to the General-Purpose Financial Statements
As of and for the Year Ended December 31, 1998**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 values 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 estimated 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 immovable 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 annual leave at rates varying from ten to 20 days per year, depending on length of service. Employees may accumulate and carry forward no more than five days of annual leave. All full-time permanent employees earn one sick day per month of continuous employment. Sick leave can be accumulated up to 90 days. Upon retirement by an employee who has served the Parish for ten years or more, the Police Jury may authorize paid terminal leave in the amount of the accrued sick and annual leave credited to that employee not to exceed 90 days.

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

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

**Notes to the General-Purpose Financial Statements
As of and for the Year Ended December 31, 1998**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. VACATION AND SICK LEAVE (Continued)

Full-time 12-month employees of East Carroll Parish Head Start earn four hours of vacation leave every pay period. Upon termination, an employee is compensated for unused vacation leave, up to 70 hours. Full-time permanent employees earn one-half day of sick leave every pay period.

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.

Employees of the Community Action Agency of East Carroll Parish (component unit) earn from 12 to 18 days of vacation and sick leave each year, depending on length of service. Upon termination, an employee is compensated for unused vacation leave up to 144 hours.

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

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

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

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

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

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

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

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

**Notes to the General-Purpose Financial Statements
As of and for the Year Ended December 31, 1998**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 expected 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 premium or discount. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

L. FUND EQUITY

Reserves represent those portions of fund equity that are not appropriable for expenditures or that are legally segregated for a specific purpose.

Designated fund balances represent tentative management plans for future use of financial resources and 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 expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

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

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. In May 1998, this tax was renewed for five years. The net proceeds of the tax (after necessary costs of collection) are to be used to construct, operate, and maintain parish public roads, drainage canals, and public bridges, with ten percent of the proceeds used exclusively for insurance premiums.

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

**Notes to the General-Purpose Financial Statements
As of and for the Year Ended December 31, 1998**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O. DEFERRED REVENUES

The Police Jury reports deferred revenues on its combined balance sheet. Deferred revenues arise when resources are received by the Police Jury before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when the Police Jury has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and the revenue is recognized.

P. 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 expenditures during the reporting period.* Actual results could differ from those estimates.

Q. MEMORANDUM ONLY - TOTAL COLUMNS

The total columns on the general-purpose financial statements are captioned as "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or cash flows in accordance with generally accepted accounting principles. Interfund eliminations have not been made in the aggregation of this data.

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Deficit Fund Balances

The following funds have a deficit in the fund balance at December 31, 1998:

<u>Fund</u>	<u>Deficit Amount</u>
Special revenue funds:	
Criminal Court	\$ 7,892
Head Start	19,765
Section 8 Existing	1,295
Section 8 Mod Rehab	<u>13,264</u>
 Total	 <u>\$42,216</u>

The deficits in the Criminal Court Fund and the Head Start fund will be eliminated by transfers from the general fund. Administrative cost will be reduced in the Section 8 Programs to eliminate the deficit.

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

**Notes to the General-Purpose Financial Statements
As of and for the Year Ended December 31, 1998**

NOTE 3 - LEVIED TAXES

The following is a summary of authorized and levied ad valorem taxes for the year ended December 31, 1998:

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
Parish-wide taxes:			
General fund	4.00	4.20	Indefinite
Courthouse maintenance	2.00	2.11	1999
Road maintenance	5.00	5.48	2002
Drainage maintenance	5.00	5.48	2002
Library maintenance	6.50	6.83	1999
Health unit	3.00	3.20	2002
District taxes:			
Rural fire protection	2.00	2.20	2008
Rural fire protection debt service	Variable	4.70	2004
Waste collection and disposal	8.60	9.02	2000

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

NOTE 4 - CASH AND CASH EQUIVALENTS

At December 31, 1998, the Police Jury had cash and cash equivalents (book balances), including overdrafts of \$3,394, totaling \$908,762 as follows:

Demand deposits	\$908,762
Petty cash	60
Time deposits	<u>29,185</u>
Total deposits	937,947
Less: time deposits classified as investments	<u>29,185</u>
Total cash and cash equivalents per Statement A	<u>\$908,762</u>

At December 31, 1998, the Community Action Agency of East Carroll Parish (component unit) has cash demand deposits (book balances) totaling \$38,540.

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

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

**Notes to the General-Purpose Financial Statements
As of and for the Year Ended December 31, 1998**

NOTE 4 - CASH AND CASH EQUIVALENTS (Continued)

At year-end, the Police Jury's carrying amount of deposits was \$908,762 (including \$29,185 classified as investments) and the bank balance was \$1,074,716. Of the bank balance, \$290,444 was covered by federal depository insurance or by collateral held by the Police Jury's agent in the Police Jury's name (GASB Category 1). The remaining balance, \$784,272 was collateralized with securities held by the pledging financial institution's trust department or agent but not in the Police Jury's name (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Police Jury that the fiscal agent has failed to pay deposited funds upon demand.

At December 31, 1998, deposit balances of the Community Action Agency of East Carroll Parish were fully secured by federal deposit insurance.

NOTE 5 - INVESTMENTS

Investments are categorized into these 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:

<u>Type of investment</u>	<u>Category</u>			<u>Carrying Amount</u>		<u>Total Carrying Amount</u>
	<u>1</u>	<u>2</u>	<u>3</u>	<u>Fair Value</u>	<u>Cost</u>	
Certificate of deposit	\$ -	\$ -	\$29,185	\$ -	\$29,185	\$29,185
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$29,185</u>			
Investments not subject to categorization:						
External investment pool (LAMP)				<u>42,834</u>	<u>-</u>	<u>42,834</u>
Total investments				<u>\$42,834</u>	<u>\$29,185</u>	<u>\$72,019</u>

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

**Notes to the General-Purpose Financial Statements
As of and for the Year Ended December 31, 1998**

NOTE 6 - RECEIVABLES

The following is a summary of receivables at December 31, 1998:

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Debt Service Fund</u>	<u>Total</u>
Taxes:				
Ad valorem	\$135,635	\$643,281	\$80,469	\$859,385
Sales tax	4,021	36,189	-	40,210
Grants:				
Federal	-	24,513	-	24,513
State	2,835	31,453	-	34,288
Other	<u>-</u>	<u>26</u>	<u>-</u>	<u>26</u>
 Total	 <u>\$142,491</u>	 <u>\$735,462</u>	 <u>\$80,469</u>	 <u>\$958,422</u>

NOTE 7 - CHANGES IN GENERAL FIXED ASSETS

The following schedule presents changes in general fixed assets:

	<u>Balance Beginning</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance Ending</u>
Police Jury				
Land	\$ 357,665	\$ -	\$ -	\$ 357,665
Buildings	1,390,962	-	-	1,390,962
Furniture and equipment	2,021,239	430,695	201,661	2,250,273
Assets under capital lease	<u>317,188</u>	<u>32,000</u>	<u>-</u>	<u>349,188</u>
Sub-total	<u>4,087,054</u>	<u>462,695</u>	<u>201,661</u>	<u>4,348,088</u>
Library:				
Buildings	178,155	-	-	178,155
Furniture and equipment	126,607	9,379	-	135,986
Books, periodicals, etc.	<u>277,850</u>	<u>-</u>	<u>-</u>	<u>277,850</u>
Sub-total	<u>582,612</u>	<u>9,379</u>	<u>-</u>	<u>591,991</u>
 Total	 <u>\$4,669,666</u>	 <u>\$472,074</u>	 <u>\$201,661</u>	 <u>\$4,940,079</u>

The Community Action Agency of East Carroll Parish had \$15,675 of office furnishings and equipment. Total additions and deletions were \$4,330 and \$2,362, respectively, during the year ended December 31, 1998.

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

**Notes to the General-Purpose Financial Statements
As of and for the Year Ended December 31, 1998**

NOTE 8 - RETIREMENT SYSTEMS

Substantially all employees of the Police Jury and the Community Action Agency of East Carroll Parish are members of the Parochial Employees Retirement System of Louisiana (System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. The System is composed of two district plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the Police Jury and the Community Action Agency of East Carroll Parish (component unit) 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, 1980, the benefit is equal to one percent of final average salary plus \$24 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 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefits accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

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 7.75 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 proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Police Jury and Community Action Agency of East Carroll Parish (component unit) are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Police Jury's contributions to the System under Plan A for the years ending December 31, 1998, 1997, and 1996, were \$73,575, \$87,107, and \$76,946, respectively, equal to the required contribution for each year. The Community Action Agency of East Carroll Parish (component unit) contributions to the system under Plan A for the years ended December 31, 1998, 1997 and 1996, were \$4,550, \$3,502, and \$3,229, 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 14619, Baton Rouge, Louisiana 70898-4619, or by calling (225) 928-1361.

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

**Notes to the General-Purpose Financial Statements
As of and for the Year Ended December 31, 1998**

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 to retirees as an expenditure when paid during the year.* The Police Jury had expenditures of \$13,621 for twelve retirees.

NOTE 10 - COMPENSATED ABSENCES

At December 31, 1998, employees of the Police Jury had accumulated and vested \$3,075 of employee leave benefits in accordance with GASB Codification Section C60. The liability is recorded within the general long-term obligations account group.

At December 31, 1998, employees of the Community Action Agency of East Carroll Parish (component unit) had accumulated and vested \$3,167 of employee leave benefits computed in accordance with GASB Codification Section C60. The liability is recorded within the general long-term obligations account group.

NOTE 11 - LEASES

The Police Jury records items under capital leases as an asset and an obligation in the accompanying financial statements. At December 31, 1998, the Police Jury had five capital leases in effect for equipment. The leases had an original recorded amount of \$297,620. Obligations are retired from the Road Maintenance Special Revenue Fund. The following is a summary of future minimum lease payments, together with the present value of the net minimum lease payments, as of December 31, 1998:

Fiscal year:	
1999	\$ 67,240
2000	36,251
2001	<u>19,556</u>
Total minimum lease payments	123,047
Less amount representing interest	<u>(9,179)</u>
 Present value of net minimum lease payments	 <u>\$ 113,868</u>

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

**Notes to the General-Purpose Financial Statements
As of and for the Year Ended December 31, 1998**

NOTE 12 - GENERAL LONG-TERM OBLIGATIONS

The following is a summary of the long-term obligation transactions for the Police Jury for the year ended December 31, 1998:

	<u>Compensated Absences</u>	<u>Capital Leases</u>	<u>General Obligation Bonds</u>	<u>Total</u>
Balance at beginning of year	\$ -	\$ 150,549	\$ 475,000	\$ 625,549
Additions	3,075	32,000	-	35,075
Deductions	<u>-</u>	<u>(68,681)</u>	<u>(55,000)</u>	<u>(123,681)</u>
Balance at end of year	<u>\$3,075</u>	<u>\$ 113,868</u>	<u>\$ 420,000</u>	<u>\$ 536,943</u>

The following is a summary of the long-term obligation transactions for the Community Action Agency (component unit) for the year ended December 31, 1998:

Balance at beginning of year	\$2,744
Additions	423
Retirement	<u>-</u>
Balance at end of year	<u>\$3,167</u>

General obligation bonds payable at December 31, 1998, are comprised of the following individual issues:

\$750,000 - 1989 bonds for the acquisition of buildings, machinery, and equipment of Rural Fire Protection District No. 1. Principal is due in annual installments of \$60,000 to \$85,000 through March 1, 2004. Interest rates are 7.30 percent to 7.60 percent. Debt retirement payments are made from Rural Fire Protection Debt Service Fund.	<u>\$420,000</u>
--	------------------

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

**Notes to the General-Purpose Financial Statements
As of and for the Year Ended December 31, 1998**

NOTE 12 - GENERAL LONG-TERM OBLIGATIONS (Continued)

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. At December 31, 1998, the Police Jury had accumulated \$107,400 in the debt service fund for future debt requirements. The bonds are due as follows:

<u>Year Ending December 31,</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total</u>
1999	\$ 60,000	\$ 29,460	\$ 89,460
2000	60,000	25,035	85,035
2001	65,000	20,330	85,330
2002	70,000	15,200	85,200
2003	80,000	9,500	89,500
Thereafter	<u>85,000</u>	<u>3,230</u>	<u>88,230</u>
Total	<u>\$420,000</u>	<u>\$102,755</u>	<u>\$522,755</u>

In accordance with Louisiana Revised Statute 39:562, the Police Jury and its components are legally restricted from incurring long-term bonded debt in excess of ten percent of the assessed value of taxable property in the parish or district. At December 31, 1998, the statutory limit is \$3,138,001 and net outstanding bonded debt totals \$312,600.

NOTE 13 - 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. However, for the year ended December 31, 1998, the Criminal Court Fund does not have a year-end fund balance for transfer to the parish general fund.

NOTE 14 - INTERFUND ASSETS/LIABILITIES

Due from/to other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Airport	\$ 254
	Criminal Court	4,215
	Section 8 Existing	17,000
	Section 8 Mod Rehabilitation	5,600
Library	General fund	7,298
Head Start	Child Nutrition	17,668
Section 8 Existing	Section 8 Mod Rehabilitation	13,000
	Section 8 Voucher	7,486
Section 8 Voucher	Section 8 Mod Rehabilitation	5,460
	Section 8 Existing	<u>13,863</u>
Total		<u>\$91,844</u>

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

**Notes to the General-Purpose Financial Statements
As of and for the Year Ended December 31, 1998**

NOTE 15 - INTERFUND TRANSFERS

Operating transfers for the year ended December 31, 1998, were as follows:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General fund		\$ 5,800
Special revenue funds:		
Road maintenance and construction		20,000
Drainage maintenance	\$20,000	
Airport	<u>5,800</u>	
Totals	<u>\$25,800</u>	<u>\$25,800</u>

NOTE 16 - BUDGETS 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 B (GAAP basis):

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses (cash)	\$ 7,927	\$362,239
Adjustments:		
Receivables	2,835	(108,343)
Payables	(15,984)	(56,809)
Fund not budgeted	-	36,548
Interfunds	(17,672)	14,545
Other	<u>4,378</u>	<u>3,416</u>
Excess of revenues and other sources over expenditures and other uses (GAAP) basis	<u>\$ (18,516)</u>	<u>\$251,596</u>

NOTE 17 - LITIGATION AND CLAIMS

Litigation

At December 31, 1998, the Police Jury was involved in various litigation. It is the opinion of the legal advisor of the Police Jury that ultimate resolution of these lawsuits would not materially affect the financial statements.

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

**Notes to the General-Purpose Financial Statements
As of and for the Year Ended December 31, 1998**

NOTE 17 - LITIGATION AND CLAIMS (Continued)

Grant Disallowances

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

The U. S. Department of Health and Human Services has disallowed \$8,221 in salary expenditures. This liability has been recorded in the general fund.

Commodities

During the year ended December 31, 1998, the Community Action Agency of East Carroll Parish (component unit) received from the United States Department of Agriculture through the Louisiana State Department of Agriculture, commodities in the amount of \$21,243, which were received and distributed to eligible participants in the parish.

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, 1998, follows:

Balance at January 1, 1998	\$ 137,284
Received	-
Issued	<u>(137,284)</u>
Balance at December 31, 1998	<u>\$ -</u>

Effective February 1, 1998, food stamps are issued pursuant to the use of a credit card system.

NOTE 19 - CONTINGENCIES

Several problems were noted in compliance testing of landlord/tenant files 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 \$351,712 is questioned. No provision has been made in the financial statements for this contingency.

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

**Notes to the General-Purpose Financial Statements
As of and for the Year Ended December 31, 1998**

NOTE 20 - SUBSEQUENT EVENTS

On February 24, 1999, the Police Jury received a check for \$100,000 from Bank One for the LRPIC loss fund reimbursement from theft claims on the former Secretary-Treasurer and Assistant Secretary-Treasurer. On April 5, 1999, the Police Jury received a check for \$43,701 from Coregis Insurance for the balance remaining on the theft claims. Total reimbursement for theft claims was \$143,701 in 1999.

On May 6, 1999, the Police Jury filed suit against the former Director of the Head Start program, and Savers Property and Casualty Insurance Company for \$81,515 plus judicial interest. These costs represent findings against the former Director as determined by the Office of the Legislative Auditor report dated January 14, 1998. The case is still pending.

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

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**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 a one percent sales tax.

DRAINAGE MAINTENANCE

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

GARBAGE DISTRICT NO. 1

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

RURAL FIRE

The rural fire fund accounts for resources for fire protection provided to the residents of East Carroll Parish and is financed by ad valorem tax.

AIRPORT

The airport fund accounts for the operation and maintenance of East Carroll Parish Airport. Funding is provided primarily from transfers from the general fund.

CRIMINAL COURT

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

LIBRARY

The library fund accounts for the operations of the parish library. Financing is provided by a specific parish-wide ad valorem tax.

HEALTH UNIT

The health unit fund accounts for the maintenance and operation of the parish health unit. Financing is provided by a specific 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 nonresidential 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, ten 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 ten percent of gross monthly income for rent.

SECTION 8 MOD 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, ten 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, 1998

	ROAD MAINTENANCE AND CONSTRUCTION	DRAINAGE MAINTENANCE	GARBAGE DISTRICT NO. 1	RURAL FIRE
ASSETS				
Cash and cash equivalents	\$ 95,996	\$ 29,683	\$ 204,226	\$ 53,158
Investments	0	0	0	0
Receivables	185,436	117,794	154,431	37,666
Interfund receivable	0	0	0	0
Inventory	0	0	0	0
Prepaid items	0	0	0	0
TOTAL ASSETS	\$ 281,432	\$ 147,477	\$ 358,657	\$ 90,824
LIABILITIES AND FUND EQUITY				
Liabilities:				
Cash overdraft	\$ 0	\$ 0	\$ 0	\$ 0
Accounts payable	4,303	0	0	0
Payroll deductions payable	1,198	421	0	0
Interfund payable	0	0	0	0
Deferred revenue	0	0	0	0
Notes payable	0	0	0	0
Total Liabilities	\$ 5,501	\$ 421	\$ 0	\$ 0
Fund Equity:				
Fund Balances:				
Reserved for inventory and prepaid items	\$ 0	\$ 0	\$ 0	\$ 0
Unreserved and undesignated	275,931	147,056	358,657	90,824
Total Equity	\$ 275,931	\$ 147,056	\$ 358,657	\$ 90,824
TOTAL LIABILITIES AND FUND EQUITY	\$ 281,432	\$ 147,477	\$ 358,657	\$ 90,824

Exhibit 1

AIRPORT	CRIMINAL COURT	LIBRARY	HEALTH UNIT	CHILD NUTRITION	HEAD START
\$ 1,254	\$ 0	\$ 94,541	\$ 247,216	\$ 18,273	\$ 20,522
0	0	72,019	0	0	0
0	0	146,812	68,785	6,480	26
0	0	7,298	0	0	17,668
0	0	0	0	3,252	0
0	0	0	0	0	3,935
<u>\$ 1,254</u>	<u>\$ 0</u>	<u>\$ 320,670</u>	<u>\$ 316,001</u>	<u>\$ 28,005</u>	<u>\$ 42,151</u>
\$ 0	\$ 3,394	\$ 0	\$ 0	\$ 0	\$ 0
0	0	0	0	0	33,268
0	283	0	0	0	13,750
254	4,215	0	0	17,668	0
0	0	0	0	0	0
0	0	0	0	0	14,898
<u>\$ 254</u>	<u>\$ 7,892</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 17,668</u>	<u>\$ 61,916</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,252	\$ 3,935
1,000	(7,892)	320,670	316,001	7,085	(23,700)
<u>\$ 1,000</u>	<u>\$ (7,892)</u>	<u>\$ 320,670</u>	<u>\$ 316,001</u>	<u>\$ 10,337</u>	<u>\$ (19,765)</u>
<u>\$ 1,254</u>	<u>\$ 0</u>	<u>\$ 320,670</u>	<u>\$ 316,001</u>	<u>\$ 28,005</u>	<u>\$ 42,151</u>

(CONTINUED)

EAST CARROLL PARISH POLICE JURY
Lake Providence, Louisiana

SPECIAL REVENUE FUNDS
Combining Balance Sheet
December 31, 1998

Exhibit 1

	SECTION 8 EXISTING	SECTION 8 VOUCHER	SECTION 8 MOD REHAB	TOTAL
ASSETS				
Cash and cash equivalents	\$ 72,409	\$ 20,182	\$ 13,871	\$ 871,331
Investments	0	0	0	72,019
Receivables	6,000	0	12,032	735,462
Interfund receivable	20,486	19,323	0	64,775
Inventory	0	0	0	3,252
Prepaid items	0	0	0	3,935
TOTAL ASSETS	\$ 98,895	\$ 39,505	\$ 25,903	\$ 1,750,774
LIABILITIES AND FUND EQUITY				
Liabilities:				
Cash overdraft	\$ 0	\$ 0	\$ 0	\$ 3,394
Accounts payable	44,167	27,551	15,107	124,396
Payroll deductions payable	0	0	0	15,652
Interfund payable	30,863	7,486	24,060	84,546
Deferred revenue	25,160	3,763	0	28,923
Notes payable	0	0	0	14,898
Total Liabilities	\$ 100,190	\$ 38,800	\$ 39,167	\$ 271,809
Fund Equity:				
Fund Balances:				
Reserved for inventory and prepaid items	\$ 0	\$ 0	\$ 0	\$ 7,187
Unreserved and undesignated	(1,295)	705	(13,264)	1,471,778
Total Equity	\$ (1,295)	\$ 705	\$ (13,264)	\$ 1,478,965
TOTAL LIABILITIES AND FUND EQUITY	\$ 98,895	\$ 39,505	\$ 25,903	\$ 1,750,774

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

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EAST CARROLL PARISH POLICE JURY
Lake Providence, Louisiana

SPECIAL REVENUE FUNDS
Combining Schedule of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended December 31, 1998

	<u>ROAD MAINTENANCE AND CONSTRUCTION</u>	<u>DRAINAGE MAINTENANCE</u>	<u>GARBAGE DISTRICT NO. 1</u>	<u>RURAL FIRE</u>
REVENUES				
Local sources:				
Taxes:				
Ad valorem	\$ 138,906	\$ 138,906	\$ 177,714	\$ 43,333
Sales and use	457,394	0	0	0
Intergovernmental revenues:				
Federal funds - federal grants	0	0	0	0
State funds:				
Parish transportation funds	179,074	0	0	0
State revenue sharing (net)	0	0	0	0
Other	0	0	0	9,368
Fees, charges, and commissions for services	0	0	0	0
Fines and forfeitures	0	0	0	0
Use of money and property	10,279	4,033	9,604	2,398
Other revenues	0	0	0	0
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	\$ 785,653	\$ 142,939	\$ 187,318	\$ 55,099
EXPENDITURES				
Current:				
General government:				
Judicial	\$ 0	\$ 0	\$ 0	\$ 0
Finance and administrative	0	0	0	0
Public safety	0	0	0	41,359
Public works	614,316	198,531	130,870	0
Health and welfare	0	0	0	0
Culture and recreation	0	0	0	0
Transportation	0	0	0	0
Debt service:				
Principal retirement	69,319	0	0	0
Interest and bank charges	8,004	0	0	0
Capital outlay	23,038	0	0	0
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	\$ 714,677	\$ 198,531	\$ 130,870	\$ 41,359
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES				
	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 70,976	\$ (55,592)	\$ 56,448	\$ 13,740

Exhibit 2

AIRPORT	CRIMINAL COURT	LIBRARY	HEALTH UNIT	CHILD NUTRITION	HEAD START
\$ 0	\$ 0	\$ 173,124	\$ 81,167	\$ 0	\$ 0
0	0	0	0	0	0
0	0	0	0	74,366	720,915
0	0	0	0	0	0
0	0	22,357	0	0	0
18,135	0	24,631	0	0	0
3,170	0	0	0	0	0
0	175,855	0	0	0	0
0	0	6,664	10,363	0	940
0	0	7,699	0	4,451	3,437
<u>\$ 21,305</u>	<u>\$ 175,855</u>	<u>\$ 234,475</u>	<u>\$ 91,530</u>	<u>\$ 78,817</u>	<u>\$ 725,292</u>
\$ 0	\$ 192,081	\$ 0	\$ 0	\$ 0	\$ 0
0	0	0	0	0	113,135
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	35,497	81,696	550,676
0	0	184,262	0	0	0
25,967	0	0	0	0	5,828
0	0	0	0	0	0
0	0	0	0	0	0
0	0	16,749	0	0	0
<u>\$ 25,967</u>	<u>\$ 192,081</u>	<u>\$ 201,011</u>	<u>\$ 35,497</u>	<u>\$ 81,696</u>	<u>\$ 669,639</u>
<u>\$ (4,662)</u>	<u>\$ (16,226)</u>	<u>\$ 33,464</u>	<u>\$ 56,033</u>	<u>\$ (2,879)</u>	<u>\$ 55,653</u>

(CONTINUED)

EAST CARROLL PARISH POLICE JURY
Lake Providence, Louisiana

SPECIAL REVENUE FUNDS
Combining Schedule of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended December 31, 1998

	<u>ROAD MAINTENANCE AND CONSTRUCTION</u>	<u>DRAINAGE MAINTENANCE</u>	<u>GARBAGE DISTRICT NO. 1</u>	<u>RURAL FIRE</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	\$ 0	\$ 20,000	\$ 0	\$ 0
Operating transfers out	(20,000)	0	0	0
Proceeds from capital lease	32,000	0	0	0
Total Other Financing Sources (Uses)	<u>\$ 12,000</u>	<u>\$ 20,000</u>	<u>\$ 0</u>	<u>\$ 0</u>
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	\$ 82,976	\$ (35,592)	\$ 56,448	\$ 13,740
FUND BALANCES AT BEGINNING OF YEAR	<u>192,955</u>	<u>182,648</u>	<u>302,209</u>	<u>77,084</u>
FUND BALANCES AT END OF YEAR	<u>\$ 275,931</u>	<u>\$ 147,056</u>	<u>\$ 358,657</u>	<u>\$ 90,824</u>

Exhibit 2

AIRPORT	CRIMINAL COURT	LIBRARY	HEALTH UNIT	CHILD NUTRITION	HEAD START
\$ 5,800	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	0	0	0	0	0
0	0	0	0	0	0
\$ 5,800	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
\$ 1,138	\$ (16,226)	\$ 33,464	\$ 56,033	\$ (2,879)	\$ 55,653
(138)	8,334	287,206	259,968	13,216	(75,418)
\$ 1,000	\$ (7,892)	\$ 320,670	\$ 316,001	\$ 10,337	\$ (19,765)

(CONTINUED)

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

**SPECIAL REVENUE FUNDS
Combining Schedule of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended December 31, 1998**

Exhibit 2

	SECTION 8 EXISTING	SECTION 8 VOUCHER	SECTION 8 MOD REHAB	TOTAL
REVENUES				
Local sources:				
Taxes:				
Ad valorem	\$ 0	\$ 0	\$ 0	\$ 753,150
Sales and use	0	0	0	457,394
Intergovernmental revenues:				
Federal funds - federal grants	303,344	34,767	13,601	1,146,993
State funds:				
Parish transportation funds	0	0	0	179,074
State revenue sharing (net)	0	0	0	22,357
Other	0	0	0	52,134
Fees, charges, and commissions for services	0	0	0	3,170
Fines and forfeitures	0	0	0	175,855
Use of money and property	1,831	250	722	47,084
Other revenues	0	0	0	15,587
	0	0	0	15,587
Total Revenues	\$ 305,175	\$ 35,017	\$ 14,323	\$ 2,852,798
EXPENDITURES				
Current:				
General government:				
Judicial	\$ 0	\$ 0	\$ 0	\$ 192,081
Finance and administrative	0	0	0	113,135
Public safety	0	0	0	41,359
Public works	0	0	0	943,717
Health and welfare	301,399	31,395	14,621	1,015,284
Culture and recreation	0	0	0	184,262
Transportation	0	0	0	31,795
Debt service:				
Principal retirement	0	0	0	69,319
Interest and bank charges	0	0	0	8,004
Capital outlay	259	0	0	40,046
	259	0	0	40,046
Total Expenditures	\$ 301,658	\$ 31,395	\$ 14,621	\$ 2,639,002
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ 3,517	\$ 3,622	\$ (298)	\$ 213,796

(CONTINUED)

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

**SPECIAL REVENUE FUNDS
Combining Schedule of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended December 31, 1998**

Exhibit 2

	SECTION 8 EXISTING	SECTION 8 VOUCHER	SECTION 8 MOD REHAB	TOTAL
OTHER FINANCING SOURCES (USES)				
Operating transfers in	\$ 0	\$ 0	\$ 0	\$ 25,800
Operating transfers out	0	0	0	(20,000)
Proceeds from capital lease	0	0	0	32,000
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ -	\$ 37,800
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	\$ 3,517	\$ 3,622	\$ (298)	\$ 251,596
FUND BALANCES AT BEGINNING OF YEAR	(4,812)	(2,917)	(12,966)	1,227,369
FUND BALANCES AT END OF YEAR	\$ (1,295)	\$ 705	\$ (13,264)	\$ 1,478,965

(CONCLUDED)

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

COMPONENT UNIT

GENERAL

The general fund accounts for all funds not accounted for in another fund.

COMMUNITY SERVICES BLOCK GRANT

The Community Services Block Grant Fund (CSBG) accounts for funds provided by the United States Department of Health and Human Services through the Louisiana Department of Labor and are allocated to provide a range of services and activities having a measurable and potentially major impact on causes of poverty in the community.

STATE APPROPRIATION

The State Appropriation Fund accounts for funds provided by the State Department of Labor and are used to supplement administrative costs of the Community Action Agency.

COMMODITIES

The Commodities Fund accounts for donated food provided by the United States Department of Agriculture through the Louisiana Department of Agriculture for distribution to individuals in need and for funds used for administrative costs associated with the distribution of the food.

LOW-INCOME HOME ENERGY ASSISTANCE PROGRAM

The Low-Income Home Energy Assistance Program Fund (LIHEAP) accounts for funds provided by the United States Department of Health and Human Services through the Louisiana Department of Social Services and are used to assist eligible households with energy-related utility costs.

EMERGENCY FOOD AND SHELTER

The Emergency Food and Shelter Fund accounts for grants provided from the Federal Emergency Management Agency through the United Way of America and is used to supplement resources available to provide emergency food and shelter to needy individuals.

WEATHERIZATION

The Weatherization Fund accounts for funds provided by the United States Department of Energy through the Louisiana Department of Social Services. The funds are used to assist low-income persons with weatherization programs related to housing.

LA HOUSING FINANCE

The Louisiana Housing Finance Fund accounts for funds provided by the United States Department of Housing and Urban Development through the state of Louisiana, through the Louisiana Housing Finance Agency. The funds are used for housing rehabilitation.

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

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EAST CARROLL PARISH POLICE JURY
Lake Providence, Louisiana

COMPONENT UNIT
COMMUNITY ACTION AGENCY
Combining Balance Sheet
December 31, 1998

	GENERAL	COMMUNITY SERVICES BLOCK GRANT	STATE APPROPRIATION	COMMODITIES	LOW-INCOME HOME ENERGY ASSISTANCE PROGRAM
ASSETS AND OTHER DEBITS					
Cash and cash equivalents	\$ 16,908	\$ 841	\$ 106	\$ 4,359	\$ 12,097
Land, buildings and equipment	0	0	0	0	0
Amount to be provided for retirement of general long-term obligations	0	0	0	0	0
TOTAL ASSETS AND OTHER DEBITS	\$ 16,908	\$ 841	\$ 106	\$ 4,359	\$ 12,097
LIABILITIES AND FUND EQUITY					
Liabilities:					
Accounts payable	\$ 10,166	\$ 841	\$ 0	\$ 0	\$ 0
Deferred revenue	0	0	0	0	12,097
Compensated absences payable	0	0	0	0	0
Total Liabilities	\$ 10,166	\$ 841	\$ 0	\$ 0	\$ 12,097
Fund Equity:					
Investment in general fixed assets	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Fund Balances:					
Unreserved and undesignated	6,742	0	106	4,359	0
Total Equity and Other Credits	\$ 6,742	\$ 0	\$ 106	\$ 4,359	\$ 0
TOTAL LIABILITIES, EQUITY AND OTHER CREDITS	\$ 16,908	\$ 841	\$ 106	\$ 4,359	\$ 12,097

Exhibit 3

EMERGENCY FOOD AND SHELTER	WEATHERIZATION	LA HOUSING FINANCE	GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT	TOTAL
\$ 3,342	\$ 580	\$ 307	\$ 0	\$ 0	38,540
0	0	0	15,675	0	15,675
0	0	0	0	3,167	3,167
<u>\$ 3,342</u>	<u>\$ 580</u>	<u>\$ 307</u>	<u>\$ 15,675</u>	<u>\$ 3,167</u>	<u>57,382</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	11,007
3,342	0	0	0	0	15,439
0	0	0	0	3,167	3,167
<u>\$ 3,342</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 3,167</u>	<u>29,613</u>
\$ 0	\$ 0	\$ 0	\$ 15,675	\$ 0	15,675
0	580	307	0	0	12,094
<u>\$ 0</u>	<u>\$ 580</u>	<u>\$ 307</u>	<u>\$ 15,675</u>	<u>\$ 0</u>	<u>27,769</u>
<u>\$ 3,342</u>	<u>\$ 580</u>	<u>\$ 307</u>	<u>\$ 15,675</u>	<u>\$ 3,167</u>	<u>57,382</u>

EAST CARROLL PARISH POLICE JURY
Lake Providence, Louisiana

COMPONENT UNIT
COMMUNITY ACTION AGENCY
Combining Schedule of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended December 31, 1998

	GENERAL	COMMUNITY SERVICES BLOCK GRANT	STATE APPROPRIATION	COMMODITIES	LOW-INCOME HOME ENERGY ASSISTANCE PROGRAM
REVENUES					
Local sources:					
Intergovernmental revenues:					
Federal funds - federal grants	\$ 552	\$ 61,851	\$ 0	\$ 28,115	\$ 102,452
Other revenues	673	0	0	0	0
Total Revenues	\$ 1,225	\$ 61,851	\$ 0	\$ 28,115	\$ 102,452
EXPENDITURES					
Current:					
General government:					
Finance and administrative	\$ 855	\$ 46,914	\$ 0	\$ 2	\$ 96,952
Health and welfare	0	14,937	0	27,499	5,500
Total Expenditures	\$ 855	\$ 61,851	\$ 0	\$ 27,501	\$ 102,452
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ 370	\$ 0	\$ 0	\$ 614	\$ 0
FUND BALANCES AT BEGINNING OF YEAR	6,372	0	106	3,745	0
FUND BALANCES AT END OF YEAR	\$ 6,742	\$ 0	\$ 106	\$ 4,359	\$ 0

Exhibit 4

EMERGENCY FOOD AND SHELTER	WEATHERIZATION	LA HOUSING FINANCE	TOTAL
\$ 7,790	\$ 4,773	\$ 0	\$ 205,533
0	0	0	673
\$ 7,790	\$ 4,773	\$ 0	\$ 206,206
\$ 0	\$ 0	\$ 2	\$ 144,725
7,790	4,193	0	59,919
\$ 7,790	\$ 4,193	\$ 2	\$ 204,644
\$ 0	\$ 580	\$ (2)	\$ 1,562
0	0	309	10,532
\$ 0	\$ 580	\$ 307	\$ 12,094

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

GENERAL

Exhibit 5

COMPENSATION PAID POLICE JURORS

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

**Schedule of Compensation Paid Police Jurors
For the Year Ended December 31, 1998**

W. L. Payne, President	\$ 8,400
Brown F. Nelson	7,200
Earl K. Fortenberry	7,200
Billy Travis	7,200
George Hopkins	7,200
Joseph Jackson	7,200
Clifton Scott	7,200
Darrin Dixon	7,200
Bobby L. Moore	<u>7,200</u>
 Total	 <u>\$66,000</u>

**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 general-purpose financial statements and presents, where applicable, compliance matters that would be material to the general-purpose financial statements. The section of the report on internal control over financial reporting is, likewise, based solely on the audit of the general-purpose 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.

ALLEN, GREEN & COMPANY, LLP

CERTIFIED PUBLIC ACCOUNTANTS

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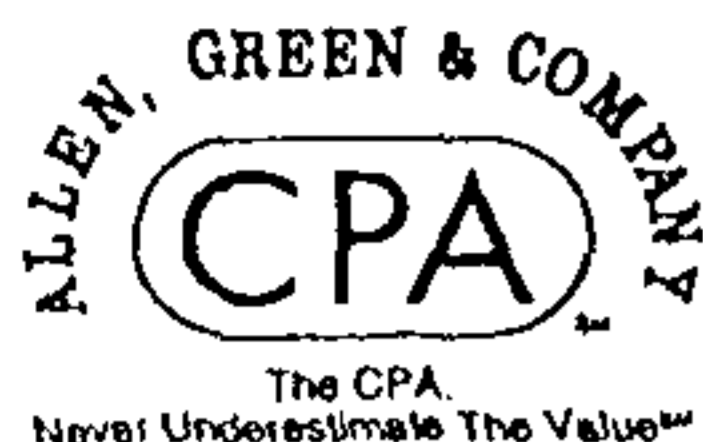
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(A Professional
Accounting Corp.)

Tim Green, CPA

Margie Williamson, 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 Jurors
East Carroll Parish Police Jury
Lake Providence, Louisiana

We have audited the general-purpose financial statements of East Carroll Parish Police Jury, as of and for the year ended December 31, 1998, and have issued our report thereon dated June 18, 1999. Our report was qualified because 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. Also, certain component units were omitted from the financial statements. 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 general-purpose 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 98-F2, 98-F3, and 98-F5. We have also noted certain immaterial instances of noncompliance which we have reported to management of the Police Jury in a separate letter dated June 18, 1999.

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 98-F1 and 98-F4.

Police Jurors
East 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 98-F1 and 98-F3 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 June 18, 1999, included later in this report.

This report is intended solely for the information and use of the Police Jurors, management, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Allen, Green + Company, LLP

ALLEN, GREEN & COMPANY, LLP

Monroe, Louisiana
June 18, 1999

ALLEN, GREEN & COMPANY, LLP

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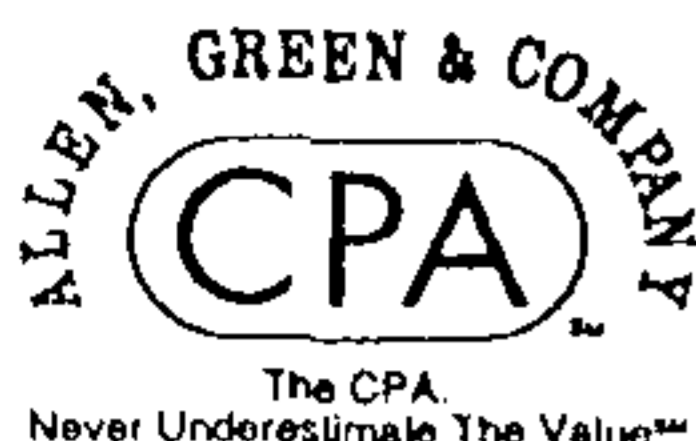
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Margie Williamson, CPA



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

Police Jurors
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, 1998. The Police Jury's major federal programs are identified in the summary of auditors' 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 conducted 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 States, 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 item 98-F6 in the accompanying Schedule of Findings and Questioned Costs, the Police Jury did not comply with the requirements regarding, eligibility and special tests and provisions that are applicable to its Section 8 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 Policy 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, 1998. The results of our auditing procedures disclosed other instances of noncompliance with those requirements which are required to be reported in accordance with OMB Circular No. A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as item 98-F7 and 98-F8.

Police Jurors
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 coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance, that in our judgement, 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 98-F6.

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. Our consideration of the internal control over compliance 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, we believe the reportable condition described above is a material weakness.

Schedule of Expenditures of Federal Awards

We have audited the general-purpose financial statements of the Police Jury, as of and for the year ended December 31, 1998, and have issued our report thereon dated June 18, 1999. Our audit was performed for the purpose of forming an opinion on the general-purpose 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 general-purpose financial statements of the Police Jury. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

This report is intended solely for the information and use of the Police Jurors, management, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Allen, Green + Company, LLP

ALLEN, GREEN & COMPANY, LLP

Monroe, Louisiana
June 18, 1999

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

**Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 1998**

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM NAME	CFDA <u>Number</u>	Pass-Through <u>Grantor No.</u>	<u>Expenditures</u>
CASH FEDERAL AWARDS			
United States Department of Agriculture			
Passed Through Louisiana Department of Education:			
Childcare Food Program	10.558	N/A	\$ 74,366
Passed Through Louisiana Department of Agriculture and Forestry:			
Temporary Emergency Food Assistance	10.568	N/A	<u>6,872</u>
Total United States Department of Agriculture			<u>81,238</u>
United States Department of Housing and Urban Development			
Direct Programs:			
Section 8 Cluster			
Section 8 Voucher Program	14.855	FW2118	34,767
Section 8 Mod Rehabilitation Program	14.856	FW2118	13,601
Section 8 Rental Certificate Program	14.857	FW2118	<u>303,344</u>
Total United States Department of Housing and Urban Development			<u>351,712</u>
United States Department of Health and Human Services			
Direct Program:			
Head Start	93.600	06CH0020/22 & 23	720,915
Passed Through Louisiana Department of Labor:			
Community Services Block Grant	13.792	N/A	61,851
Passed Through Louisiana Department of Social Services:			
Low-Income Home Energy Assistance	13.789	N/A	<u>102,452</u>
Total United States Department of Health and Human Services			<u>885,218</u>
United States Department of Energy			
Passed Through Louisiana Department of Social Services:			
Weatherization Assistance for Low Income Persons	81.042	N/A	<u>5,325</u>
Federal Emergency Management Agency			
Passed Through United Way of America:			
Federal Emergency Food and Shelter	83.523	N/A	<u>7,790</u>
TOTAL CASH FEDERAL AWARDS			<u>1,331,283</u>

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

**Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 1998**

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM NAME	<u>CFDA Number</u>	<u>Pass-Through Grantor No.</u>	<u>Expenditures</u>
NON CASH FEDERAL AWARDS			
United States Department of Agriculture Passed Through Louisiana Department of Agriculture and Forestry: Food Distribution Program	10.550	N/A	\$ <u>21,243</u>
TOTAL NON CASH FEDERAL AWARDS			<u>21,243</u>
TOTAL FEDERAL AWARDS			<u>\$1,352,526</u>

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

**Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 1998**

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 general-purpose 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 presented using the modified accrual basis of accounting, which is described in note 1 to the Police Jury's general-purpose financial statements.

NOTE 3 - RELATIONSHIP TO GENERAL-PURPOSE FINANCIAL STATEMENTS

Federal awards revenues are reported in the Police Jury's general-purpose financial statements as follows:

	<u>Federal Sources</u>
Special revenue funds:	
Child Nutrition	\$ 74,366
Head Start	720,915
Section 8 Existing	303,344
Section 8 Voucher	34,767
Section 8 Moderate Rehabilitation	13,601
Component Unit - Community Action Agency	<u>205,533</u>
Total	<u>\$1,352,526</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 Policy 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, 1998**

PART I - Summary of the Auditors' Results

Financial Statement Audit

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

Two of the reportable conditions disclosed were considered material weaknesses as defined by the Government Auditing Standards.
- iii. There were 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 .510(a).
- vii. The major federal programs are:

CFDA #93.600 Head Start

Section 8 Cluster
CFDA#14.855 Section 8 Voucher Program
CFDA#14.856 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 .520(b) was \$300,000.
- ix. The auditee does not qualify as a low-risk auditee under OMB Circular No. A-133, Section .530.

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

**Schedule of Findings and Questioned Costs
For the Year Ended December 31, 1998**

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: 98-F1 Timeliness of Record Keeping and Bank Reconciliations

Entity-wide or program/department specific: This finding pertains to all funds of the Police Jury except Child Nutrition and Head Start.

Criteria or specific requirement: Strong internal controls require receipts and disbursements to be recorded timely and bank accounts to be reconciled in a timely manner. Financial statements should be reviewed on a monthly basis for all funds.

Condition found: The trial balances for the police jury funds were not received by the auditors until June 1999, five months after year end. Receipts and disbursements were not recorded in a timely manner for several funds of the police jury. Several bank accounts were not reconciled timely. Bank accounts for the payroll fund and the Section 8 funds were not reconciled until June 1999.

Possible asserted effect (cause and effect):

Cause: The cause is unknown.

Effect: Numerous audit adjustments were made to correct coding errors which would have been corrected if the trial balances were reviewed on a monthly basis and bank accounts were reconciled timely. Checks were issued from the Section 8 bank accounts without knowing the actual reconciled balance of the accounts resulting in several overdraft charges.

Recommendations to prevent future occurrences: Transactions for all funds should be recorded timely. The bank accounts should be reconciled within ten days of receipt of the bank statement. Trial balances for all funds should be reviewed by the Treasurer and the police jury on a monthly basis.

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

**Schedule of Findings and Questioned Costs
For the Year Ended December 31, 1998**

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: 98-F2 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. 48:755 System of Administration) requires all construction (including overlay 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 1998.

Proper perspective for judging the prevalence and consequences: The Police Jury received \$227,914 in Parish Transportation Funds for 1998. The construction expenditures were approximately \$54,000 for 1998.

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.

Reference # and title: 98-F3 Section 8 Landlord/Tenant Files

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

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 1998) 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 98-F6.

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

**Schedule of Findings and Questioned Costs
For the Year Ended December 31, 1998**

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: 98-F4 Inadequate Leave Records

Entity-wide or program/department specific: This finding is entity-wide with the exception of Head Start and Community Action Agency.

Criteria or specific requirement: The Police Jury's personnel policy states that "each supervisor shall keep records of sick leave accrued, sick leave taken, and the balance of sick leave for each employee.

Condition found: The Police Jury could not provide a compensated absence listing for the year ended December 31, 1998. With the exception of Head Start and Community Action Agency, no leave records could be obtained.

Possible asserted effect (cause and effect):

Cause: The cause is unknown.

Effect: The Police Jury does not have an accurate record of leave and as a result employees could be paid for leave days which have already been used. The Police Jury also could not provide a value for compensated absences at year-end.

Recommendations to prevent future occurrences: Each department should maintain accurate, written leave records. These records should be updated on a monthly basis.

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

**Schedule of Findings and Questioned Costs
For the Year Ended December 31, 1998**

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: **98-F5** **Regular Employees Paid as Contract Labor -
Community Action Agency**

Entity-wide or program/department specific: This finding is specific to the East Carroll Parish Police Jury - Component Unit - Community Action Agency.

Criteria or specific requirement: State and federal regulations require that all payments to employees should be reported as wages and be subject to withholdings.

Condition found: We noted one instance where an employee was paid with a vendor check, and the wages were not subjected to withholdings.

Proper perspective for judging the prevalence and consequences: The three employees of Community Action Agency receive, in total, approximately \$800 in vendor checks each time commodities are distributed.

Possible asserted effect (cause and effect):

Cause: The cause is unknown.

Effect: The Police Jury is not in compliance with state and federal regulations pertaining to payment of wages and related withholdings.

Recommendations to prevent future occurrences: All payments to employees should be made through payroll.

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

**Schedule of Findings and Questioned Costs
For the Year Ended December 31, 1998**

PART III - Findings and questioned costs for federal awards which are required to be reported under OMB Circular No. A-133 Section .510(a):

Reference # and title: 98-F6 Section 8 Landlord/Tenant Files

Federal program and specific federal award identification:

<u>PROGRAM NAME</u>	<u>CFDA Number</u>	<u>Pass-Through Grantor No.</u>	<u>Federal Award Year</u>
Section 8 Voucher Program	14.855	FW2118	1998, 1999
Section 8 Moderate Rehabilitation Program	14.856	FW2118	1998, 1999
Section 8 Rental Certification Program	14.857	FW2118	1998, 1999

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 1998) regarding eligibility and special tests and procedures.

Condition found: The auditors selected housing assistance payments (HAP) from the disbursement journals from various months in 1998.

Of 13 Section 8 Rental Certificate Program files chosen for testing:

- Three annual re-certifications were not in the file.
- One had no copy of form 50058 or form 50059 in the file.
- Two did not have social security numbers for all residents over six years of age.
- One had no HUD form 9886 in the file.
- One had no annual inspection in the file.
- One inspection failed, no documentation of repairs.
- Three had no support in file for dates of birth for one or more residents.
- Four utility allowances were incorrect.
- Four income amounts used were incorrect according to documentation in the files.
- Six files had documented rent reasonableness based upon rent information from an unrelated region.
- One gross rent exceeded fair market rent.
- Seven had no rent reasonableness documentation.

Of 2 Section 8 Moderate Rehabilitation Program files chosen for testing:

- Two had incorrect utility allowances.
- One had no verification of handicap assistance expense deduction.
- One had no documentation to support adjustment.

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

**Schedule of Findings and Questioned Costs
For the Year Ended December 31, 1998**

PART III - Findings and questioned costs for federal awards which are required to be reported under OMB Circular No. A-133 Section .510(a):

Reference # and title: 98-F6 Section 8 Landlord/Tenant Files (Continued)

Condition found: (Continued)

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

- One had no tenant application in the file.
- One had no social security number for residents over six years of age in the file.
- Three income calculations were incorrect.
- One had no annual inspection in the file.
- One had incomplete annual re-certification in the file.
- Two had no proof of date of birth for one or more residents.

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 1998 calendar year was as follows:

Section 8 Rental Certificate Program	\$303,344
Section 8 Moderate Rehabilitation Program	34,767
Section 8 Rental Voucher Program	<u>13,601</u>
 Total	 <u>\$351,712</u>

Proper perspective for judging the prevalence and consequences: The population consists of a total of 86 rental units for all three Section 8 programs. The sample of 20 landlord/tenant files tested revealed that the problems are pervasive.

Possible asserted effect (cause and effect):

Cause: The person primarily responsible for maintaining the files for approximately 86 Section 8 units began employment with the police jury in 1998 with no prior experience and little training.

Effect: HUD required documentation for numerous tenant files was incomplete. Utility allowance calculations and housing assistance payment calculations did not agree with documentation in the files for numerous tenants.

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

**Schedule of Findings and Questioned Costs
For the Year Ended December 31, 1998**

PART III - Findings and questioned costs for federal awards which are required to be reported under OMB Circular No. A-133 Section .510(a):

Reference # and title: 98-F6 Section 8 Landlord/Tenant Files (Continued)

Recommendations to prevent future occurrences: Considering the information presented in this finding, and the overall number of units participating in the Section 8 program, the Police should:

- a. individually review all files of families currently participating in the Section 8 program to ensure all necessary documentation is available and complete;
- b. use a standard order for tenant files to make accessing information more reasonable;
- c. provide more training on daily as well as yearly functions of housing authority to responsible persons.

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

**Schedule of Findings and Questioned Costs
For the Year Ended December 31, 1998**

PART III - Findings and questioned costs for federal awards which are required to be reported under OMB Circular No. A-133 Section .510(a):

Reference # and title: 98-F7 Test of Head Start Student Files

Federal program and specific federal award identification:

<u>PROGRAM NAME</u>	<u>CFDA Number</u>	<u>Pass-Through Grantor No.</u>	<u>Federal Award Year</u>
Head Start	93.600	06CH0020	1998, 1999

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

Condition found: *Of the eleven student files tested the following conditions were noted:*

- Two applications were not complete.
- One file had no proof of physical.

Proper perspective for judging the prevalence and consequences: Eleven student files were selected and tested from a total of 157 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, 1998**

**PART III - Findings and questioned costs for federal awards which are required to be reported under OMB
Circular No. A-133 Section .510(a):**

Reference # and title: 98-F8 Section 8 Housing Assistance Payments Register

Federal program and specific federal award identification:

<u>PROGRAM NAME</u>	<u>CFDA Number</u>	<u>Pass-Through Grantor No.</u>	<u>Federal Award Year</u>
Section 8 Voucher Program	14.855	FW2118	1998
Section 8 Moderate Rehabilitation Program	14.856	FW2118	1998
Section 8 Rental Certification Program	14.857	FW2118	1998

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 1998) regarding eligibility and special tests and procedures. The Housing Authority is required to maintain a HAP Register containing: name and address of family; name of owner; unit size; effective date of lease; monthly rent to owner; monthly rent of family; monthly HAP to owner; date family vacated and days unit is vacant.

Condition found: The Housing Authority did not have a HAP Register available for the month of January 1998.

Proper perspective for judging the prevalence and consequences: Of the twelve months being audited, January was the only month for which a HAP Register could not be located.

Possible asserted effect (cause and effect):

Cause: Unknown.

Effect: For the month in question, one landlord received three checks in addition to the normal monthly payment. Because no HAP Register is available, it cannot be determined which tenants were covered by the additional checks, nor whether these tenants were or were not covered by the regular monthly HAP payment.

Recommendations to prevent future occurrences: The Housing Authority should maintain a HAP Register for each month in which payments are being made. The check voucher should detail the purpose of the check, the name of the tenant being covered, and the amount. This will answer any questions which may arise concerning payments being made.

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

Other Financial Information

The information in the following section concerns management's actions or intentions 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 auditors except as required by OMB Circular A-133 Section 500(e), and accordingly, no opinion is expressed. Section 500(e) 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, 1998**

Reference # and title: 97-F1 Problems Noted With Head Start Payroll

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

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

Corrective action taken: Personnel files have been kept up to date with all pertinent information. Also, all time cards are signed by a supervisor and maintained in a safe place.

Reference # and title: 97-F2 Late Filing of Audit Report

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

Corrective action taken: The audit report for the year ended December 31, 1998 will be filed timely.

Reference # and title: 97-F3 Transactions of Salary Fund Not Recorded

Condition found: 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 salaried and hourly employees. The employees' 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 to the auditors.

Corrective action taken: All payroll transactions are recorded at the time payroll is prepared. This allows for all payroll tax returns, quarterly reports and employee withholdings to be prepared and analyzed in a timely manner.

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

**Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 1998**

Reference # and title: 97-F4 Salary Fund Bank Account Not Reconciled

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

Corrective action planned: See current-year corrective action plan for finding 98-F1.

Person responsible for corrective action:

Mr. Joseph Jackson, President
East Carroll Parish Police Jury
400 First Street
Lake Providence, LA 71254

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

**Reference # and title: 97-F5 Secretary-Treasurer and Assistant Secretary-Treasurer
Paid Themselves Excess Salary**

Condition found: The Secretary-Treasurer paid herself \$45,377 in excess of her authorized salary for the year. The Assistant Secretary-Treasurer paid herself \$9,931 in excess of her authorized salary for the year.

Corrective action taken: Both the Secretary-Treasurer and Assistant Secretary-Treasurer were terminated in February 1999.

Person responsible for corrective action:

Mr. Joseph Jackson, President
East Carroll Parish Police Jury
400 First Street
Lake Providence, LA 71254

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

Reference # and title: 97-F6 Lack of Documentation for Travel Expenditures

Condition found: 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 taken: Travel receipts were required for all reimbursements of travel expenses.

Person responsible for corrective action:

Mr. Joseph Jackson, President
East Carroll Parish Police Jury
400 First Street
Lake Providence, LA 71254

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

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

**Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 1998**

Reference # and title: **97-F7** **Parish Transportation Act**

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

Corrective action planned: See current-year corrective action plan for finding 98-F2.

Person responsible for corrective action:

Mr. Joseph Jackson, President
East Carroll Parish Police Jury
400 First Street
Lake Providence, LA 71254

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

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

Condition found: See finding 97-F10.

Corrective action planned: See current-year corrective action plan for finding 98-F6.

Person responsible for corrective action:

Mr. Joseph Jackson, President
East Carroll Parish Police Jury
400 First Street
Lake Providence, LA 71254

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

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

Condition found: See finding 97-F11.

Corrective action taken: All conflict of interest issues have been eliminated.

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

**Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 1998**

Reference # and title: 97-F10 Section 8 Landlord/Tenant Files

Condition found: The auditor selected housing assistance payments (HAP) from the disbursement journals for April 1997. The number of units occupied and the number selected from each program to test are as follows:

	<u>Number of Units</u>	
	<u>Occupied</u>	<u>Tested</u>
a. Section 8 Rental Certificate Program	101	27
b. Section 8 Moderate Rehabilitation Program	44	10
c. Section 8 Rental Voucher Program	12	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 re-certifications were not in the file.

Fifteen had no copy of form 50058 or form 50059 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 allowance.

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 9886 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.

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

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

Three annual re-certifications 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 allowance.

One had no calculation in the file.

One income calculation did not include all the deductions.

Six had no HUD form 9886 in the file.

Nine had no annual inspection in the file.

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

**Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 1998**

Reference # and title: 97-F10 Section 8 Landlord/Tenant Files (Continued)

Condition 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 application in the file.
- Four had no HUD form 50058 or form 50059 in the file.
- One information used 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 9886 in the file.
- One tenant income exceeded the maximum HUD limit.
- Three had no annual inspection in the file.

Corrective action planned: See current-year corrective action plan for finding 98-F6.

Person responsible for corrective action:

Mr. Joseph Jackson, President
East Carroll Parish Police Jury
400 First Street
Lake Providence, LA 71254

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

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

**Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 1998**

Reference # and title: **97-F11** **Possible Conflict of Interest**

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:
 - ii. any employee of the Housing Authority . . . who formulates policy or who influences decisions with respect to the programs;
 - iii. any public official, member of a governing body, . . . who exercises functions or responsibilities with respect to the programs;
- 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 auditors' testing as reported below:

- 1. Ms. Dorothy Butler was the assistant director of the Section 8 program for 1997. Her husband managed approximately fifteen Section 8 rental units owned by the landlord 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.
- 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. 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.

Corrective action taken: All conflict-of-interest issues have been eliminated.

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

**Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 1998**

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

Condition found: Of the fifteen 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: See current-year corrective action plan for finding 98-F7.

Person responsible for corrective action:

Mr. Joseph Jackson, President
East Carroll Parish Police Jury
400 First Street
Lake Providence, LA 71254

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

Reference # and title: **97-F13** **Overpayment of Salaries from Head Start 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 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 taken: The summer Childcare program was not sponsored for the year ended December 31, 1998. The amount of overpaid salaries has been set up as accounts payable in the general fund.

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

**Corrective Action Plan for Current-Year Findings and Questioned Cost
December 31, 1998**

Reference # and title: **98-F1** **Timeliness of Record Keeping and Bank Reconciliations**

Condition found: The trial balances for the police jury funds were not received by the auditors until June 1999, five months after year end. Receipts and disbursements were not recorded in a timely manner for several funds of the police jury. Several bank accounts were not reconciled timely. Bank accounts for the payroll fund and the Section 8 funds were not reconciled at all in 1998. The reconciliations for these accounts were done in June 1999.

Corrective action planned: The duties of the administrative staff have been reassigned. The accounting functions will be performed by persons not involved in the duties of the Secretary. Transactions for all funds will be recorded timely. The bank accounts will be reconciled at least within ten days of receipt of the bank statement. Trial balances for all funds will be reviewed by the Treasurer and the police jury on a monthly basis.

Person responsible for corrective action:

Mr. Joseph Jackson, President
East Carroll Parish Police Jury
400 First Street
Lake Providence, LA 71254

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

Anticipated completion date: Immediately.

Reference # and title: **98-F2** **Parish Transportation Act**

Condition found: The Police Jury did not have engineering plans and specifications for construction work performed in 1998.

Corrective action planned: In the future, the Police Jury will use engineering plans for all construction projects.

Person responsible for corrective action:

Mr. Joseph Jackson, President
East Carroll Parish Police Jury
400 First Street
Lake Providence, LA 71254

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

Anticipated completion date: By December 31, 1999.

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

**Corrective Action Plan for Current-Year Findings and Questioned Cost
December 31, 1998**

Reference # and title: **98-F3** **Section 8 Landlord/Tenant Files**

Condition found: See finding 98-F6.

Corrective action planned: The current director of the Section 8 program will receive the training needed to ensure compliance with HUD requirements. All files will be reviewed for the required documentation and a checklist will be developed and used for all files to ensure all the required documentation is in the file.

Person responsible for corrective action:

Mr. Joseph Jackson, President	Phone: (318) 559-2256
East Carroll Parish Police Jury	Fax: (318) 559-1502
400 First Street	
Lake Providence, LA 71254	

Anticipated completion date: By December 31, 1999.

Reference # and title: **98-F4** **Inadequate Leave Records**

Condition found: The Police Jury could not provide a compensated absence list for the year ended December 31, 1998. With the exception of Head Start and Community Action Agency, no leave records could be obtained.

Corrective action planned: All supervisors will begin keeping the necessary records.

Person responsible for corrective action:

Mr. Joseph Jackson, President	Phone: (318) 559-2256
East Carroll Parish Police Jury	Fax: (318) 559-1502
400 First Street	
Lake Providence, LA 71254	

Anticipated completion date: By December 31, 1999.

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

**Corrective Action Plan for Current-Year Findings and Questioned Cost
December 31, 1998**

Reference # and title: **98-F5** **Regular Employees Paid as Contract Labor -
Community Action Agency**

Condition found: We noted one instance where an employee was paid with a vendor check, and the wages were not subjected to withholdings.

Corrective action planned: Beginning in July, all payments made to employees will be reported as wages and be subject to withholdings.

Person responsible for corrective action:

Mr. Joseph Jackson, President
East Carroll Parish Police Jury
400 First Street
Lake Providence, LA 71254

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

Anticipated completion date: By December 31, 1999.

Reference # and title: **98-F6** **Section 8 Landlord/Tenant Files**

Condition found: The auditors selected housing assistance payments (HAP) from the disbursement journals for various months in 1998.

Of 13 Section 8 Rental Certificate Program files chosen for testing:

- Three annual re-certifications were not in the file.
- One had no copy of form 50058 or form 50059 in the file.
- Two did not have social security numbers for all residents over six years of age.
- One had no HUD form 9886 in the file.
- One had no annual inspection in the file.
- One inspection failed, no documentation of repairs.
- Three had no support in the file for dates of birth for one or more residents.
- Four utility allowances were incorrect.
- Four income amounts used were incorrect according to documentation in the files.
- Six files had documented rent reasonableness based upon rent information from an unrelated region.
- One gross rent exceeded fair market rent.
- Seven had no rent reasonableness documentation.

Of 2 Section 8 Moderate Rehabilitation Program files chosen for testing:

- Two had incorrect utility allowances.
- One had no verification of handicap assistance expense deduction.
- One had no documentation to support adjustment.

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

**Corrective Action Plan for Current-Year Findings and Questioned Cost
December 31, 1998**

Reference # and title: **98-F6** **Section 8 Landlord/Tenant Files (Continued)**

Condition found: (Continued)

Of 5 Section 8 Rental Voucher Program tenant files chosen for testing:

- One had no tenant application in the file.
- One had no social security number for residents over six years of age in the file.
- Three income calculation was incorrect.
- One had no annual inspection in the file.
- One had incomplete annual re-certification in file.
- Two had no proof-of-date of birth for one or more residents.

Corrective action planned: The Section 8 Program Administrator changed in the prior year. The current Administrator will review all files as they come up for re-certification to ensure proper documentation is available and that income calculations and utility allowances are correct. The current Administrator will receive the training needed to ensure the required documentation is included in the files.

Person responsible for corrective action:

Mr. Joseph Jackson, President	Phone: (318) 559-2256
East Carroll Parish Police Jury	Fax: (318) 559-1502
400 First Street	
Lake Providence, LA 71254	

Anticipated completion date: By December 31, 1999.

Reference # and title: **98-F7** **Test of Head Start Student Files**

Condition found: Of the eleven student files tested the following conditions were noted:

- Two applications not complete.
- One file without proof of physical.

Corrective action planned: All student files will be reviewed and documentation kept up to date.

Person responsible for corrective action:

Mr. Joseph Jackson, President	Phone: (318) 559-2256
East Carroll Parish Police Jury	Fax: (318) 559-1502
400 First Street	
Lake Providence, LA 71254	

Anticipated completion date: By December 31, 1999.

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

**Corrective Action Plan for Current-Year Findings and Questioned Cost
December 31, 1998**

Reference # and title: 98-F8 Section 8 Housing Assistance Payments Register

Condition found: The Housing Authority did not have a HAP Register available for the month of January 1998.

Corrective action planned: The Administrator will ensure that all HAP Registers are maintained on file for reference in the future.

Person responsible for corrective action:

Mr. Joseph Jackson, President
East Carroll Parish Police Jury
400 First Street
Lake Providence, LA 71254

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

Anticipated completion date: Immediately.

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

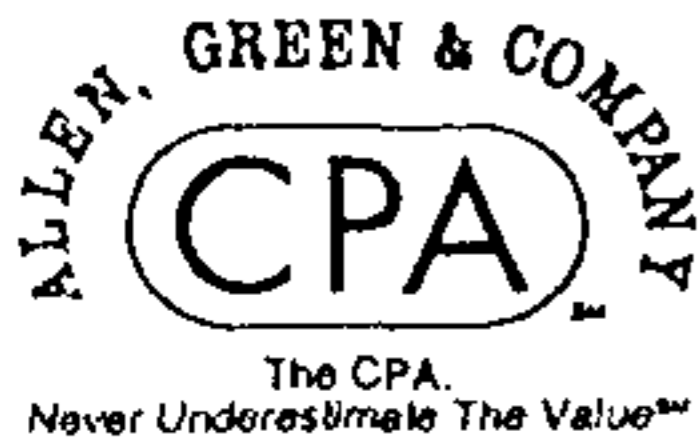
Management Letter Items

ALLEN, GREEN & COMPANY, LLP

CERTIFIED PUBLIC ACCOUNTANTS

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Management Letter

Police Jurors
East Carroll Parish Police Jury
Lake Providence, Louisiana

In planning and performing our audit of the general-purpose 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 June 18, 1999, on the financial statements of the Police Jury. We will review the status of these comments 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 as follows:

98-M1 Vendor Disbursements

Comment: We tested a total of 56 vendor disbursements from all activities of the Police Jury. All disbursements should be supported by original invoices, invoices should be approved by appropriate personnel, and invoices should be canceled to prevent duplicate payment. During testing, we noted the following:

1. Eight instances of disbursements not supported by sufficient documentation.
2. Nine instances of invoices not approved by appropriate personnel.
3. Nine instances of documentation not canceled to prevent duplicate payment.

Most of the problems noted were in the first six months of the year. An approval form was developed and used in the last six months of the year to document proper approval.

Recommendations: All disbursements should be supported by sufficient documentation, approved by the appropriate personnel and should be canceled to prevent duplicate payment.

Management's response: All disbursements will be reviewed when the check is signed to ensure that proper documentation for the expenditure is attached and approved by appropriate personnel. Documentation will be canceled when the check is signed.

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98-M2 Declaring Emergencies

Comment: Per R. S. 38:2212(D) the provisions regarding advertising and letting to the lowest responsible bidder shall not apply in case of extreme public emergency where such emergency has been certified to by the public entity and notice of such public emergency shall, within ten days thereof, be published in the official journal of the public entity proposing or declaring such public emergency. The Police Jury purchased an air conditioner chilling unit in August 1998. It was declared an emergency, but was not published in the official journal within ten days of declaration.

Recommendations: The Police Jury personnel should familiarize themselves with the provisions of the public bid law to ensure compliance in the future.

Management's response: The Police Jury will familiarize themselves with the provisions of the public bid law and in the future declarations of emergencies will be published in the official journal within ten days of the declaration.

98-M3 Hourly Wage Documentation

Comment: Documentation of hourly rates for employees of the road and drainage funds is not maintained in the personnel files for these employees. The Supervisor hiring these employees verbally informs the person preparing the payroll of the hourly rate. No salary schedules exist for hourly employees. Salaried employee wages are approved by the Board but the documentation from the minutes is not maintained in the employees personnel folder.

Recommendations: The request to add employees to payroll should include the rate of pay and the signature of the person authorizing the rate. This request should be filed in the employees' personnel file for future reference. Also, a copy of the Board minutes that contains the salaried employees' wages should be maintained in their personnel folder.

Management's response: Approval of the hourly rate will be maintained in the employee's personnel file by use of a payroll authorization form. Copies from the minutes of approval of salary rates will also be maintained in the personnel files.

98-M4 Timely Transcription of Minutes

Comment: Police Jury meetings are taped and transcribed by the Secretary-Treasurer. After the minutes are transcribed the Policy Jury approves them at the next meeting. Several meetings of the Police Jury were not transcribed and approved until several months after the meeting occurred.

Recommendations: Minutes of each meeting should be transcribed and available to be approved by the Police Jury at the next meeting.

Management's response: Minutes will be transcribed and available for approval at the following Police Jury meeting.

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Lake Providence, Louisiana

98-M5 Fixed Asset Listing

Comment: Several assets were selected from the fixed asset listings to trace to the asset and several assets were selected to trace back to the listing. One item included on the listing with a cost of \$65,000 appeared not to have been used in several years. Several items could not be traced back to the listing because the listing did not include a serial number or item number.

Recommendations: A complete physical inventory should be conducted and reconciled to the present fixed asset listing to ensure that any old or scrapped items have been deleted and to ensure that all items are on the listing.

Management's response: A complete inventory will be conducted and reconciled to the present fixed asset listing.

Included later in this report is management's responses 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 responses.

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
June 18, 1999

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

**Status of Prior Management Letter Items
December 31, 1998**

Reference # and title: **97-M1** **Centralization of Accounting Functions**

Initially occurred: Fiscal year ended December 31, 1997.

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.

At least one fund's accounting is being performed at a decentralization location - Good Shepard Head Start.

Corrective action taken: Accounting for the Head Start program is still at a decentralized location but oversight of this program has been strengthened by the formulation of an oversight committee of police jurors.

Reference # and title: **97-M2** **Police Jury's Oversight of Funds/Component Units**

Initially occurred: Fiscal year ended December 31, 1997.

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

Corrective action taken: The Police Jury established an oversight committee to be involved with the operations of the Head Start Program. Now the oversight committee and the policy council work together to oversee the operations of the program.

Reference # and title: **97-M3** **Check Signing Policy**

Initially occurred: Fiscal year ended December 31, 1997.

Condition: The practice of allowing both employees to sign checks led to the payment of excess salary to these employees.

Corrective action taken: All checks require two of three authorized signatures on all checks. The three authorized signers are the President, Vice-President and Secretary-Treasurer. None of the authorized signers prepare checks.

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

**Status of Prior Management Letter Items
December 31, 1998**

Reference # and title: **97-M4** **Failure to Obtain Bond Commission Approval**

Initially occurred: Fiscal year ended December 31, 1997.

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 \$20,555 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 taken: The Director of the Good Shepherd Head Start program is no longer working in that capacity. The loan is set up as a payable in the general fund. The District Attorney has filed suit against the insurance company to reclaim the money to pay off the loan.

Reference # and title: **97-M5** **Budget Overruns**

Initially occurred: Fiscal year ended December 31, 1997.

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

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
General fund	\$571,294	\$698,942	\$127,648
Airport	6,838	9,699	2,861
Health unit	44,476	58,395	13,919

Corrective action taken: Budget adjustments were prepared and adopted during 1998 to comply with budget laws.