

*East Carroll Parish Police Jury
Lake Providence, Louisiana*

**Basic Financial Statements
And Independent Auditors' Report
As of and for the Year Ended December 31, 2001**

*(Prepared in accordance with the
Governmental Accounting Standards Board
New Financial Reporting Model)*

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

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

**Basic Financial Statements
And Independent Auditors' Report
As of and for the Year Ended December 31, 2011**

**East Carroll Parish Police Jury
Basic Financial Statements
And Independent Auditors' Report
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TABLE OF CONTENTS

| | <u>Statement</u> | <u>Page</u> |
|--|------------------|-------------|
| INDEPENDENT AUDITORS' REPORT | | 1-2 |
| REQUIRED SUPPLEMENTAL INFORMATION | | |
| Management's Discussion and Analysis (MD&A) | | 3-12 |
| BASIC FINANCIAL STATEMENTS | | |
| Government-wide Financial Statements (GWFS) | | 14 |
| Statement of Net Assets | A | 15 |
| Statement of Activities | B | 16-17 |
| Fund Financial Statements (FFS) | | 19 |
| Governmental Funds | | |
| Balance Sheet | C | 20-21 |
| Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets | D | 22 |
| Statement of Revenues, Expenditures, and Changes in Fund Balances/Deficits | E | 24-27 |
| Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances/Deficits to the Statement of Activities | F | 28 |
| Notes to the Basic Financial Statements | | |
| Index | | 29 |
| Notes | | 30-46 |
| REQUIRED SUPPLEMENTAL INFORMATION | | 47 |
| BUDGETARY COMPARISON SCHEDULES | | 48 |
| General Fund | 1-1 | 49 |
| Road Maintenance and Construction | 1-2 | 50 |
| Garbage District No. 1 | 1-3 | 51 |
| Library | 1-4 | 52 |
| Health Unit | 1-5 | 53 |
| Section 8 Voucher | 1-6 | 54 |
| Notes to the Budgetary Comparison Schedules | | 55-58 |

(Continued)

**East Carroll Parish Police Jury
Basic Financial Statements
And Independent Auditors' Report
As of and for the Year Ended December 31, 2001**

TABLE OF CONTENTS

| | <u>Exhibit</u> | <u>Page</u> |
|---|----------------|-------------|
| SUPPLEMENTAL INFORMATION | | 59 |
| COMBINING NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE | | 60 |
| Combining Balance Sheets - By Fund Type | 2 | 61 |
| Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - By Fund Type | 3 | 62-63 |
| NON-MAJOR SPECIAL REVENUE FUNDS | | 64 |
| Combining Balance Sheet | 4 | 66-67 |
| Combining Statement of Revenues, Expenditures, and Changes in Fund Balances | 5 | 68-69 |
| GENERAL | | 70 |
| Schedule of Compensation Paid Police Jurors | 6 | 70 |

(Concluded)



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Independent Auditors' Report

Police Jurors
East Carroll Parish Police Jury
Lake Providence, Louisiana

We have audited the accompanying basic financial statements of the East Carroll Parish Police Jury as of and for the year ended December 31, 2001, as listed in the table of contents. These basic financial statements are the responsibility of the Police Jury's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States of America. These 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.

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 omission of certain component units as reflected in Note 1-A of the notes to the basic financial statements, the basic financial statements present fairly, in all material respects, the financial position of the Police Jury as of December 31, 2001, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued under separate cover, our reports dated April 16, 2002, 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. These reports are an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

The Management's Discussion and Analysis and the budgetary information on pages 3-12 and pages 47-58, respectively, are not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of the Police Jury, taken as a whole. The accompanying information identified in the table of contents as supplemental information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Allen, Green & Williamson, LLP

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana

April 16, 2002

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

REQUIRED SUPPLEMENTAL INFORMATION

**Management's Discussion
And Analysis (MD&A)**

East Carroll Parish Police Jury

Management's Discussion and Analysis (MD&A)
December 31, 2001

Our discussion and analysis of East Carroll Parish Police Jury's financial performance provides an overview of the Police Jury's financial activities for the year ended December 31, 2001.

FINANCIAL HIGHLIGHTS Our financial statements provide these insights into the results of this year's operations:

Total spending for all our programs was \$4.4 million for the year. Most of the Police Jury's property and sales taxes were used to support the net cost (after deducting restricted grants and fees charged to users) of these three areas: other general government \$.2 million, public works \$1.4 million, and culture and recreation \$.2 million.

Governmental activities reported a decrease in net assets of \$138,791 due largely to an increase in the net expenses of public works.

Our budgeted revenues and expenditures for the 2002 year remains fairly stable. No major increases or decreases are projected.

USING THIS ANNUAL REPORT The Police Jury's annual report consist of a series of financial statements that show information for the Police Jury as a whole, and its funds. The Statement of Net Assets and the Statement of Activities provide information about the activities of the Police Jury as a whole and present a longer-term view of the Police Jury's finances. Our fund financial statements are included later in this report. For our governmental activities, these statements tell how we financed our services in the short-term as well as what remains for future spending. Fund statements also may give you some insights into the Police Jury's overall financial health. Fund financial statements also report the Police Jury's operations in more detail than the government-wide financial statements by providing information about the Police Jury's most significant funds -- the General Fund, Road Maintenance and Construction, Garbage District No. 1, Library, Health Unit, Head Start, Child Nutrition, Section 8 Voucher, and Criminal Court.

East Carroll Parish Police Jury

Management's Discussion and Analysis (MD&A)

December 31, 2001

Required Supplemental Information

Management's Discussion & Analysis (MD&A)

Basic Financial Statements

Government-wide
Financial Statements



Fund
Financial Statements

Notes to the Basic Financial Statements

Required Supplemental Information

Budgetary Information for Major Funds

Supplemental Information

Nonmajor Funds Combining Statements
Schedules of Compensation Paid Police Jurors

(Under Separate Cover)

Single Audit Information and Other Information

Other Reports Required By Government Auditing Standards and by
Office of Management and Budget (OMB) Circular No. A-133

Other Information

East Carroll Parish Police Jury

Management's Discussion and Analysis (MD&A) December 31, 2001

Our auditor has provided assurance in his independent auditors' report, located immediately preceding this Management's Discussion and Analysis, that the Basic Financial Statements, after considering the fact that certain component units are not included, are fairly stated. Varying degrees of assurance is being provided by the auditor regarding the Required Supplemental Information (RSI) and the Supplemental Information. A user of this report should read the independent auditors' report carefully to ascertain the level of assurance being provided for each part of this report.

Reporting the Police Jury as a Whole

The Statement of Net Assets and the Statement of Activities Our analysis of the Police Jury as a whole begins on page 7. One of the most important questions asked about the Police Jury is, "Is the Police Jury as a whole better off or worse off financially as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities, which appear first in the Police Jury's financial statements, report information on the Police Jury as a whole and its activities in a way that helps you answer this question. We prepare these statements to include *all* assets and liabilities, using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Police Jury's *net assets* – the difference between assets and liabilities, as reported in the Statement of Net Assets – as one way to measure the Police Jury's financial health, or *financial position*. Over time, *increases or decreases* in the Police Jury's net assets – as reported in the Statement of Activities – are one indicator of whether its *financial health* is improving or deteriorating. The relationship between revenues and expenses is the Police Jury's *operating results*. However, the Police Jury's goal is to provide services to our citizens, not to generate profits as commercial entities do. One must consider many other nonfinancial factors, such as the quality of health and welfare services provided to parish citizens and the condition of roads, bridges and drainage systems to assess the *overall health* of the Police Jury.

The Statement of Net Assets and Statement of Activities report the following activity for the Police Jury:

Governmental activities – All of the Police Jury's services are reported here, including public works and health and welfare services. Property taxes, sales taxes, and state and federal grants finance most of these activities.

Reporting the Police Jury's Most Significant Funds

Fund Financial Statements The Police Jury's fund financial statements, which begin on page 19, provide detailed information about the most significant funds – not the Police Jury as a whole. Some funds are required to be established by State law and by bond covenants. However, the Police Jury establishes many other funds to help it control and manage money for particular purposes (like the Criminal Court fund) or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money (like grants the Police Jury receives for Head Start). The Police Jury's governmental funds use the following accounting approach:

Governmental funds – All of the Police Jury's services are reported in governmental funds. Governmental fund reporting focuses on showing how money flows into and out of funds and the balances left at year-end that are available for spending. They are reported using an accounting method called *modified accrual accounting*, which measures cash and all other *financial assets* that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the Police Jury's operations and the

East Carroll Parish Police Jury

Management's Discussion and Analysis (MD&A)
December 31, 2001

services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Police Jury's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in a reconciliation on Statements D and F.

THE POLICE JURY AS A WHOLE The Police Jury's net assets were \$5.8 million at December 31, 2001. Of this amount, \$309,989 was unrestricted. Restricted net assets are reported separately to show legal constraints from debt covenants and enabling legislation that limit the Police Jury's ability to use those net assets for day-to-day operations. Our analysis below of the primary government focuses on the net assets (Table 1) and change in net assets (Table 2) of the Police Jury's governmental activities.

Table 1
Net Assets
December 31, 2001

| | Governmental Activities | |
|---|--------------------------------|---------------------|
| | 2001 | 2000 |
| Current and other assets | \$2,679,577 | \$ 2,589,847 |
| Capital assets | <u>3,779,862</u> | <u>3,837,256</u> |
| Total assets | <u>6,459,439</u> | <u>6,427,103</u> |
| Current and other liabilities | 279,052 | 278,000 |
| Long-term liabilities | <u>405,077</u> | <u>235,000</u> |
| Total liabilities | <u>684,129</u> | <u>513,000</u> |
| Net assets | | |
| Invested in capital assets, net of debt | 3,236,621 | 3,518,687 |
| Restricted | 2,228,700 | 2,143,218 |
| Unrestricted | <u>309,989</u> | <u>252,198</u> |
| Total net assets | <u>\$5,775,310</u> | <u>\$ 5,914,103</u> |

The \$309,989 in unrestricted net assets of governmental activities represents the accumulated results of all past years' operations. It means that if we had to pay off all of our bills today including all of our noncapital liabilities (compensated absences for example), we would have \$309,989 left. Unrestricted net assets increased approximately \$57,791 from the prior year. The changes in net assets are discussed later in this MD&A.

The results of this year's operations for the primary government as a whole are reported in the Statement of Activities. Table 2, on the next page, takes the information from that Statement and rearranges them slightly so you can see our total revenues for the year.

East Carroll Parish Police Jury

Management's Discussion and Analysis (MD&A)

December 31, 2001

**Table 2
Changes in Net Assets
Year Ended December 31, 2001**

| | <u>2001</u> | <u>2000</u> | <u>Increase (Decrease) From 2000</u> |
|--|--------------------------------|-------------------------------|--|
| Revenues: | | | |
| Program revenues | | | |
| Charges for services | \$ 431,085 | \$ 334,135 | \$ 96,950 |
| Federal grants | 1,433,474 | 1,391,167 | 42,307 |
| State grants & entitlements | 245,929 | 240,594 | 5,335 |
| General Revenues | | | |
| Ad valorem taxes | 1,180,232 | 1,012,372 | 167,860 |
| Sales taxes | 491,071 | 499,029 | (7,958) |
| State revenue sharing | 67,448 | 66,988 | 460 |
| Other general revenues | <u>436,313</u> | <u>357,142</u> | <u>79,171</u> |
| Total revenues | <u>4,285,552</u> | <u>3,901,427</u> | <u>384,125</u> |
| Functions/Program Expenses: | | | |
| General government: | | | |
| Legislative | 77,760 | 79,902 | (2,142) |
| Judicial | 324,115 | 263,350 | 60,765 |
| Elections | 35,073 | 29,011 | 6,062 |
| Finance and administrative | 267,206 | 304,956 | 62,250 |
| Other general government | 218,628 | 226,373 | (7,745) |
| Public safety | 198,085 | 175,324 | 22,761 |
| Public works | 1,484,730 | 1,265,266 | 219,464 |
| Health and welfare | 1,405,945 | 1,400,390 | 5,555 |
| Culture and recreation | 246,116 | 224,796 | 15,320 |
| Economic development and assistance | 135,710 | 93,107 | 42,603 |
| Transportation | 10,509 | 9,179 | 1,330 |
| Interest on long-term debt | <u>26,466</u> | <u>27,638</u> | <u>(1,172)</u> |
| Total | <u>4,424,343</u> | <u>3,999,292</u> | <u>425,051</u> |
| Increase (decrease) in net assets | <u>\$(138,791)</u> | <u>\$(97,865)</u> | <u>\$(40,926)</u> |

The decrease in net assets of \$138,791 is due mainly to the increase in public works expenses. Program revenues did not increase to compensate for this change.

Revenue for federal grants increased by approximately \$40,000 but was offset by an increase in expenses due to the funds being largely cost reimbursement programs.

East Carroll Parish Police Jury

**Management's Discussion and Analysis (MD&A)
December 31, 2001**

Governmental Activities As reported in the Statement of Activities, the cost of all of our *governmental* activities this year was \$4.4 million. However, the amount that our taxpayers ultimately financed for these activities through Police Jury taxes was only \$2.2 million because some of the cost was paid by those who benefitted from the programs (\$.4 million) or by other governments and organizations who subsidized certain programs with grants and contributions (\$.7 million). We paid for the remaining "public benefit" portion of our governmental activities with \$1.8 million in taxes and with our other revenues, like interest and general entitlements.

In the table below, we have presented the cost of each of the Police Jury's six largest functions – judicial, finance and administrative, other general government, public works, health and welfare, and culture and recreation, as well as each program's *net* cost (total cost less revenues generated by the activities). As discussed above, net cost shows the financial burden that was placed on the Police Jury's taxpayers by each of these functions. Providing this information allows our citizens to consider the cost of each function in comparison to the benefits they believe are provided by that function.

| | Year Ended December 31, | | | |
|----------------------------|---|---|---|---|
| | Governmental Activities (in thousands) | | | |
| | <u>Total Cost of Services</u> 2001 | <u>Net Cost of Services</u> 2001 | <u>Total cost of Services</u> 2000 | <u>Net Cost of Services</u> 2000 |
| Judicial | \$ 324 | \$ 112 | \$ 263 | \$ 87 |
| Finance and administrative | 267 | (32) | 205 | 0 |
| Other general government | 219 | 219 | 226 | 220 |
| Public works | 1,485 | 1,359 | 1,265 | 1,092 |
| Health & Welfare | 1,406 | 78 | 1,400 | 91 |
| Culture and Recreation | 240 | 237 | 225 | 221 |
| All others | <u>483</u> | <u>359</u> | <u>415</u> | <u>322</u> |
| Totals | <u>\$4,424</u> | <u>\$2,314</u> | <u>\$3,999</u> | <u>\$2,033</u> |

THE POLICE JURY'S FUNDS As we noted earlier, the Police Jury uses funds to help it control and manage money for particular purposes. Looking at funds helps you consider whether the Police Jury is being accountable for the resources taxpayers and others provide to it but may also give you more insight into the Police Jury's overall financial health.

As the Police Jury completed this year, our governmental funds reported a combined fund balance of \$2,546,075 which is an increase of \$140,962 from last year. The primary reasons for these increases are:

Our general fund is our principal operating fund. The fund balance in the general fund increased \$69,136 to \$301,622. The increase is due mainly to an increase in ad valorem and timber severance taxes. Our special revenue funds increased \$69,422 to \$2,145,721. This increase is due mainly to an increase in ad valorem taxes.

The debt service fund showed an increase of \$2,404 in fund balance, the millage rate was decreased to slowly decrease the fund balance in this fund. This bond will be paid off in 2004 and the present fund balance is \$98,732.

East Carroll Parish Police Jury

Management's Discussion and Analysis (MD&A)
December 31, 2001

General Fund Budgetary Highlights Over the course of the year, the Police Jury revises its budget as it attempts to deal with unexpected changes in revenues and expenditures. (A schedule showing the Police Jury's original and final budget amounts compared with amounts actually paid and received is provided later in this report).

There were significant revisions made to the 2001 general fund original budget. Budgeted revenues were increased approximately \$39,500 due to receipt of federal revenues and approximately \$128,000 due to the receipt of several large state grants which were not awarded until after the original budget adoption. The remaining increase of approximately \$2,300 was due to various fluctuations in revenue. Budgeted expenditures increased approximately \$185,000 mainly due to the increase in revenue.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets At December 31, 2001, the Police Jury had \$3.8 million invested in a broad range of capital assets, including land, buildings, furniture and equipment and infrastructure assets such as roads and bridges. This amount represents a net decrease (including additions, deductions and depreciation) of just over \$57,000, or two percent, from last year. The primary reason for the net decrease is a result of the \$.4 million in depreciation expense.

Capital Assets at Year-end

| | Governmental Activities | |
|----------------------------------|-------------------------|--------------------|
| | 2001 | 2000 |
| Land | \$ 274,665 | \$ 274,665 |
| Buildings | 357,249 | 374,924 |
| Equipment and furniture | 429,040 | 267,062 |
| Vehicles | 281,216 | 133,780 |
| Books, periodicals and law books | 48,411 | 33,853 |
| Infrastructure | <u>2,189,281</u> | <u>2,752,972</u> |
| Total net assets | <u>\$3,379,862</u> | <u>\$3,837,256</u> |

This year's additions of \$424,938 included vehicles and equipment. Capital leases paid for \$329,686 of these additions.

No major capital projects are planned for the 2002 fiscal year. We anticipate capital additions will be comparable to the 2001 fiscal year. We present more detailed information about our capital assets in Note 7 to the financial statements.

The Police Jury is responsible for the maintenance of 139 routes in East Carroll Parish consisting of 289.23 linear miles of two-lane gravel and asphalt roads. Other roads are located in East Carroll Parish but are maintained by the city of Lake Providence or the state of Louisiana. The majority of the Police Jury maintained roads were asphalt surfaced in the 1960s and 1970s. However, since that time many have been disced and changed back to gravel surface. Accordingly, the surface type of most roads maintained today by the Police Jury is gravel.

East Carroll Parish Police Jury

Management's Discussion and Analysis (MD&A)

December 31, 2001

Infrastructure road right-of-ways consist of the sixty feet right-of-way for the 289.23 miles of roads maintained by the Police Jury. The acreage was determined by multiplying the sixty feet of right-of-way by the 5,280 linear feet in a mile by the 289.23 linear miles of road and dividing the sum by the 43,560 square feet in an acre. The results of 2,105.49 acres is the number of acres comprising the land associated with the 289.23 linear miles of roads maintained by the Police Jury.

These roads include 32 bridges, 11 of which are concrete structures and 21 are wooden structures. Most bridges are 30 to 50 feet in length with 2 to 3 spans. The longest bridge is the Bayou Macon bridge with 12 spans for a total length of 269 feet. The next longest is Loggy Bayou bridge with 8 spans for a total length of 156 feet. All other bridges are less than 100 feet in total length. The shortest bridge is the drain to Jones Bayou consisting of 2 spans for a total length of 23 feet.

Cost of infrastructure assets were determined in various ways. GASB No. 34 requires capital assets to be recorded at historical cost, or at estimated historical cost whenever it is impractical to determine historical cost because of inadequate records. The cost were determined as identified below whenever actual historical cost was not known.

The surface cost of the roads was determined by multiplying the estimated current cost to construct a linear mile of two lanes of gravel or asphalt road and deflating the current cost to the estimated cost at the time of construction of the roads. Most roads were considered to have been constructed in the 1950s and 1960s with most asphalt surfacing occurring in the 1960s and 1970s, and with resurfacing occurring periodically since. The surface of the roads currently was considered by management to be approximately 20 years old. Accordingly, 1979 was considered as the date of purchase for all surface materials for depreciation purpose.

The cost of the right-of-way was determined by using a current average value for farm land of \$1,500 an acre deflated to the estimated year of acquisition or prescription.

Eleven bridges have been replaced in recent times with concrete structures with funding provided by the U.S. Government. Cost figures for five of these concrete bridges were obtained from the Louisiana Department of Transportation and Development, the pass-through entity for the federal funding. The estimated cost for the other six concrete bridges were estimated based on the actual cost of the other five concrete bridges, considering the date constructed, the number of spans and the total length of the bridge. The cost of the 21 wood structure bridges was based on management's estimate of today's cost to construct deflated to the actual year of construction.

The deflation factors used were as per the "price trends for federal-aid highway construction" obtained from the United States Department of Transportation web site.

Debt At the end of this year, the Police Jury had \$235,000 in bonds outstanding versus \$300,000 last year -- a decrease of twenty-two percent. Those bonds consisted of:

Outstanding Debt, at Year-end

| | Governmental Activities | |
|--|-------------------------|-----------|
| | 2001 | 2000 |
| General obligation bonds (backed by the Police Jury) | \$235,000 | \$300,000 |

East Carroll Parish Police Jury

Management's Discussion and Analysis (MD&A)

December 31, 2001

The Police Jury's general obligation bond rating continues to be Baa. The state limits the amount of general obligation debt that parishes can issue to 10 percent of the assessed value of all taxable property within the parish. The Police Jury's net outstanding general obligation debt of \$136,268 is significantly below this \$1,379,035 statutory-imposed limit.

Other obligations include accrued vacation pay and capital leases. We present more detailed information about our long-term liabilities in Note 11 of Notes to the Basic Financial Statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES Our elected and appointed officials and citizens consider many factors when setting the Police Jury's 2001 year budget and tax rates. One of the most important factors affecting the budget is our ad valorem and sales tax collections. We have budgeted very little change in ad valorem and sales tax collections from 2001 to 2002. Approximately 39% of total revenues is from ad valorem and sales taxes. Federal revenues for our Head Start and Section 8 programs account for 34% of our revenues. These revenues are on a cost reimbursement basis except for the small administrative fee received for Section 8. We have projected no increase in net assets for the 2002 budget year. We project that capital additions will be minimal for the 2002 year.

CONTACTING THE POLICE JURY'S FINANCIAL MANAGEMENT Our financial report is designed to provide our citizens, taxpayers, parents, students, and investors and creditors with a general overview of the Police Jury's finances and to show the Police Jury's accountability for the money it receives. If you have questions about this report or wish to request additional financial information, contact Elisha Y. Matthews, Secretary-Treasurer, at the East Carroll Parish Police Jury, 400 First Street, Lake Providence, Louisiana 71254, telephone number (318) 559-2256.

East Carroll Parish Police Jury

BASIC FINANCIAL STATEMENTS

**Government-wide
Financial Statements (GWFS)**

East Carroll Parish Police Jury



EAST CARROLL PARISH POLICE JURY

**STATEMENT OF NET ASSETS
December 31, 2001**

Statement A

| | <u>PRIMARY GOVERNMENTAL ACTIVITIES</u> | <u>COMPONENT UNITS</u> |
|---|--|----------------------------|
| ASSETS | | |
| Cash and cash equivalents | \$ 467,067 | \$ 22,724 |
| Investments | 914,163 | 0 |
| Receivables (net) | 1,269,283 | 0 |
| Inventories | 3,113 | 0 |
| Prepaid items | 21,931 | 0 |
| Capital assets, net | <u>3,779,662</u> | <u>0,512</u> |
| TOTAL ASSETS | <u>6,450,439</u> | <u>29,236</u> |
| LIABILITIES | | |
| Accounts, salaries and other payables | 133,502 | 17,088 |
| Long-term liabilities | | |
| Due within one year | 145,550 | 1,640 |
| Due in more than one year | <u>405,077</u> | <u>0</u> |
| TOTAL LIABILITIES | <u>584,129</u> | <u>18,914</u> |
| NET ASSETS | | |
| Invested in capital assets, net of related debt | 3,238,621 | 6,512 |
| Restricted for: | | |
| Debt service | 98,732 | 0 |
| Road Maintenance and Construction | 450,662 | 0 |
| Garbage District No. 1 | 466,010 | 0 |
| Library | 360,683 | 0 |
| Health Unit | 471,283 | 0 |
| Drainage Maintenance | 270,866 | 0 |
| Rural Fire | 110,314 | 0 |
| Unrestricted | <u>309,869</u> | <u>3,810</u> |
| TOTAL NET ASSETS | <u>\$ 5,775,310</u> | <u>\$ 10,322</u> |

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

EAST CARROLL PARISH POLICE JURY

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2001

| FUNCTIONS/PROGRAMS | PROGRAM REVENUES | | | PRIMARY GOVERNMENTAL ACTIVITIES |
|---|----------------------|-------------------------------|----------------------------------|---|
| | CHARGES FOR EXPENSES | OPERATING GRANTS AND SERVICES | CAPITAL GRANTS AND CONTRIBUTIONS | NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS |
| <i>Primary Government: Governmental Activities:</i> | | | | |
| <i>General government:</i> | | | | |
| Legislative | \$ 77,750 | \$ | \$ | \$ (77,760) |
| Judicial | 324,115 | 205,510 | 6,881 | (111,824) |
| Elections | 35,073 | | | (35,073) |
| Finance and administrative | 267,205 | 188,294 | 110,582 | 31,670 |
| Other general government | 258,820 | | | (218,628) |
| Public safety | 196,065 | 50,110 | | (187,975) |
| Public works | 1,484,730 | 1,748 | 132,706 | (1,350,276) |
| Health and welfare | 1,405,545 | 3,025 | 1,324,892 | (79,027) |
| Culture and recreation | 240,118 | 3,528 | | (208,568) |
| Economic development and assistance | 135,710 | 57,737 | 104,342 | (13,661) |
| Transportation | 10,509 | 1,082 | | (9,447) |
| Interest on long-term debt | 26,460 | | | (26,460) |
| Total Governmental Activities | 4,424,343 | 431,982 | 1,579,403 | (2,313,855) |
| <i>Component units:</i> | | | | |
| Finance and administrative | 260,937 | | 223,764 | |
| Health and welfare | 272,450 | | 109,416 | |
| Total Component Units | 518,487 | | 327,180 | |
| <i>General revenues:</i> | | | | |
| <i>Taxes:</i> | | | | |
| Property taxes, levied for general purposes | | | \$ | 1,080,826 |
| Property taxes, levied for debt services | | | | 90,405 |
| Sales taxes, levied for general purposes | | | | 491,071 |
| State revenue sharing | | | | 67,448 |
| Severance tax | | | | 71,975 |
| Beer tax | | | | 10,279 |
| <i>Grants and contributions not restricted to specific programs</i> | | | | |
| Baracks transfer | | | | 153,477 |
| Licenses and permits | | | | 22,895 |
| Interest and investment earnings | | | | 65,536 |
| Miscellaneous | | | | 84,151 |
| Total general revenues | | | | 2,175,064 |
| Changes in net assets | | | | (138,791) |
| Net assets - beginning | | | | 5,814,101 |
| Net assets - ending | | | | \$ 5,775,310 |

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

East Carroll Parish Police Jury



East Carroll Parish Police Jury

BASIC FINANCIAL STATEMENTS

Fund Financial Statements (FFS)

EAST CARROLL PARISH POLICE JURY

**GOVERNMENTAL FUNDS
Balance Sheet
December 31, 2001**

| | ROAD MAINTENANCE AND CONSTRUCTION | | GARBAGE DISTRICT NO. 1 | LIBRARY |
|--|--|-------------------|------------------------------|-------------------|
| | GENERAL | | | |
| ASSETS | | | | |
| Cash and cash equivalents | \$ 36,193 | \$ 77,950 | \$ 87,047 | \$ 112,847 |
| Investments | 0 | 156,898 | 221,815 | 73,422 |
| Receivables | 270,880 | 221,309 | 187,846 | 174,924 |
| Interfund receivables | 49,845 | 0 | 0 | 0 |
| Inventories | 0 | 0 | 0 | 0 |
| Prepaid items | 0 | 0 | 0 | 0 |
| TOTAL ASSETS | <u>356,728</u> | <u>456,147</u> | <u>496,808</u> | <u>360,893</u> |
| LIABILITIES AND FUND BALANCES | | | | |
| Liabilities: | | | | |
| Accounts, salaries and other payables | 65,106 | 100 | 30,798 | 0 |
| Interfund payables | 0 | 4,445 | 0 | 0 |
| Total Liabilities | <u>65,106</u> | <u>4,545</u> | <u>30,798</u> | <u>0</u> |
| Fund Balances/Deficit: | | | | |
| Reserved for: | | | | |
| Debt Service | 0 | 0 | 0 | 0 |
| Inventory and prepaid items | 0 | 0 | 0 | 0 |
| Unreserved, reported in: | | | | |
| General Fund | 301,622 | 0 | 0 | 0 |
| Special Revenue Funds | 0 | 456,602 | 466,010 | 360,893 |
| Total Fund Balances/Deficit | <u>301,622</u> | <u>456,602</u> | <u>466,010</u> | <u>360,893</u> |
| TOTAL LIABILITIES AND FUND BALANCES | <u>\$ 356,728</u> | <u>\$ 456,147</u> | <u>\$ 496,808</u> | <u>\$ 360,893</u> |

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

Statement C

| HEALTH UNIT | HEADSTART | CHILD NUTRITION | SECTION 8 VOUCHER | CRIMINAL COURT | OTHER GOVERNMENTAL | TOTAL |
|----------------|---------------|--------------------|----------------------|-------------------|-----------------------|------------------|
| \$ 10,268 | \$ 0 | \$ 5,212 | \$ 48,821 | \$ 266 | \$ 99,483 | 487,087 |
| 361,161 | 0 | 0 | 0 | 0 | 101,777 | 914,163 |
| 90,854 | 0 | 29,063 | 0 | 0 | 278,689 | 1,259,283 |
| 0 | 40,708 | 6,149 | 0 | 0 | 0 | 86,500 |
| 0 | 0 | 3,113 | 0 | 0 | 0 | 3,113 |
| 0 | 21,931 | 0 | 0 | 0 | 0 | 21,931 |
| <u>471,283</u> | <u>62,637</u> | <u>43,537</u> | <u>48,821</u> | <u>274</u> | <u>479,849</u> | <u>2,776,077</u> |
| 0 | 18,154 | 8,777 | 21,061 | 1,476 | 0 | 133,502 |
| 0 | 6,149 | 40,700 | 0 | 45,200 | 0 | 93,500 |
| 0 | 24,303 | 47,483 | 21,061 | 46,878 | 0 | 230,002 |
| 0 | 0 | 0 | 0 | 0 | 98,732 | 98,732 |
| 0 | 21,931 | 3,113 | 0 | 0 | 0 | 25,044 |
| 0 | 0 | 0 | 0 | 0 | 0 | 301,822 |
| <u>471,283</u> | <u>16,403</u> | <u>(7,059)</u> | <u>27,730</u> | <u>(46,402)</u> | <u>381,217</u> | <u>2,129,677</u> |
| <u>471,283</u> | <u>38,334</u> | <u>(3,946)</u> | <u>27,730</u> | <u>(46,402)</u> | <u>479,849</u> | <u>2,549,075</u> |
| \$ 471,283 | \$ 62,637 | \$ 43,537 | \$ 48,821 | \$ 274 | \$ 479,849 | 2,776,077 |

EAST CARROLL PARISH POLICE JURY

**Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Assets
December 31, 2001**

Statement D

Total fund balances - governmental funds \$ 2,546,075

The cost of capital assets (land, buildings, furniture and equipment and infrastructure) purchased or constructed is reported as an expenditure in governmental funds. The Statement of Net Assets includes these capital assets among the assets of the Police Jury as a whole. The cost of these capital assets is allocated over their estimated useful lives (as depreciation expense) to the various programs reported as governmental activities in the Statement of Activities. Because depreciation expense does not affect financial resources, it is not reported in governmental funds.

| | | |
|------------------------------|---------------------|-----------|
| Costs of capital assets | \$5,668,039 | |
| Depreciation expense to date | <u>(11,889,077)</u> | 3,779,862 |

Long-term liabilities applicable to the Police Jury's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities - both current and long term - are reported in the Statement of Net Assets.

Balances at December 31, 2001 are:

| | | |
|------------------------------|------------------|------------------|
| Long-term liabilities | | |
| Leases payable | (308,241) | |
| Compensated absences payable | (7,386) | |
| Bonds payable | <u>(235,000)</u> | |
| | | <u>(550,627)</u> |

Net Assets \$ 5,775,310

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

East Carroll Parish Police Jury



EAST CARROLL PARISH POLICE JURY

GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures,
and Changes in Fund Balances/Deficit
For the Year Ended December 31, 2001

| | GENERAL | ROAD MAINTENANCE AND CONSTRUCTION | GARBAGE DISTRICT NO. 1 | LIBRARY |
|--|------------------|--|------------------------------|--------------------|
| REVENUES | | | | |
| Local sources: | | | | |
| Taxes: | | | | |
| Ad valorem | \$ 198,313 | \$ 175,929 | \$ 194,451 | \$ 197,482 |
| Sales and use | 57,862 | 433,189 | 0 | 0 |
| Licenses and permits | 22,866 | 0 | 0 | 0 |
| Intergovernmental revenues: | | | | |
| Federal funds - federal grants | 0 | 0 | 0 | 0 |
| State funds: | | | | |
| Parish transportation funds | 0 | 120,135 | 0 | 0 |
| State revenue sharing (net) | 50,113 | 0 | 0 | 17,335 |
| Severance taxes | 75,975 | 0 | 0 | 0 |
| Other | 133,739 | 0 | 0 | 12,929 |
| Fees, charges, and commissions for services | 188,294 | 0 | 0 | 0 |
| Fines and forfeitures | 0 | 0 | 0 | 0 |
| Use of money and property | 14,050 | 12,344 | 15,056 | 16,256 |
| Intergovernmental | 153,477 | 0 | 0 | 0 |
| Other revenues | 52,028 | 217 | 45,681 | 5,170 |
| Total Revenues | 940,844 | 742,934 | 255,218 | 249,172 |
| EXPENDITURES | | | | |
| Current | | | | |
| General government: | | | | |
| Legislative | 77,760 | 0 | 0 | 0 |
| Judicial | 92,181 | 0 | 0 | 0 |
| Elections | 34,805 | 0 | 0 | 0 |
| Finance and administrative | 155,973 | 0 | 0 | 0 |
| Other general government | 215,680 | 0 | 0 | 0 |
| Public safety | 137,060 | 0 | 0 | 0 |
| Public works | 0 | 722,999 | 215,116 | 0 |
| Health and welfare | 4,111 | 0 | 0 | 0 |
| Culture and recreation | 8,000 | 0 | 0 | 222,535 |
| Economic development and assistance | 135,545 | 0 | 0 | 0 |
| Transportation | 0 | 0 | 0 | 0 |
| Debt service: | | | | |
| Principal retirement | 0 | 33,139 | 6,875 | 0 |
| Interest and bank charges | 0 | 5,367 | 789 | 0 |
| Capital outlay | 7,283 | 202,608 | 164,330 | 50,717 |
| Total Expenditures | 865,668 | 954,113 | 390,690 | 273,252 |
| EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES | \$ 75,236 | \$ (222,079) | \$ (134,872) | \$ (24,080) |

Statement E

| HEALTH UNIT | HEADSTART | CHILD NUTRITION | SECTION 8 VOUCHER | CRIMINAL COURT | OTHER GOVERNMENTAL | TOTAL |
|----------------|----------------|-----------------|-------------------|----------------|--------------------|------------------|
| \$ 102,740 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 313,317 | \$ 1,180,232 |
| 0 | 0 | 0 | 0 | 0 | 0 | 481,071 |
| 0 | 0 | 0 | 0 | 0 | 0 | 22,866 |
| 0 | 818,532 | 71,286 | 543,676 | 0 | 0 | 1,433,474 |
| 0 | 0 | 0 | 0 | 0 | 0 | 120,135 |
| 0 | 0 | 0 | 0 | 0 | 0 | 67,448 |
| 0 | 0 | 0 | 0 | 0 | 0 | 71,875 |
| 0 | 0 | 0 | 0 | 0 | 10,110 | 156,778 |
| 0 | 0 | 0 | 0 | 0 | 1,062 | 169,356 |
| 0 | 0 | 0 | 0 | 205,610 | 0 | 205,610 |
| 14,839 | 570 | 0 | 2,956 | 0 | 9,135 | 55,536 |
| 0 | 0 | 0 | 0 | 0 | 0 | 153,477 |
| 0 | 76 | 3,026 | 0 | 0 | 1,748 | 107,843 |
| <u>117,579</u> | <u>819,177</u> | <u>74,292</u> | <u>546,632</u> | <u>205,610</u> | <u>335,372</u> | <u>4,285,930</u> |
| 0 | 0 | 0 | 0 | 0 | 0 | 77,760 |
| 0 | 0 | 0 | 0 | 230,296 | 0 | 322,477 |
| 0 | 0 | 0 | 0 | 0 | 0 | 34,805 |
| 0 | 110,582 | 0 | 0 | 0 | 3,509 | 270,064 |
| 0 | 0 | 0 | 0 | 0 | 0 | 215,880 |
| 0 | 0 | 0 | 0 | 4,827 | 52,906 | 104,793 |
| 0 | 0 | 0 | 0 | 0 | 108,220 | 1,049,335 |
| 65,095 | 663,762 | 81,859 | 545,321 | 0 | 0 | 1,380,148 |
| 0 | 0 | 0 | 0 | 0 | 0 | 227,535 |
| 0 | 0 | 0 | 0 | 0 | 0 | 135,545 |
| 0 | 2,427 | 0 | 0 | 0 | 7,457 | 9,884 |
| 0 | 0 | 0 | 0 | 0 | 65,000 | 105,014 |
| 0 | 0 | 0 | 0 | 0 | 20,330 | 26,466 |
| 0 | 0 | 0 | 0 | 0 | 0 | 424,938 |
| <u>65,095</u> | <u>796,771</u> | <u>81,859</u> | <u>545,321</u> | <u>235,123</u> | <u>267,422</u> | <u>4,474,654</u> |
| \$ 52,484 | \$ 22,406 | \$ (7,667) | \$ 1,311 | \$ (29,613) | \$ 77,950 | \$ (109,724) |

EAST CARROLL PARISH POLICE JURY

GOVERNMENTAL FUNDS
 Statement of Revenues, Expenditures,
 and Changes in Fund Balances/Deficit
 For the Year Ended December 31, 2001

| | GENERAL | ROAD MAINTENANCE AND CONSTRUCTION | GARBAGE DISTRICT NO. 1 | LIBRARY |
|---|-------------------|--|------------------------------|-------------------|
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers in | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Transfers out | (8,100) | 0 | 0 | 0 |
| Proceeds from capital lease | 0 | 165,359 | 164,330 | 0 |
| Total Other Financing Sources (Uses) | (8,100) | 165,359 | 164,330 | 0 |
| Net Change in Fund Balances | 69,138 | (56,723) | 23,458 | (24,050) |
| FUND BALANCES - BEGINNING | 232,486 | 507,325 | 438,552 | 384,973 |
| FUND BALANCES - ENDING | \$ 301,622 | \$ 450,602 | \$ 462,010 | \$ 360,893 |

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

Statement E

| HEALTH UNIT | HEADSTART | CHILD NUTRITION | SECTION 8 VOUCHER | CRIMINAL COURT | OTHER GOVERNMENTAL | TOTAL |
|----------------|-----------|--------------------|----------------------|-------------------|-----------------------|--------------|
| \$ 0 | \$ 0 | \$ 0 | \$ 48,361 | \$ 0 | \$ 6,109 | \$ 52,461 |
| 0 | 0 | 0 | 0 | 0 | (48,361) | (52,461) |
| 0 | 0 | 0 | 0 | 0 | 0 | 329,688 |
| 0 | 0 | 0 | 48,361 | 0 | (48,261) | 329,688 |
| 52,484 | 22,438 | (7,567) | 47,672 | (28,513) | 37,889 | 140,982 |
| 418,799 | 15,828 | 3,821 | (19,942) | (16,889) | 442,260 | 2,405,113 |
| \$ 471,283 | \$ 38,334 | \$ (3,946) | \$ 27,730 | \$ (48,402) | \$ 479,849 | \$ 2,546,075 |

(CONCLUDED)

EAST CARROLL PARISH POLICE JURY

**Reconciliation of the Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
to the Statement of Activities
For the Year Ended December 31, 2001**

Statement F

Total net change in fund balances - governmental funds \$ 140,982

Amounts reported for governmental activities in the Statement of Activities are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeds capital outlays in the period.

| | | |
|----------------------|------------|----------|
| Depreciation expense | \$ 461,854 | |
| Capital outlays | (424,838) | (57,016) |

Repayment of bond principal and capital leases is an expenditure in the governmental funds, but the repayment reduces long term liabilities in the Statement of Net Assets. 105,014

In the Statement of Activities, certain operating expenses-compensated absences (vacations and sick leave) - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for those items are measured by the amount of financial resources used (essentially, the amounts actually paid). This year, vacation and sick time used (\$23,684) exceeded the amounts earned (\$21,371) by \$2,313. 2,313

Capital lease proceeds are financing sources in governmental funds and thus contribute to the change in fund balance. In the statement of net assets, however, issuing debt increases long term liabilities and does not affect the Statement of Activities.

| | |
|------------------------|-----------|
| Capital Lease Proceeds | (329,686) |
|------------------------|-----------|

In the Statement of Activities, scrapping of capital assets are reported as a gain or loss net of the book value.

| | |
|-----------------------------------|--------------|
| Net book value of assets scrapped | <u>(376)</u> |
|-----------------------------------|--------------|

| | |
|--|---------------------|
| Change in net assets of governmental activities. | \$ <u>(138,791)</u> |
|--|---------------------|

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

East Carroll Parish Police Jury
Notes to the Basic Financial Statements
As of and for the Year Ended December 31, 2001

| | <u>Page</u> |
|---|-------------|
| INDEX | |
| NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES | 30 |
| A. REPORTING ENTITY | 30 |
| B. FUNDS | 31 |
| Governmental funds | 31 |
| C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING | 32 |
| Government-Wide Financial Statements (GWFS) | 32 |
| Fund Financial Statements (FFS) | 32 |
| Revenues | 32 |
| Expenditures | 33 |
| Other Financing Sources (Uses) | 33 |
| D. ENCUMBRANCES | 33 |
| E. CASH AND CASH EQUIVALENTS | 33 |
| F. INVESTMENTS | 33 |
| G. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES (FFS) | 35 |
| H. ELIMINATION AND RECLASSIFICATIONS | 35 |
| I. INVENTORY AND PREPAID ITEMS | 35 |
| J. CAPITAL ASSETS | 35 |
| K. COMPENSATED ABSENCES | 35 |
| L. LIABILITIES | 36 |
| M. RESTRICTED NET ASSETS | 37 |
| N. FUND BALANCES OF FUND FINANCIAL STATEMENTS | 37 |
| O. INTERFUND TRANSACTIONS | 37 |
| P. SALES TAXES | 37 |
| Q. DEFERRED REVENUES | 37 |
| R. USE OF ESTIMATES | 37 |
| NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY | 38 |
| A. Deficit Fund Balances | 38 |
| NOTE 3 - LEVIED TAXES | 38 |
| NOTE 4 - CASH AND CASH EQUIVALENTS | 39 |
| NOTE 5 - INVESTMENTS | 40 |
| NOTE 6 - RECEIVABLES | 41 |
| NOTE 7 - CAPITAL ASSETS | 41 |
| NOTE 8 - RETIREMENT SYSTEMS | 42 |
| NOTE 9 - OTHER POST-EMPLOYMENT BENEFITS | 43 |
| NOTE 10 - ACCOUNTS, SALARIES AND OTHER PAYABLES | 44 |
| NOTE 11 - LONG-TERM LIABILITIES | 44 |
| NOTE 12 - CRIMINAL COURT FUND | 45 |
| NOTE 13 - INTERFUND ASSETS/LIABILITIES (FFS LEVEL ONLY) | 45 |
| NOTE 14 - INTERFUND TRANSFERS (FFS LEVEL ONLY) | 46 |
| NOTE 15 - LITIGATION AND CLAIMS | 46 |
| NOTE 16 - RISK MANAGEMENT | 46 |

East Carroll Parish Police Jury
Notes to the Basic Financial Statements
As of and for the Year Ended December 31, 2001

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 2004.

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.

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

**East Carroll Parish Police Jury
Notes to the Basic Financial Statements
As of and for the Year Ended December 31, 2001**

| <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 Agency 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 basic 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. Separate financial statements for each of these component units can be obtained by contacting the component unit.

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 The accounts of the Police Jury are organized and operated on the basis of funds. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

Funds are classified into one category: governmental. This 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. 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

East Carroll Parish Police Jury
Notes to the Basic Financial Statements
As of and for the Year Ended December 31, 2001

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.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Government-Wide Financial Statements (GWFS) The Statement of Net Assets and the Statement of Activities displays information about the reporting government as a whole. The Statement of Net Assets and the Statement of Activities was prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33 "Accounting and Financial Reporting for Nonexchange Transactions."

Program revenues Program revenues included in the Statement of Activities derive directly from the program itself or from parties outside the Police Jury's taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the Police Jury's general revenues.

Allocation of indirect expenses The Police Jury reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Depreciation expense is specifically identified by function and is included in the direct expense of each function. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

Fund Financial Statements (FFS)

Governmental Funds The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting revenues are recognized when susceptible to accrual (i.e., when they are "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 pay liabilities of the current period. The government considers all revenues available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for unmatured principal and interest on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The governmental funds use the following practices in recording 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

East Carroll Parish Police Jury
Notes to the Basic Financial Statements
As of and for the Year Ended December 31, 2001

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.

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. ENCUMBRANCES Outstanding encumbrances lapse at year-end. Authorization for the eventual expenditure will be included in the following year's budget appropriations. Encumbrance accounting is not employed in governmental funds.

Encumbrance accounting (e.g., purchase orders, contracts) is not recognized within the accounting records for budgetary control purposes.

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 fair value except for the following which are required/permitted as per GASB Statement No. 31:

East Carroll Parish Police Jury
Notes to the Basic Financial Statements
As of and for the Year Ended December 31, 2001

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 contracts 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.

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.

East Carroll Parish Police Jury
Notes to the Basic Financial Statements
As of and for the Year Ended December 31, 2001

G. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES (FFS) 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.

H. ELIMINATION AND RECLASSIFICATIONS In the process of aggregating data for the statement of net assets and the statement of activities some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities column.

I. 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.

J. CAPITAL ASSETS Capital assets are recorded at either historical cost or estimated historical cost and depreciated over their estimated useful lives (excluding salvage value). Donated capital assets are recorded at their estimated fair value at the date of donation. General and infrastructure assets (e.g. roads, bridges, and other assets that are immovable and of value only to the government) are capitalized and valued at historical cost or estimated historical cost. Interest during construction was not capitalized on capital assets prior to January 1, 1999. Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Vehicles and trailers are assigned a salvage value of ten percent of historical costs. Straight line depreciation is used based on the following estimated useful lives:

| | |
|----------------------------------|----------------|
| Buildings | 40 years |
| Portable buildings | 10 to 20 years |
| Office equipment | 6 or 10 years |
| Furniture and fixtures | 6 or 10 years |
| Construction equipment | 4 to 10 years |
| Vehicles | 4 or 9 years |
| Books, periodicals and law books | 10 years |
| Infrastructure: | |
| Airport hangars | 40 years |
| Road surface | 25 years |
| Bridges | 40 to 50 years |

K. COMPENSATED ABSENCES 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 30 days. Employees are not compensated for sick leave at termination or retirement.

**East Carroll Parish Police Jury
Notes to the Basic Financial Statements
As of and for the Year Ended December 31, 2001**

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.

Full-time 12-month employees of East Carroll Parish Head Start earn from ten to twenty days of vacation leave per year. Effective July 1, 2001, Head Start adopted the Police Jury's policy for the carryover of vacation days. Head Start employees are now limited to five accrued days of annual leave which can be carried forward. 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 72 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.

L. LIABILITIES For government-wide reporting, the costs associated with the bonds are recognized over the life of the bond. As permitted by GASB Statement No. 34 the amortization of the costs of bonds will be amortized prospectively from the date of adoption of GASB Statement No. 34.

East Carroll Parish Police Jury
Notes to the Basic Financial Statements
As of and for the Year Ended December 31, 2001

For fund financial reporting, bond premiums and discounts, as well as issuance costs, are recognized in the period the bonds are issued. 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.

M. RESTRICTED NET ASSETS For the government-wide statement of net assets, net assets are reported as restricted when constraints placed on net asset use are either:

Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments;

Imposed by law through constitutional provisions or enabling legislation.

It is the Police Jury's policy to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

N. FUND BALANCES OF FUND FINANCIAL STATEMENTS Reserves represent those portions of fund balances 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.

O. 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.

P. 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.

Q. DEFERRED REVENUES The Police Jury reports deferred revenues on its statement of net assets. 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.

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

**East Carroll Parish Police Jury
Notes to the Basic Financial Statements
As of and for the Year Ended December 31, 2001**

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Deficit Fund Balances The following funds have a deficit in the fund balance at December 31, 2001:

| <u>Fund</u> | <u>Deficit Amount</u> |
|-----------------|---------------------------|
| Criminal Court | \$46,402 |
| Child Nutrition | 7,059 |

The deficit in the Criminal Court Fund will be eliminated by transfers from the general fund. Administrative cost will be reduced in the Child Nutrition Fund to eliminate the deficit.

NOTE 3 - LEVIED TAXES The Police Jury levies taxes on real and business personal property located within East Carroll Parish's boundaries. Property taxes are levied by the Police Jury on property values assessed by the East Carroll Parish Tax Assessor and approved by the State of Louisiana Tax Commission.

The East Carroll Parish sheriff's office bills and collects property taxes for the Police Jury. Collections are remitted to the Police Jury monthly.

| <u>Property Tax Calendar</u> | |
|-------------------------------------|-------------------------|
| Millage rates adopted | September 5, 2001 |
| Levy date | September 25, 2001 |
| Tax bills mailed | November 7, 2001 |
| Due date | December 31, 2001 |
| Lien date | January 1, 2002 |
| Tax sale - 2000 delinquent property | On or about May 1, 2002 |

Assessed values are established by the East Carroll Parish Tax Assessor each year on a uniform basis at the following ratios of assessed value to fair market value.

| | |
|------------------------------|---|
| 10% land | 15% machinery |
| 10% residential improvements | 15% commercial improvements |
| 15% industrial improvements | 25% public service properties, excluding land |

A revaluation of all property is required after 1978 to be completed no less than every four years. The last revaluation was completed for the roll of January 1, 2000. Total assessed value was \$33,790,354 in calendar year 2001. Louisiana state law exempts the first \$7,500 of assessed value of a taxpayer's primary residence from parish property taxes. This homestead exemption was \$5,734,754 of the assessed value in calendar year 2001.

State law requires the sheriff to collect property taxes in the calendar year in which the assessment is made. Property taxes become delinquent January 1 of the following year. If taxes are not paid by the due date, taxes bear interest at the rate of 1.25% per month until the taxes are paid. After notice is given to the delinquent taxpayers, the sheriff is required by the *Constitution of the State of Louisiana* to sell the least quantity of property necessary to settle the taxes and interest owed.

All property taxes are recorded in the general fund, road maintenance and construction special revenue fund, drainage maintenance special revenue fund, garbage district No. 1 special revenue fund, rural fire special revenue

**East Carroll Parish Police Jury
Notes to the Basic Financial Statements
As of and for the Year Ended December 31, 2001**

fund, library special revenue fund, health unit special revenue fund, and the debt service fund. Revenues in such funds are recognized in the accounting period in which they become measurable and available. Property taxes are considered measurable in the calendar year of the tax levy. Estimated uncollectible taxes are those taxes based on past experience which will not be collected in the subsequent year and are primarily due to subsequent adjustments to the tax roll. Available means due, or past due, and receivable within the current period and collected within the current period or expected to be collected soon enough thereafter to pay liabilities of the current period. The remaining property taxes receivable are considered available because they are substantially collected within 60 days subsequent to year-end.

The tax roll is prepared by the parish tax assessor in November of each year, therefore, the amount of 2001 property taxes to be collected occurs in December and January and February of the next year. Historically, virtually all ad valorem taxes receivable were collected since they are secured by property; therefore, there is no allowance for uncollectible taxes.

The following is a summary of authorized and levied ad valorem taxes for the year ended December 31, 2001:

| | <u>Authorized Millage</u> | <u>Levied Millage</u> | <u>Expiration Date</u> |
|------------------------------------|-------------------------------|---------------------------|----------------------------|
| Parish-wide taxes: | | | |
| General fund | 4.00 | 4.88 | Indefinite |
| Courthouse maintenance | 2.11 | 2.21 | 2004 |
| Road maintenance | 5.00 | 6.37 | 2002 |
| Drainage maintenance | 5.00 | 6.37 | 2002 |
| Library maintenance | 6.83 | 7.15 | 2004 |
| Health unit | 3.00 | 3.72 | 2002 |
| District taxes: | | | |
| Rural fire protection | 2.00 | 2.26 | 2008 |
| Rural fire protection debt service | Variable | 4.30 | 2004 |
| Waste collection and disposal | 8.60 | 9.21 | 2004 |

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

NOTE 4 - CASH AND CASH EQUIVALENTS At December 31, 2001, the Police Jury had cash and cash equivalents (book balances) as follows:

| | |
|---|------------------|
| Demand deposits | \$451,116 |
| Petty cash | 60 |
| Time deposits | <u>35,911</u> |
| Total cash and cash equivalents per Statement A | <u>\$487,087</u> |

At December 31, 2001, the Community Action Agency of East Carroll Parish (component unit) has demand deposits (book balances) totaling \$22,724.

**East Carroll Parish Police Jury
Notes to the Basic Financial Statements
As of and for the Year Ended December 31, 2001**

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.

At year-end, the Police Jury's carrying amount of deposits was \$487,087 and the bank balance was \$649,888. Of the bank balance, \$300,757 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, \$349,131 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, 2001, deposit balances of the Community Action Agency of East Carroll Parish (a discretely presented component unit) 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>Carrying Amount</u> <u>Fair Value</u> |
|--|---|
| Investments not subject to categorization: | |
| External investment pool (LAMP) | \$914,161 |
| Total investments | <u>\$914,161</u> |

East Carroll Parish Police Jury
Notes to the Basic Financial Statements
As of and for the Year Ended December 31, 2001

NOTE 6 - RECEIVABLES The following is a summary of receivables at December 31, 2001:

| | General | Road Maintenance Construction | Garage District No. 1 | Library | Health Admin. | Child Nutrition | Criminal Court | Other Govern- mental | Total |
|---------------------------------------|-------------------------|-------------------------------------|-----------------------------|-------------------------|------------------------|------------------------|--------------------|----------------------------|---------------------------|
| Taxes: | | | | | | | | | |
| Ad valorem | \$173,158 | \$155,575 | \$172,846 | \$174,624 | \$90,854 | \$ 0 | \$ 0 | \$278,689 | \$1,045,746 |
| Sales tax | 12,455 | 47,760 | 0 | 0 | 0 | 0 | 0 | 0 | 60,215 |
| Intragovernmental Revenues | | | | | | | | | |
| Federal | 0 | 0 | 0 | 0 | 0 | 29,063 | 0 | 0 | 29,063 |
| State | 71,513 | 17,888 | 0 | 0 | 0 | 0 | 0 | 0 | 89,401 |
| Other | <u>13,764</u> | <u>86</u> | <u>15,000</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>8</u> | <u>0</u> | <u>28,858</u> |
| Total | <u>\$276,890</u> | <u>\$221,309</u> | <u>\$187,846</u> | <u>\$174,624</u> | <u>\$90,854</u> | <u>\$29,063</u> | <u>\$ 8</u> | <u>\$278,689</u> | <u>\$1,253,283</u> |

Historically, virtually all ad valorem taxes receivable were collected since they are secured by property; therefore, no allowance for doubtful accounts has been established for ad valorem taxes. The balance of accounts receivable is expected to be collected in full so no allowance for doubtful accounts has been established.

NOTE 7 - CAPITAL ASSETS The following schedule presents changes in capital assets for the Police Jury:

| | Balance, Beginning | Additions | Deletions | Balance, Ending |
|---------------------------------------|--------------------------|-----------------------|---------------------|--------------------------|
| Governmental activities | | | | |
| Land | \$ 274,665 | \$ 0 | \$ 0 | \$ 274,665 |
| Buildings | 1,590,343 | 0 | 0 | 1,590,343 |
| Office equipment | 316,668 | 38,738 | 378 | 355,028 |
| Furniture and fixtures | 101,256 | 0 | 0 | 101,256 |
| Construction equipment | 1,026,729 | 202,608 | 2,800 | 1,226,537 |
| Vehicles | 979,849 | 164,330 | 0 | 1,144,179 |
| Books, periodicals and law books | 331,806 | 19,262 | 0 | 351,068 |
| Infrastructure | | | | |
| Airport land | 101,000 | 0 | 0 | 101,000 |
| Airport hangars | 25,000 | 0 | 0 | 25,000 |
| Road right-of-way | 558,234 | 0 | 0 | 558,234 |
| Road surface | 8,250,981 | 0 | 0 | 8,250,981 |
| Bridges | <u>1,690,648</u> | <u>0</u> | <u>0</u> | <u>1,690,648</u> |
| Total | <u>15,247,179</u> | <u>424,938</u> | <u>3,178</u> | <u>15,668,939</u> |
| Less accumulated depreciation: | | | | |
| Buildings | 1,215,419 | 17,675 | 0 | 1,233,094 |
| Office equipment | 229,012 | 23,560 | 0 | 251,572 |
| Furniture and fixtures | 71,916 | 7,708 | 0 | 79,624 |
| Construction equipment | 876,663 | 48,722 | 2,800 | 922,585 |
| Vehicles | 846,069 | 16,894 | 0 | 862,963 |
| Books, periodicals and law books | 297,953 | 4,704 | 0 | 302,657 |

East Carroll Parish Police Jury
Notes to the Basic Financial Statements
As of and for the Year Ended December 31, 2001

| | <u>Balance, Beginning</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance, Ending</u> |
|---|-------------------------------|------------------|------------------|----------------------------|
| Infrastructure | | | | |
| Airport hangars | 15,938 | 625 | 0 | 16,563 |
| Road surface | 7,095,843 | 330,039 | 0 | 7,425,882 |
| Bridges | 761,110 | 33,027 | 0 | 794,137 |
| Total | <u>11,409,923</u> | <u>481,954</u> | <u>2,800</u> | <u>11,889,077</u> |
| Governmental activities capital assets, net | <u>\$ 3,837,256</u> | <u>\$ 57,016</u> | <u>\$ 378</u> | <u>\$ 3,779,862</u> |

Depreciation expense was charged to governmental activities for the Police Jury as follows:

| | |
|-------------------------------------|------------------|
| Judicial | \$ 1,638 |
| Elections | 268 |
| Finance and administrative | 869 |
| Other general government | 2,738 |
| Public safety | 3,292 |
| Public works | 434,257 |
| Health and welfare | 25,521 |
| Culture and recreation | 12,581 |
| Economic development and assistance | 165 |
| Transportation | 625 |
| Total | <u>\$481,954</u> |

The following schedule presents changes in capital assets for the Community Action Agency (the discretely presented component unit):

| | <u>Balance, Beginning</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance, Ending</u> |
|---|-------------------------------|------------------|------------------|----------------------------|
| Governmental activities | | | | |
| Office equipment | \$14,566 | \$ 0 | \$ 0 | \$14,566 |
| Furniture and fixtures | 6,234 | 0 | 0 | 6,234 |
| Total | <u>20,800</u> | <u>0</u> | <u>0</u> | <u>20,800</u> |
| Less accumulated depreciation: | | | | |
| Office equipment | 7,584 | 1,534 | 0 | 9,118 |
| Furniture and fixtures | 4,777 | 393 | 0 | 5,170 |
| Total | <u>12,361</u> | <u>1,927</u> | <u>0</u> | <u>14,288</u> |
| Governmental activities capital assets, net | <u>\$ 8,439</u> | <u>\$1,927</u> | <u>\$ 0</u> | <u>\$ 6,512</u> |

Depreciation expense was charged to governmental activities for the Community Action Agency as follows:

| | |
|----------------------------|-------------------|
| Finance and administrative | <u>\$1,927.00</u> |
|----------------------------|-------------------|

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

East Carroll Parish Police Jury
Notes to the Basic Financial Statements
As of and for the Year Ended December 31, 2001

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, 2001, 2000, and 1999, were \$99,434, \$86,789, and \$73,238, 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, 2001, 2000 and 1999, were \$7,378, \$3,713, and \$4,675, 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) 928-3361.

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 \$14,955 for 13 retirees.

East Carroll Parish Police Jury
Notes to the Basic Financial Statements
As of and for the Year Ended December 31, 2001

NOTE 10 - ACCOUNTS, SALARIES AND OTHER PAYABLES

| | <u>General</u> | <u>Road Maintenance and Construction</u> | <u>Garbage District No. 1</u> | <u>Head Start</u> | <u>Child Nutrition</u> | <u>Section 8 Vouchers</u> | <u>Criminal Court</u> | <u>Total</u> |
|---------|-----------------|--|-------------------------------|-------------------|------------------------|---------------------------|-----------------------|------------------|
| Vendors | \$55,106 | \$100 | \$30,798 | \$ 3,256 | \$6,777 | \$10,923 | \$1,476 | \$108,436 |
| Others | <u>0</u> | <u>0</u> | <u>0</u> | <u>4,898</u> | <u>0</u> | <u>10,168</u> | <u>0</u> | <u>25,066</u> |
| Total | <u>\$55,106</u> | <u>\$100</u> | <u>\$30,798</u> | <u>\$8,154</u> | <u>\$6,777</u> | <u>\$21,091</u> | <u>\$1,476</u> | <u>\$133,502</u> |

NOTE 11 - LONG-TERM LIABILITIES The following is a summary of the long-term liabilities transactions and balances for the year ended December 31, 2001:

| | <u>Beginning Balance</u> | <u>Additions</u> | <u>Deductions</u> | <u>Ending Balance</u> | <u>Amounts Due Within One Year</u> |
|--|--------------------------|------------------|-------------------|-----------------------|------------------------------------|
| Governmental Activities | | | | | |
| Bonds payable: | | | | | |
| General obligation debt | \$300,000 | \$ 0 | \$ 65,000 | \$235,000 | \$ 70,000 |
| Other Liabilities: | | | | | |
| Compensated absences | 9,690 | 21,373 | 23,684 | 7,386 | 7,386 |
| Capital leases | 18,569 | 329,686 | 40,014 | 308,241 | 68,164 |
| Governmental Activities Long-term liabilities | <u>\$328,268</u> | <u>\$351,057</u> | <u>\$128,698</u> | <u>\$550,627</u> | <u>\$145,550</u> |

Payments on the general obligation bonds payable that pertain to the Police Jury's governmental activities are made by the debt service fund. The compensated absences liability attributable to the governmental activities will be liquidated by the general fund (19%) and the road maintenance and construction fund (81%). The capital lease liability will be paid by the road maintenance and construction fund and the Garbage District No. 1 fund.

The general obligation bonds payable at December 31, 2001 is the following issue:

| | <u>Original Amount</u> | <u>Interest Rates</u> | <u>Final Payment Due</u> | <u>Interest to Maturity</u> | <u>Principal Outstanding</u> |
|------------|------------------------|-----------------------|--------------------------|-----------------------------|------------------------------|
| 1989 Issue | <u>\$750,000</u> | 7.3 to 7.6 | 3-1-04 | <u>\$27,030</u> | <u>\$235,000</u> |

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, 2001, the Police Jury had accumulated \$98,732 in the debt service fund for future debt requirements. The bonds are due as follows:

East Carroll Parish Police Jury
Notes to the Basic Financial Statements
As of and for the Year Ended December 31, 2001

| <u>Year Ending December 31,</u> | <u>Principal</u> <u>Payments</u> | <u>Interest</u> <u>Payments</u> | <u>Total</u> |
|---------------------------------|-------------------------------------|------------------------------------|------------------|
| 2002 | \$ 70,000 | \$15,200 | \$ 85,200 |
| 2003 | 80,000 | 9,500 | 89,500 |
| 2004 | <u>85,000</u> | <u>3,230</u> | <u>88,230</u> |
| Total | <u>\$235,000</u> | <u>\$27,930</u> | <u>\$262,930</u> |

In accordance with Louisiana Revised Statute 39:562, the Police Jury and its component units 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, 2001, the statutory limit is \$3,379,055 and net outstanding bonded debt totals \$136,268.

The Police Jury records items under capital leases as an asset and an obligation in the accompanying financial statements. At December 31, 2001, the Police Jury had two capital leases in effect for equipment. The leases had an original recorded amount of \$329,686. Obligations are retired from the road maintenance and construction fund and the Garbage District No. 1 fund. The following is a schedule of future minimum lease payments under capital leases, together with the present value of the net minimum lease payments, as of December 31, 2001:

| | |
|---|------------------|
| Fiscal year: | |
| 2002 | \$ 83,768 |
| 2003 | 83,768 |
| 2004 | 83,768 |
| 2005 | 76,123 |
| 2006 | 18,952 |
| Less amounts representing executory costs | <u>0</u> |
| Net minimum lease payments | 346,379 |
| Less amounts representing interest | <u>38,138</u> |
| Present value of net minimum lease payments | <u>\$308,241</u> |

NOTE 12 - CRIMINAL COURT FUND Louisiana Revised Statute 15:571.11 requires that one-half of any balance remaining in the criminal court fund at year end be transferred to the parish general fund. However, for the year ended December 31, 2001, the Criminal Court Fund does not have a year-end fund balance for transfer to the parish general fund.

NOTE 13 - INTERFUND ASSETS/LIABILITIES (FFS LEVEL ONLY)

Due from/to other funds:

| <u>Receivable Fund</u> | <u>Payable Fund</u> | <u>Amount</u> |
|------------------------|-----------------------------------|-----------------|
| General Fund | Criminal Court | \$45,200 |
| | Road Maintenance and Construction | 4,245 |
| Head Start | Child Nutrition | 40,706 |
| Child Nutrition | Head Start | <u>6,349</u> |
| Total | | <u>\$96,500</u> |

East Carroll Parish Police Jury
Notes to the Basic Financial Statements
As of and for the Year Ended December 31, 2001

NOTE 14 - INTERFUND TRANSFERS (FFS LEVEL ONLY) Operating transfers for the year ended December 31, 2001, were as follows:

| <u>Fund</u> | <u>Transfers</u> <u>In</u> | <u>Transfers</u> <u>Out</u> |
|------------------------|-------------------------------|--------------------------------|
| General fund | | \$ 6,100 |
| Special revenue funds: | | |
| Airport | \$ 6,100 | |
| Section 8 Existing | | 46,361 |
| Section 8 Voucher | <u>46,361</u> | |
| Totals | <u>\$52,461</u> | <u>\$52,461</u> |

NOTE 15 - LITIGATION AND CLAIMS

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

Contingencies A possible misappropriation of funds through the unauthorized use of a credit card is currently under investigation. A liability has not been accrued because the amount of the misappropriation cannot presently be determined.

NOTE 16 - RISK MANAGEMENT The Police Jury is at risk for property damage, liability and theft which are covered by insurance policies.

East Carroll Parish Police Jury

REQUIRED SUPPLEMENTAL INFORMATION

East Carroll Parish Police Jury

Budgetary Comparison Schedules

General Fund And Major Special Revenue Funds With Legally Adopted Annual Budgets

GENERAL FUND The general fund accounts for all activities of the Police Jury except those that are accounted for in other 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.

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.

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.

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.

EAST CARROLL PARISH POLICE JURY

GENERAL FUND
Budgetary Comparison Schedule
For the Year Ended December 31, 2001

Exhibit 1-1

| | BUDGETED AMOUNTS | | ACTUAL | VARIANCE WITH |
|---|------------------|----------------|-------------------|------------------------|
| | ORIGINAL | FINAL | AMOUNTS | FINAL BUDGET |
| | | | (BUDGETARY BASIS) | POSITIVE (NEGATIVE) |
| BUDGETARY FUND BALANCES, BEGINNING | \$ 4,026 | \$ 76,989 | \$ 47,614 | (28,375) |
| Resources (Inflows) | | | | |
| Local sources: | | | | |
| Taxes: | | | | |
| Ad valorem | 180,000 | 156,208 | 159,753 | 33,457 |
| Sales and use | 40,000 | 60,000 | 51,273 | 1,273 |
| Licenses and permits | 24,000 | 19,100 | 17,016 | (2,084) |
| Intergovernmental revenues: | | | | |
| Federal funds | 22,200 | 61,816 | 80,632 | 18,716 |
| State funds: | | | | |
| State revenue sharing (net) | 48,000 | 48,000 | 26,872 | (21,128) |
| Severance taxes | 18,000 | 13,336 | 13,336 | 0 |
| Other | 46,000 | 176,641 | 175,367 | (1,574) |
| Fees, charges, and commissions for services | 187,160 | 197,160 | 188,294 | (8,866) |
| Use of money and property | 11,000 | 14,200 | 14,050 | (150) |
| Intergovernmental | 126,000 | 125,000 | 125,000 | 0 |
| Other revenues | 1,200 | 3,600 | 9,692 | 6,192 |
| Amounts available for appropriations | 699,588 | 641,438 | 930,889 | (2,639) |
| Charges to appropriations (outflows) | | | | |
| General government: | | | | |
| Legislative | 77,585 | 77,585 | 77,760 | (175) |
| Judicial | 85,550 | 96,810 | 89,769 | 8,041 |
| Elections | 30,800 | 32,300 | 34,805 | (2,505) |
| Finance and administrative | 105,200 | 113,300 | 114,417 | (1,117) |
| Other general government | 222,330 | 220,826 | 214,009 | 5,716 |
| Public safety | 110,550 | 141,312 | 137,060 | 4,252 |
| Health and welfare | 22,200 | 21,507 | 21,506 | 1 |
| Culture and recreation | 6,000 | 5,000 | 5,000 | 0 |
| Economic development and assistance | 17,994 | 153,831 | 202,828 | (48,997) |
| Capital outlay | 850 | 0 | 7,700 | (7,700) |
| Transfers to other funds | 6,000 | 7,000 | 5,100 | 900 |
| Total charges to appropriations | 604,059 | 809,270 | 810,854 | (41,586) |
| BUDGETARY FUND BALANCES, ENDING | \$ 15,529 | \$ 72,168 | \$ 28,045 | (44,123) |

EAST CARROLL PARISH POLICE JURY

ROAD MAINTENANCE AND CONSTRUCTION
 Budgetary Comparison Schedule
 For the Year Ended December 31, 2001

Exhibit 1-2

| | BUDGETED AMOUNTS | | ACTUAL | VARIANCE WITH |
|--------------------------------------|------------------|------------|-------------------|------------------------|
| | ORIGINAL | FINAL | AMOUNTS | FINAL BUDGET |
| | | | (BUDGETARY BASIS) | POSITIVE (NEGATIVE) |
| BUDGETARY FUND BALANCES, BEGINNING | \$ 316,700 | \$ 507,325 | \$ 507,325 | 0 |
| Resources (inflows) | | | | |
| Local sources: | | | | |
| Taxes: | | | | |
| Ad valorem | 144,000 | 139,524 | 175,828 | 36,005 |
| Sales and use | 400,000 | 400,000 | 433,109 | 33,109 |
| Intergovernmental revenues: | | | | |
| State funds: | | | | |
| Parish transportation funds | 110,000 | 110,000 | 120,135 | 10,135 |
| Use of money and property | 12,500 | 13,200 | 12,644 | (556) |
| Other revenues | 50,000 | 50,100 | 50,200 | 100 |
| Amounts available for appropriations | 1,033,290 | 1,220,545 | 1,299,342 | 78,793 |
| Charges to appropriations (outflows) | | | | |
| Public works | 804,550 | 796,352 | 765,685 | 26,646 |
| Debt service: | | | | |
| Principal retirement | 18,289 | 36,638 | 37,722 | (1,083) |
| Interest and bank charges | 0 | 0 | 0 | 0 |
| Capital outlay | 55,000 | 40,000 | 42,639 | (2,639) |
| Transfers to other funds | 40,000 | 46,000 | 48,192 | (2,192) |
| Total charges to appropriations | 917,839 | 918,971 | 898,238 | 20,732 |
| BUDGETARY FUND BALANCES, ENDING | \$ 116,451 | \$ 301,578 | \$ 401,103 | 99,525 |

EAST CARROLL PARISH POLICE JURY

GARBAGE DISTRICT NO. 1
 Budgetary Comparison Schedule
 For the Year Ended December 31, 2001

Exhibit 13

| | BUDGETED AMOUNTS | | ACTUAL | VARIANCE WITH |
|---|------------------|------------|-------------------|------------------------|
| | ORIGINAL | FINAL | AMOUNTS | FINAL BUDGET |
| | | | (BUDGETARY BASIS) | POSITIVE (NEGATIVE) |
| BUDGETARY FUND BALANCES, BEGINNING | \$ 310,268 | \$ 277,874 | \$ 436,552 | \$ 158,678 |
| Resources (inflows) | | | | |
| Local sources: | | | | |
| Taxes: | | | | |
| Ad valorem | 175,000 | 172,849 | 194,451 | 21,602 |
| Other revenue - Town of Lake Providence | 0 | 45,000 | 45,681 | 681 |
| Use of money and property | 7,200 | 23,870 | 22,958 | (512) |
| Amounts available for appropriations | 492,468 | 519,593 | 699,042 | 180,049 |
| Charges to appropriations (outflows) | | | | |
| Public works | 171,580 | 233,844 | 204,587 | 29,257 |
| Total charges to appropriations | 171,580 | 233,844 | 204,587 | 29,257 |
| BUDGETARY FUND BALANCES, ENDING | \$ 320,888 | \$ 285,749 | \$ 495,055 | \$ 209,306 |

EAST CARROLL PARISH POLICE JURY

LIBRARY
 Budgetary Comparison Schedule
 For the Year Ended December 31, 2001

Exhibit 1-4

| | BUDGETED AMOUNTS | | ACTUAL | VARIANCE WITH |
|--------------------------------------|------------------|------------|------------------------------|--|
| | ORIGINAL | FINAL | AMOUNTS (BUDGETARY BASIS) | FINAL BUDGET POSITIVE (NEGATIVE) |
| BUDGETARY FUND BALANCES, BEGINNING | \$ 226,304 | \$ 235,153 | \$ 230,596 | \$ 1,443 |
| Resources (Inflows) | | | | |
| Local sources: | | | | |
| Taxes: | | | | |
| Ad valorem | 160,000 | 157,185 | 197,462 | 40,297 |
| Intergovernmental revenues: | | | | |
| State funds: | | | | |
| State revenue sharing (net) | 13,500 | 12,800 | 17,335 | 4,535 |
| Other | 63,500 | 12,930 | 12,929 | (1) |
| Use of money and property | 9,900 | 13,975 | 13,298 | (677) |
| Other revenues | 8,750 | 4,665 | 5,170 | 505 |
| Amounts available for appropriations | 480,954 | 430,708 | 482,810 | 46,102 |
| Charges to appropriations (outflows) | | | | |
| Culture and recreation | 267,650 | 245,334 | 222,535 | 22,799 |
| Capital outlay | 26,600 | 25,300 | 50,717 | (25,417) |
| Total charges to appropriations | 283,650 | 270,634 | 273,252 | (2,618) |
| BUDGETARY FUND BALANCES, ENDING | \$ 197,304 | \$ 160,074 | \$ 209,558 | \$ 43,484 |

EAST CARROLL PARISH POLICE JURY

HEALTH UNIT
 Budgetary Comparison Schedule
 For the Year Ended December 31, 2001

Exhibit 1-5

| | BUDGETED AMOUNTS | | ACTUAL | VARIANCE WITH |
|--------------------------------------|-------------------|-------------------|-------------------|------------------------|
| | ORIGINAL | FINAL | AMOUNTS | FINAL BUDGET |
| | | | (BUDGETARY BASIS) | POSITIVE (NEGATIVE) |
| BUDGETARY FUND BALANCES, BEGINNING | \$ 384,018 | \$ 344,080 | \$ 419,793 | \$ 74,799 |
| Resources (inflows) | | | | |
| Local sources: | | | | |
| Taxes: | | | | |
| Ad valorem | 84,000 | 81,760 | 102,740 | 21,040 |
| Use of money and property | 15,000 | 14,867 | 14,115 | (752) |
| Other revenues | 0 | 0 | 0 | 0 |
| Amounts available for appropriations | <u>483,018</u> | <u>440,567</u> | <u>535,654</u> | <u>95,087</u> |
| Charges to appropriations (outflows) | | | | |
| Health and welfare | <u>66,426</u> | <u>64,941</u> | <u>65,095</u> | <u>(154)</u> |
| Total charges to appropriations | <u>66,426</u> | <u>64,941</u> | <u>65,095</u> | <u>(154)</u> |
| BUDGETARY FUND BALANCES, ENDING | <u>\$ 416,592</u> | <u>\$ 375,626</u> | <u>\$ 470,559</u> | <u>\$ 94,933</u> |

EAST CARROLL PARISH POLICE JURY

SECTION 8 VOUCHER
 Budgetary Comparison Schedule
 For the Year Ended December 31, 2001

Exhibit 1-6

| | BUDGETED AMOUNTS | | ACTUAL | VARIANCE WITH |
|--------------------------------------|------------------|----------|------------------------------|--|
| | ORIGINAL | FINAL | AMOUNTS (BUDGETARY BASIS) | FINAL BUDGET POSITIVE (NEGATIVE) |
| BUDGETARY FUND BALANCES, BEGINNING | \$ 0 | \$ 0 | \$ 0 | 0 |
| Resources (inflows) | | | | |
| Intergovernmental revenues: | | | | |
| Federal funds | 543,200 | 543,200 | 543,576 | 476 |
| Use of money and property | 1,800 | 1,800 | 2,956 | 1,156 |
| Amounts available for appropriations | 545,000 | 545,000 | 546,532 | 1,532 |
| Charges to appropriations (outflows) | | | | |
| Health and welfare | 545,000 | 543,200 | 545,597 | (2,397) |
| Total charges to appropriations | 545,000 | 543,200 | 545,597 | (2,397) |
| BUDGETARY FUND BALANCES, ENDING | \$ 0 | \$ 1,800 | \$ 1,035 | \$(765) |

East Carroll Parish Police Jury

Notes to Budgetary Comparison Schedules For the Year Ended December 31, 2001

A. BUDGETS

General Budget Policies 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. Formal budgetary integration is employed as a management control device.

For the year ended December 31, 2001, 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, Child Nutrition and Section 8 Existing funds. The Head Start and Child Nutrition budgets which are on a fiscal year ending June 30 were approved by the Policy Council for Head Start, but were not approved by the Police Jury. The Section 8 Existing was closed December 31, 2000, and the excess was transferred to the Section 8 Voucher program.

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.

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.

Encumbrances Encumbrance accounting is not recognized within the accounting records for budgetary control purposes. Authorization for the eventual expenditure will be included in the following year's budget appropriations.

Budget Basis of Accounting All governmental funds' budgets are prepared on the cash basis of accounting. Budgeted amounts are as originally adopted or as amended by the Board. Legally, the Board must adopt a balanced budget; that is, total budgeted revenues and other financing sources including fund balance must equal or exceed total budgeted expenditures and other financing uses. State statutes require the Board to amend its budgets when revenues plus projected revenues within a fund are expected to be less than budgeted revenues by five percent or more and/or expenditures within a fund are expected to exceed budgeted expenditures by five percent or more.

East Carroll Parish Police Jury

Notes to Budgetary Comparison Schedules
For the Year Ended December 31, 2001

B. BUDGET TO GAAP RECONCILIATION - EXPLANATION OF DIFFERENCES BETWEEN BUDGETARY INFLOWS AND OUTFLOWS AND GAAP REVENUES AND EXPENDITURES

| | General | Road Maintenance Construction | Garbage District (No.) | Library | Health Section 8 Unit | Voucher |
|---|-------------------|-------------------------------|------------------------|-------------------|-----------------------|-------------------|
| <u>Sources/Inflows of resources:</u> | | | | | | |
| Actual amounts (budgetary basis) available for appropriation* from the Budgetary Comparison Schedule | \$ 938,899 | \$ 1,292,957 | \$ 699,642 | \$ 482,810 | \$ 535,654 | \$ 546,632 |
| The fund balance at the beginning of the year is a budgetary resource but is not a current-year revenue for financial reporting purposes | (47,614) | (507,325) | (416,552) | (236,596) | (418,799) | 0 |
| Accrual of accounts receivable for financial reporting purposes | 130,191 | 54,564 | (7,872) | 2,958 | 724 | 0 |
| Transfers of tax collections to other funds classified as tax revenue for budgetary purposes and as a reduction of tax revenue for financial reporting | 0 | (48,192) | 0 | 0 | 0 | 0 |
| Transfers from other funds to offset expenditures classified as receipts for budgetary purposes and as a reduction of expenditure for financial reporting | (80,632) | (50,000) | 0 | 0 | 0 | 0 |
| Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds | <u>\$ 940,844</u> | <u>\$ 747,034</u> | <u>\$ 255,218</u> | <u>\$ 249,172</u> | <u>\$ 117,579</u> | <u>\$ 546,632</u> |

East Carroll Parish Police Jury

Notes to Budgetary Comparison Schedules
For the Year Ended December 31, 2001

B. BUDGET TO GAAP RECONCILIATION - EXPLANATION OF DIFFERENCES BETWEEN BUDGETARY INFLOWS AND OUTFLOWS AND GAAP REVENUES AND EXPENDITURES

| | General | Road Maintenance | Garbage District No. 1 | Library | Health Unit | Section 8 Voucher |
|--|-------------------|-------------------|------------------------|-------------------|------------------|-------------------|
| | \$ 910,854 | \$ 898,239 | \$ 204,587 | \$ 273,252 | \$ 63,095 | 5 545,597 |
| | (80,632) | 0 | 0 | 0 | 0 | 0 |
| | 41,486 | (1,290) | 21,173 | 0 | 0 | (276) |
| | 0 | (48,192) | 0 | 0 | 0 | 0 |
| | (6,100) | (50,000) | 0 | 0 | 0 | 0 |
| | <u>0</u> | <u>165,356</u> | <u>164,330</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| | <u>\$ 865,608</u> | <u>\$ 964,113</u> | <u>\$ 390,990</u> | <u>\$ 273,252</u> | <u>\$ 63,095</u> | <u>\$ 545,321</u> |

Uses/Outflows of resources:

- Actual amounts (budgetary basis) "Total charges to appropriations" from the Budgetary Comparison Schedule
- Transfers from other funds to offset expenditures classified as receipts for budgetary purposes and as a reduction of expenditures for financial reporting
- Accrual of accounts payable for financial reporting
- Transfers of tax collections to other funds classified as a transfer out for budgetary purposes and as a reduction of tax revenues for financial reporting
- Transfers to other funds classified as expenditures for budgetary purposes and as an operating transfer for financial reporting
- Capital outlay financed by capital lease not included for budget purposes and reported as capital outlay for financial reporting
- Total expenditures as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds

East Carroll Parish Police Jury

**Notes to Budgetary Comparison Schedules
For the Year Ended December 31, 2001**

C. EXCESS OF EXPENDITURES OVER APPROPRIATIONS IN INDIVIDUAL FUNDS The following fund had actual expenditures over budgeted expenditures for the year ended December 31, 2001:

| <u>Major Funds</u> | <u>Budget</u> | <u>Actual</u> | <u>UnfavorableVariance.....</u> |
|--------------------|---------------|---------------|---|
| General fund | \$869,270 | \$910,854 | \$41,584 |
| Library | 270,634 | 273,252 | 2,618 |
| Health Unit | 64,941 | 65,095 | 154 |
| Section 8 Voucher | 543,200 | 545,597 | 2,397 |

Actual expenditures exceeded appropriations as a result of unanticipated accruals occurring after the last budget revision.

East Carroll Parish Police Jury

SUPPLEMENTAL INFORMATION

East Carroll Parish Police Jury

**COMBINING
NONMAJOR GOVERNMENTAL FUNDS -
BY FUND TYPE**

EAST CARROLL PARISH POLICE JURY
NONMAJOR GOVERNMENTAL FUNDS
Combining Balance Sheet - By Fund Type
December 31, 2001

Exhibit 2

| | SPECIAL REVENUE | DEBT SERVICE | TOTAL |
|--|--------------------|------------------|-------------------|
| ASSETS | | | |
| Cash and cash equivalents | \$ 81,451 | \$ 18,932 | \$ 99,483 |
| Investments | 101,777 | 0 | 101,777 |
| Receivables | 197,089 | 80,700 | 276,689 |
| TOTAL ASSETS | 381,217 | 98,732 | 479,949 |
| LIABILITIES AND FUND BALANCES | | | |
| Liabilities: | | | |
| Accounts, salaries and other payables | 0 | 0 | 0 |
| Interfund payables | 0 | 0 | 0 |
| Total Liabilities | 0 | 0 | 0 |
| Fund Balances: | | | |
| Reserved for debt service | 0 | 98,732 | 98,732 |
| Unreserved, reported in Special Revenue | 381,217 | 0 | 381,217 |
| Total Fund Balances | 381,217 | 98,732 | 479,949 |
| TOTAL LIABILITIES AND FUND BALANCES | \$ 381,217 | \$ 98,732 | \$ 479,949 |

EAST CARROLL PARISH POLICE JURY

NONMAJOR GOVERNMENTAL FUNDS
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances - By Fund Type
For the Year Ended December 31, 2001

Exhibit 3

| | SPECIAL REVENUE | DEBT SERVICE | TOTAL |
|--|--------------------|-----------------|------------------|
| REVENUES | | | |
| Local sources: | | | |
| Taxes: | | | |
| Ad valorem | \$ 222,811 | \$ 80,408 | \$ 313,317 |
| Intergovernmental revenues: | | | |
| State funds: | | | |
| Other | 10,110 | 0 | 10,110 |
| Fees, charges, and commissions for services | 1,062 | 0 | 1,062 |
| Fines and forfeitures | 0 | 0 | 0 |
| Use of money and property | 8,288 | 837 | 9,135 |
| Other revenues | 1,748 | 0 | 1,748 |
| Total Revenues | 244,128 | 81,243 | 335,372 |
| EXPENDITURES | | | |
| Current: | | | |
| General government: | | | |
| Finance and administrative | 0 | 3,509 | 3,509 |
| Public safety | 52,906 | 0 | 52,906 |
| Public works | 108,220 | 0 | 108,220 |
| Transportation | 7,457 | 0 | 7,457 |
| Debt service: | | | |
| Principal retirement | 0 | 65,000 | 65,000 |
| Interest and bank charges | 0 | 20,330 | 20,330 |
| Total Expenditures | 168,583 | 85,839 | 257,422 |
| EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES | \$ 75,548 | \$ 2,404 | \$ 77,952 |

(CONTINUED)

EAST CARROLL PARISH POLICE JURY

NONMAJOR GOVERNMENTAL FUNDS
 Combining Statement of Revenues, Expenditures,
 and Changes in Fund Balances - By Fund Type
 For the Year Ended December 31, 2001

Exhibit 3

| | SPECIAL REVENUE | DEBT SERVICE | TOTAL |
|--------------------------------------|--------------------|-----------------|------------|
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers in | \$ 6,100 | \$ 0 | \$ 6,100 |
| Transfers out | (46,381) | 0 | (46,381) |
| Total Other Financing Sources (Uses) | (40,281) | 0 | (40,281) |
| Net Change in Fund Balances | 35,285 | 2,404 | 37,689 |
| FUND BALANCES - BEGINNING | 345,832 | 86,328 | 442,280 |
| FUND BALANCES - ENDING | \$ 381,217 | \$ 89,732 | \$ 479,949 |

(CONCLUDED)

East Carroll Parish Police Jury

NONMAJOR SPECIAL REVENUE FUNDS

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

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.

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 50 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.

East Carroll Parish Police Jury



EAST CARROLL PARISH POLICE JURY
NONMAJOR SPECIAL REVENUE FUNDS
Combining Balance Sheet
December 31, 2001

| | <u>DRAINAGE MAINTENANCE</u> | <u>RURAL FIRE</u> | <u>AIRPORT</u> |
|--|---------------------------------|-----------------------|----------------|
| ASSETS | | | |
| Cash and cash equivalents | \$ 65,005 | \$ 16,409 | \$ 37 |
| Investments | 50,288 | 51,491 | 0 |
| Receivables | <u>155,575</u> | <u>42,414</u> | <u>0</u> |
| TOTAL ASSETS | <u>270,866</u> | <u>110,314</u> | <u>37</u> |
| LIABILITIES AND FUND EQUITY | | | |
| Liabilities: | | | |
| Accounts, salaries and other payables | 0 | 0 | 0 |
| Interfund payables | <u>0</u> | <u>0</u> | <u>0</u> |
| Total Liabilities | <u>0</u> | <u>0</u> | <u>0</u> |
| Fund Balances: | | | |
| Unreserved and undesignated | <u>270,866</u> | <u>110,314</u> | <u>37</u> |
| Total Fund Balance | <u>270,866</u> | <u>110,314</u> | <u>37</u> |
| TOTAL LIABILITIES AND FUND BALANCES | <u>\$ 270,866</u> | <u>\$ 110,314</u> | <u>\$ 37</u> |

Exhibit 4

| SECTION 8 | |
|-----------|------------|
| EXISTING | TOTAL |
| \$ 0 | \$ 91,451 |
| 0 | 101,777 |
| 0 | 197,689 |
| 0 | 381,217 |
| 0 | 0 |
| 0 | 0 |
| 0 | 0 |
| 0 | 381,217 |
| 0 | 381,217 |
| \$ 0 | \$ 381,217 |

EAST CARROLL PARISH POLICE JURY
NONMAJOR SPECIAL REVENUE FUNDS
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended December 31, 2001

| | <u>DRAINAGE MAINTENANCE</u> | <u>RURAL FIRE</u> | <u>AIRPORT</u> |
|--|---------------------------------|-----------------------|----------------|
| REVENUES | | | |
| Local sources: | | | |
| Taxes: | | | |
| Ad valorem | \$ 175,929 | \$ 48,982 | \$ 0 |
| Intergovernmental revenues: | | | |
| State funds: | | | |
| Other | 0 | 10,110 | 0 |
| Fees, charges, and commissions for services | 0 | 0 | 1,002 |
| Use of money and property | 5,374 | 2,924 | 0 |
| Other revenues | 1,748 | - 0 | 0 |
| Total Revenues | <u>183,051</u> | <u>62,016</u> | <u>1,002</u> |
| EXPENDITURES | | | |
| Current: | | | |
| Public safety | 0 | 52,908 | 0 |
| Public works | 108,220 | 0 | 0 |
| Transportation | 0 | 0 | 7,457 |
| Total Expenditures | <u>108,220</u> | <u>52,908</u> | <u>7,457</u> |
| EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES | <u>74,831</u> | <u>7,110</u> | <u>(6,395)</u> |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers in | 0 | 0 | 6,100 |
| Transfers out | 0 | 0 | 0 |
| Total Other Financing Sources (Uses) | <u>0</u> | <u>0</u> | <u>6,100</u> |
| Net Change in Fund Balances | 74,831 | 7,110 | (295) |
| FUND BALANCES - BEGINNING | <u>168,035</u> | <u>163,204</u> | <u>332</u> |
| FUND BALANCES - ENDING | <u>\$ 270,866</u> | <u>\$ 110,314</u> | <u>\$ 37</u> |

Exhibit 5

| SECTION 8 | |
|-----------|------------|
| EXISTING | TOTAL |
| \$ 0 | \$ 222,911 |
| 0 | 10,110 |
| 0 | 1,052 |
| 0 | 8,298 |
| 0 | 1,748 |
| 0 | 244,129 |
| 0 | 52,906 |
| 0 | 106,220 |
| 0 | 7,457 |
| 0 | 168,583 |
| 0 | 75,548 |
| 0 | 9,100 |
| (46,361) | (46,361) |
| (46,361) | (46,261) |
| (46,361) | 35,285 |
| 46,361 | 345,932 |
| \$ 0 | \$ 381,217 |

East Carroll Parish Police Jury

GENERAL

Exhibit 6

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, 2001**

| | |
|---------------------------|-----------------|
| Joseph Jackson, President | \$ 8,400 |
| Isaac Fields, Jr. | 7,200 |
| Roger Clement | 7,200 |
| Shelby Perry | 7,200 |
| Patricia Roberson | 7,200 |
| Charles Vining, Jr. | 7,200 |
| James Bryant | 7,200 |
| Darrin Dixon | 7,200 |
| John E. Shoemaker | <u>7,200</u> |
| Total | <u>\$66,000</u> |

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

**Single Audit Report
And Other Information
As of and for the Year Ended December 31, 2001**

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

**Single Audit Report
And Other Information
As of and for the Year Ended December 31, 2001**

TABLE OF CONTENTS

| | <u>Page</u> |
|---|-------------|
| OTHER REPORTS REQUIRED BY <u>GOVERNMENT AUDITING STANDARDS AND BY OFFICE OF MANAGEMENT AND BUDGET (OMB) CIRCULAR NO. A-133</u> | 1 |
| Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance With <u>Government Auditing Standards</u> | 2-3 |
| Report on Compliance With Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance With <u>OMB Circular No. A-133</u> | 4-5 |
| Schedule of Expenditures of Federal Awards | 6 |
| Notes to the Schedule of Expenditures of Federal Awards | 7 |
| Schedule of Findings and Questioned Costs | 8-12 |
| OTHER INFORMATION: | 13 |
| Summary Schedule of Prior Audit Findings | 14 |
| Corrective Action Plan for Current-Year Findings and Questioned Costs | 15-17 |
| Management Letter Items | 18 |
| Status of Prior Management Letter Items | 19-20 |

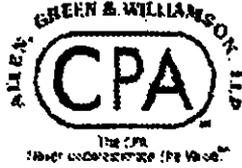
East Carroll Parish Police Jury

**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 of America. The section of the report on compliance is based solely on the audit of the basic financial statements and presents, where applicable, compliance matters that would be material to the basic financial statements. The section of the report on internal control over financial reporting is, likewise, based solely on the audit of the basic financial statements and includes, where appropriate, any reportable conditions and/or material weaknesses.

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

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



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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 basic financial statements of East Carroll Parish Police Jury, as of and for the year ended December 31, 2001, and have issued our report thereon dated April 16, 2002. Our report was qualified because certain component units were omitted from the financial statements. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States of America.

Compliance

As part of obtaining reasonable assurance about whether the Police Jury's basic 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 no instances of noncompliance that are required to be reported under Government Auditing Standards.

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. The reportable conditions are described in the accompanying Schedule of Findings and Questioned Costs as items 01-F1 and 01-F2.

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, we believe the reportable conditions described above are not material weaknesses.

Police Jurors
East Carroll Parish Police Jury
Lake Providence, Louisiana

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 & Williamson, LLP

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
April 16, 2002



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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, 2001. 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 auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States of America; 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.

In our opinion the Police Jury complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2001. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements that 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 items 01-F3, 01-F4 and 01-F5.

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.

Police Jurors
East Carroll Parish Police Jury
Lake Providence, Louisiana

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. 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. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

Schedule of Expenditures of Federal Awards

We have audited the basic financial statements of the Police Jury, as of and for the year ended December 31, 2001, and have issued our report thereon dated April 16, 2002. Our report was qualified because certain component units were omitted from the financial statements. Our audit was performed for the purpose of forming an opinion on the basic 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 basic financial statements of the Police Jury. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic 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 & Williamson, LLP

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
April 16, 2002

East Carroll Parish Police Jury

**Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2001**

| FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM NAME | CFDA Number | Pass-Through Grantor No. | <u>Expenditures</u> |
|--|----------------|-----------------------------|---------------------------|
| CASH FEDERAL AWARDS | | | |
| United States Department of Agriculture | | | |
| Passed Through Louisiana Department of Education: | | | |
| Childcare Food Program | 10.558 | N/A | \$71,266 |
| Passed Through Louisiana Department of Agriculture and Forestry: | | | |
| Temporary Emergency Food Assistance | 10.568 | N/A | <u>4,094</u> |
| Total United States Department of Agriculture | | | <u>75,360</u> |
| United States Department of Housing and Urban Development | | | |
| Direct Programs: | | | |
| Section 8 Housing Choice Voucher Program | 14.871 | FW2118 | <u>543,676</u> |
| United States Department of Health and Human Services | | | |
| Direct Program: | | | |
| Head Start | 93.600 | 06C40620/25&26 | 818,532 |
| Passed Through Louisiana Department of Labor: | | | |
| Community Services Block Grant | 13.792 | N/A | 138,478 |
| Passed Through Louisiana Department of Social Services: | | | |
| Low-Income Home Energy Assistance | 13.789 | N/A | <u>120,534</u> |
| Total United States Department of Health and Human Services | | | <u>1,077,544</u> |
| United States Department of Energy | | | |
| Passed Through Louisiana Department of Social Services: | | | |
| Weatherization Assistance for Low Income Persons | 81.042 | N/A | 3,513 |
| Federal Emergency Management Agency | | | |
| Passed Through United Way of America: | | | |
| Federal Emergency Food and Shelter | 83.523 | N/A | <u>10,059</u> |
| TOTAL CASH FEDERAL AWARDS | | | <u>1,710,151</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>50,502</u> |
| TOTAL NON CASH FEDERAL AWARDS | | | <u>50,502</u> |
| TOTAL FEDERAL AWARDS | | | <u>\$1,760,654</u> |

East Carroll Parish Police Jury

**Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2001**

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 basic 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 basic financial statements.

NOTE 3 - RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

| | <u>Federal Sources</u> |
|--|------------------------|
| Special revenue funds: | |
| Head Start | \$818,532 |
| Section 8 Voucher | 543,676 |
| Child Nutrition | 71,266 |
| Component Unit - Community Action Agency | <u>327,180</u> |
| Total | <u>\$1,760,654</u> |

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 accounting principles generally accepted in the United States of America.

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

**Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2001**

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 of America.

The reportable conditions were not considered to be material weaknesses.

- iii. There were no 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 no 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 unqualified.
- 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 |
| CFDA#14,871 | Section 8 Housing Choice Voucher 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

Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2001

PART II - Findings related to the financial statements which are required to be reported in accordance with Government Auditing Standards generally accepted in the United States of America:

Reference # and title: 01-F1 Capitalization Policy and Procedures

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

Criteria or specific requirement: In order to create consistent capitalization of assets there should be a formal policy outlining the capitalization threshold for capital assets.

In order to follow generally accepted accounting principals related to valuation and completeness, an entity should have a system in place which provides documentation of all additions and deletions to the capital assets as well as providing a schedule of depreciation.

Condition found: The Police Jury does not presently have a formal policy stating the dollar amount to be used for the capitalization of capital assets.

A preliminary capital asset listing was prepared when the Police Jury adopted GASB 34. However, the asset listing has not been updated. The fund supervisors sent a list of additions and deletions to the Police Jury at the end of the year, but these lists were not added or deleted from the depreciation schedule. The lists of additions and deletions are filed in a folder.

Proper perspective for judging the prevalence and consequence: Capitalized assets including infrastructure totaled \$15,668,939 with corresponding accumulated depreciation of \$11,889,077. Additions for the year totaled \$424,938.

Possible asserted effect (cause and effect):

Cause: The Police Jury has not adopted a formal capitalization policy. There is no formal procedure in place to update the depreciation schedule for additions and deletions during the year.

Effect: There is a lack of consistency from fund to fund in capitalization thresholds. This results in different capitalization levels being applied by different funds. It also results in many small-dollar items being included in the capital asset listing. This also creates additional time required for preparing depreciation schedules.

Recommendations to prevent future occurrences: The Police Jury should adopt a formal capitalization policy. In formulating a threshold level, the Jury should consider the cost/benefit ratio of capitalizing small-dollar items. Procedures should be established to ensure the depreciation schedule is updated by including current year additions and deletions.

Reference # and title: 01-F2 Bank Reconciliations

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

East Carroll Parish Police Jury

**Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2001**

PART II - Findings related to the financial statements which are required to be reported in accordance with Government Auditing Standards generally accepted in the United States of America:

Criteria or specific requirement: In order to maintain adequate controls over cash and capture correct reporting information, bank reconciliations should be made timely and checks which have been outstanding for several months should be investigated. Any unreconciled difference or other reconciling items should be researched and explained on the reconciliation.

Condition found: Several bank reconciliations have numerous checks which have been outstanding for several months. Several reconciliations have unreconciled differences which are not explained. The payroll reconciliation did not reconcile to the ending bank balance.

Proper perspective for judging the prevalence and consequences: The Police Jury reported cash balances of \$487,087 in the financial statements.

Possible asserted effect (cause and effect):

Cause: The bank reconciliations are generated from the general ledger software. The software forces the reconciliation to balance even if a line called unreconciled differences has to be included for the reconciliation to balance. The reconciliations must be reviewed carefully to identify the items which should be researched.

Effect: Several bank reconciliations are not complete because explanations for unreconciled differences and old outstanding items are not included.

Recommendations to prevent future occurrences: Outstanding checks over three months old appearing on the bank reconciliation should be researched. Also any other reconciling items or unreconciled differences should be researched and explained.

East Carroll Parish Police Jury

Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2001

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: 01-F3 Funding Levels for Head Start

Entity-wide or program/department specific:

| FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM NAME | CFDA Number | Pass-Through Grantor No. | Federal Award Year |
|--|----------------|-----------------------------|-----------------------|
| United States Department of Health and Human Services Direct Program - Head Start | 93.600 | 06CH0020/26 | 2002 |

Criteria or specific requirement: According to guidelines for the Head Start program (45 CFR 1305.2) enrollment levels must adhere to the levels specified in the financial assistance award.

Condition found: Enrollment levels during the year fluctuated. Four months were selected for testing the enrollment levels. The levels fluctuated from 143 to 154 for those four months. The funded enrollment level for the year was 154.

Possible asserted effect (cause and effect):

Cause: Unknown.

Effect: The enrollment levels for the Head Start program appear to be less than the funded enrollment.

Recommendations to prevent future occurrences: Actual enrollment should be monitored closely to ensure that the funded enrollment levels are maintained.

Reference # and title: 01-F4 Utility Allowance Review

Entity-wide or program/department specific: This comment relates only to the 2001-2002 award year for the Section 8 Voucher Program, CFDA #14.855, pass-through # FW 2118.

Criteria or specific requirement: According to 24 CFR section 982-517, Section 8 must maintain an up-to-date utility allowance schedule. Utility rate data for such utility category must be reviewed each year and the allowance should be adjusted if there has been a rate change of 10% or more for a utility category or fuel type since the last time the utility allowance schedule was revised.

Condition found: The utility allowance rate data was not reviewed and the utility allowance schedule was not adjusted for the year ended December 31, 2001.

East Carroll Parish Police Jury

**Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2001**

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

Possible asserted effect (cause and effect):

Cause: The cause is unknown.

Effect: Possible adjustments to the utility allowance schedule were not made.

Recommendations to prevent future occurrences: Updated utility rate information should be obtained and the utility rate schedule should be reviewed to determine if any adjustments are needed to the current schedule.

Reference # and title: 01-R5 Lack of Comparability in Head Start Reports

Entity-wide or program/department specific: This comment relates to the 2001 federal award year for the Head Start Program, CFDA number 93.600, pass-through grantor number 06CH0020/25.

Criteria or specific requirement: Various reports issued to Head Start should have comparable data for the same periods reported. The data for these reports should be traceable to the accounting records.

Condition found: The cash transaction reports showed a total of \$796,763 in outlays. The income statement for the same period (7/1/00 to 6/30/01) showed \$755,094. The financial status report for the same period reflected \$784,960 in outlays. The year-end financial reports used revenue amounts instead of actual outlays.

Proper perspective for judging the prevalence and consequences: Two financial status reports were tested and four quarters of cash transaction reports were tested.

Possible asserted effect (cause and effect):

Cause: Unknown.

Effect: Possible changes in accounting data are not accurately reflected.

Recommendations to prevent future occurrences: The agency should strive to use the information derived from accounting records to compile the reports submitted to Head Start. If significant changes are made to the accounting records, these changes should be reflected in ensuing reports or reflected in revised reports.

East Carroll Parish Police Jury

Other 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

Summary Schedule of Prior Audit Findings
December 31, 2001

Reference # and title: 00-F1 Budget Controls for Head Start

Initially occurred: December 31, 2000.

Condition found: The budget for the fiscal year ended June 30, 2000, was overspent. The general fund as the sponsoring agency has to cover any budget overruns.

Corrective action taken: The Oversight Committee of the Police Jury monitored the budget to actual expenses for Head Start. The budget was not overspent for the year ended December 31, 2001.

Reference # and title: 00-F2 Section 8 Landlord/Resident Files

Initially occurred: December 31, 1998.

Condition found: The auditors selected housing assistance payments (HAP) from the disbursements journals from various months in 2000. Of the 23 files selected for testing the following conditions were found:

Rental certificates:

One file had no documentation of birth date.

Rental vouchers:

One instance where a dependent was listed twice on the Form 50058 resulting in a miscalculation of rent.

One file had no documentation of birth date for the head of household and a dependent.

Two files with keypunch errors on either the social security number or the birth date.

One file without documentation of an annual inspection.

Corrective action taken: Steps were taken to collect all necessary information from clients and to proof the information supplied on Form 50058 to eliminate keypunching errors.

Reference # and title: 00-F3 Utility Allowance Review

Initially occurred: December 31, 2000.

Condition found: The utility allowance rate data was not reviewed and the utility allowance schedule was not adjusted for the year ended December 31, 2000.

Corrective action planned: See current-year finding 01-F4.

Reference # and title: 00-F4 Funding Levels for Head Start

Initially occurred: December 31, 2000.

Condition found: Enrollment levels during the year fluctuated. Four months were selected for testing the enrollment levels. The levels fluctuated from 144 to 148 for those four months. The funded enrollment level for the year was 154.

Corrective action planned: See current-year finding 01-F3.

East Carroll Parish Police Jury

**Corrective Action Plan for Current-Year Findings and Questioned Cost
December 31, 2001**

Reference # and title: **01-F1** **Capitalization Policy and Procedures**

Condition found: In order to create consistent capitalization of assets there should be a formal policy outlining the capitalization threshold for capital assets.

In order to follow generally accepted accounting principals related to valuation and completeness, an entity should have a system in place which provides documentation of all additions and deletions to the capital assets as well as providing a schedule of depreciation.

The Police Jury does not presently have a formal policy stating the dollar amount to be used for the capitalization of fixed assets.

Corrective action planned: The East Carroll Parish Police Jury will adopt a formal capitalization policy which will include establishing a threshold level and a procedure to ensure the depreciation schedule is updated by including current-year additions and deletions.

Person responsible for corrective action:

Elisha Matthews, Secretary-Treasurer
East Carroll Parish Police Jury
400 First Street
Lake Providence, LA 71254

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

Anticipated completion date: December 31, 2002.

Reference # and title: **01-F2** **Bank Reconciliations**

Condition found: In order to maintain adequate controls over cash and capture correct reporting information, bank reconciliations should be made timely and checks which have been outstanding for several months should be investigated. Any unreconciled difference or other reconciling items should be researched and explained on the reconciliation.

Several bank reconciliations have numerous checks which have been outstanding for several months. Several reconciliations have unreconciled differences which are not explained. The payroll reconciliation did not reconcile to the ending bank balance.

Corrective action planned: Outstanding checks over three months old appearing on the bank reconciliations will be researched. Also any other reconciling items or unreconciled differences will be researched and explained.

Person responsible for corrective action:

Elisha Matthews, Secretary-Treasurer
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

**Corrective Action Plan for Current-Year Findings and Questioned Cost
December 31, 2001**

Anticipated completion date: Immediately.

Reference # and title: **01-F3** **Funding Levels for Head Start**

Condition found: According to guidelines for the Head Start program (45 CFR 1305.2) enrollment levels must adhere to the levels specified in the financial assistance award.

Enrollment levels during the year fluctuated. Four months were selected for testing the enrollment levels. The levels fluctuated from 143 to 154 for those four months. The funded enrollment level for the year was 154.

Corrective action planned: Actual enrollment will be monitored closely to ensure that the funded enrollment levels are maintained.

Person responsible for corrective action:

Elisha Matthews, Secretary-Treasurer
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: **01-F4** **Utility Allowance Review**

Condition found: According to 24 CFR section 982-517, Section 8 must maintain an up-to-date utility allowance schedule. Utility rate data for each utility category must be reviewed each year and the allowance should be adjusted if there has been a rate change of 10% or more for a utility category or fuel type since the last time the utility allowance schedule was revised.

The utility allowance rate data was not reviewed and the utility allowance schedule was not adjusted for the year ended December 31, 2001.

Corrective action planned: Updated utility rate information will be obtained and the utility rate schedule will be reviewed to determine if any adjustments are needed to the current schedule.

Person responsible for corrective action:

Elisha Matthews, Secretary-Treasurer
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

**Corrective Action Plan for Current-Year Findings and Questioned Cost
December 31, 2001**

Reference # and title: **01-E5** **Lack of Comparability in Head Start Reports**

Condition found: Various reports issued to Head Start should have comparable data for the same periods reported. The data for these reports should be traceable to the accounting records.

The cash transaction reports showed a total of \$796,761 in outlays. The income statement for the same period (7/1/00 to 6/30/01) showed \$755,094. The financial status report for the same period reflected \$784,960 in outlays. The year-end financial reports used revenue amounts instead of actual outlays.

Corrective action planned: The fiscal department will use information derived from accounting records to compile the Head Start reports. If there are any significant changes (general entries) are made to the accounting records, these changes will be reflected in the ensuing report or in a revised report.

Person responsible for corrective action:

Rlisha Matthews, Secretary-Treasurer
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

Management Letter Items

East Carroll Parish Police Jury

Status of Prior Management Letter Items
December 31, 2001

Reference # and title: 00-M1 Section 8 Waiting List Documentation

Initially occurred: December 31, 2000.

Condition: The Section 8 administrative plan must include policies for selecting applicants from the waiting list and adherence to these policies must be documented. The Section 8 program does not have adequate procedures in place to ensure proper documentation for the selection of applicants from the waiting list.

Corrective action taken: Documentation of placement of applicants from the waiting list was maintained.

Reference # and title: 00-M2 Cash Disbursement Procedures for Head Start

Initially occurred: December 31, 2000.

Condition: In testing cash disbursements several instances were noted in which disbursements for Head Start did not follow the Police Jury procedures for disbursements. Fifteen Head Start checks to vendors were tested for several attributes to determine if procedures established by the Police Jury for paying bills were being followed. Documentation was not canceled for fourteen of the fifteen checks. No purchase order was attached for three of the fifteen checks. Late fees or sales tax was paid on two of the checks. Three of the invoices were not paid timely.

Corrective action taken: Steps have been taken to provide adequate documentation for disbursements.

Reference # and title: 00-M3 Capitalization Policy

Initially occurred: December 31, 2000.

Condition: The Police Jury does not presently have a formal policy stating the dollar amount to be used for capitalization of fixed assets. Presently amounts ranging from \$100 to \$500 are being used. The dollar amount being used is small and results in many items being included on the fixed asset listing. The Police Jury must calculate depreciation on these items since the adoption of GASB 34. All factors should be considered by the Jury when determining a capitalization threshold.

Corrective action taken: See current-year finding 01-F1.

East Carroll Parish Police Jury

**Status of Prior Management Letter Items
December 31, 2001**

Reference # and title: **00-M4** **Accounting for Capital Assets**

Initially occurred: December 31, 2000.

Condition: The Police Jury adopted GASB 34 "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments" for the December 31, 1999, year-end. Depreciation of capital assets was one of the major changes which the Police Jury encountered due to the implementation of GASB 34. The procedures and software used to account for changes in capital assets should be reviewed and improved to provide the information needed. Presently, the Jury does not have formal procedures in place to document the deletion of capital assets. A form could be developed for both additions and deletions. The depreciation schedule is currently kept on a spreadsheet. Deletions from the schedule are difficult to account for because once the asset is removed nothing remains on the spreadsheet for the asset.

Corrective action taken: See current-year finding 01-F1.