

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
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

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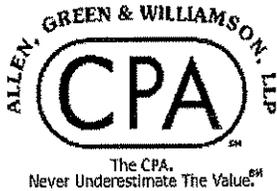
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(Concluded)



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Independent Auditors' Report

Police Jurors
East Carroll Parish Police Jury
Lake Providence, Louisiana

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the East Carroll Parish Police Jury as of and for the year ended December 31, 2011, which collectively comprise the basic financial statements of the Police Jury's primary government as listed in the table of contents. These financial statements are the responsibility of the Police Jury's management. Our responsibility is to express opinions on these 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Police Jury's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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 opinions.

The financial statements do not include financial data of all of the Police Jury's legally separate component units. Accounting principles generally accepted in the United States of America require the financial data for all component units to be reported with the financial data of the Police Jury's primary government unless the Police Jury also issues financial statements for the financial reporting entity that include the financial data for its component units. The Police Jury has not issued such reporting entity financial statements.

In our opinion, because of the omission of the discretely presented component units, as discussed above, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the aggregate discretely presented component units of the Police Jury as of December 31, 2011, or the changes in financial position thereof for the year then ended. The effect of the omission of the discretely presented component units to the financial statements for the aggregate discretely presented component units is not reasonably determinable.

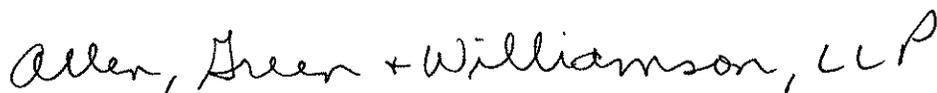
In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Police Jury as of December 31, 2011 and the respective changes in financial position and cash flows, where applicable, thereof 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 our report dated July 3, 2012 on our consideration of the Police Jury's internal control over financial reporting and on our test of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Police Jury's basic financial statements of the primary government. The accompanying supplemental information, as listed in the table of contents and the schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, is presented for purposes of additional analysis and is not a required part of the primary government financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the primary government's financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplemental information, as listed in the table of contents and the schedule of expenditures of federal awards, are fairly stated in all material respects in relation to the primary government's financial statements as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Police Jury's basic financial statements of the primary government. The information identified in the table of contents as Other Information is presented for the purposes of additional analysis and is not a required part of the primary government financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.



ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
July 3, 2012

REQUIRED SUPPLEMENTAL INFORMATION

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

**East Carroll Parish Police Jury
Management's Discussion and Analysis (MD&A)
December 31, 2011**

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, 2011. All amounts are reported in thousands unless otherwise noted.

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

Total spending for all our governmental activities was \$3,722 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 four areas: public works \$1,088, other general government \$253, finance and administration \$208 and culture and recreation \$370.

Governmental activities reported an increase in net assets of \$274 due to grant revenue.

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, Drainage Maintenance, and Criminal Court.

**East Carroll Parish Police Jury
Management's Discussion and Analysis (MD&A)
December 31, 2011**

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
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Schedule of Compensation Paid Police Jurors**

Single Audit Information and Other Information

**Other Reports Required By Government Auditing Standards and By
Office of Management and Budget (OMB) Circular A-133**

Other Information

**East Carroll Parish Police Jury
Management's Discussion and Analysis (MD&A)
December 31, 2011**

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 with the government-wide financial statements. 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, we divide the Police Jury into two kinds of activities:

Governmental activities - Most 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.

Business-type activities - The Police Jury manages the Section 8 Housing Choice Voucher program and receives an administrative fee for the activities. This program is reported here.

Reporting the Police Jury's Most Significant Funds

Fund Financial Statements The Police Jury's fund financial statements, which begin on page 20, 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 Road Maintenance and Construction 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 Section 8). The Police Jury's governmental funds use the following accounting approach:

**East Carroll Parish Police Jury
Management's Discussion and Analysis (MD&A)
December 31, 2011**

Governmental funds - Most 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 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 reconciliation on Statements D and F.

Proprietary funds - Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Assets and the Statements of Activities. In fact, the police Jury's Section 8 enterprise funds (a component of proprietary funds) is the same as business-type activities we report in the government-wide financial statements but provide more detail and additional information, such as cash flows, for proprietary funds.

THE POLICE JURY AS A WHOLE The Police Jury's net assets were \$8,581 at December 31, 2011. Of this amount, \$644 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 focuses on the net assets (Table 1) and change in net assets (Table 2) of the Police Jury's governmental and business-type activities.

**Table 1
Net Assets
December 31,
(in thousands)**

| | <u>Governmental Activities</u> | | <u>Business-Type Activities</u> | |
|---|--------------------------------|-----------------|-------------------------------------|---------------|
| | <u>2011</u> | <u>2010</u> | <u>2011</u> | <u>2010</u> |
| Current and other assets | \$ 4,102 | \$ 3,838 | \$ 95 | \$ 104 |
| Capital assets | 5,189 | 5,482 | - | - |
| Total assets | <u>9,291</u> | <u>9,320</u> | <u>95</u> | <u>104</u> |
| Current and other liabilities | 91 | 278 | 1 | 1 |
| Long-term liabilities | 619 | 734 | - | - |
| Total liabilities | <u>710</u> | <u>1,012</u> | <u>1</u> | <u>1</u> |
| Net assets | | | | |
| Invested in capital assets, net of related debt | 4,575 | 4,753 | - | - |
| Restricted | 3,362 | 3,139 | 88 | 102 |
| Unrestricted | 644 | 416 | 6 | 1 |
| Total net assets | <u>\$ 8,581</u> | <u>\$ 8,308</u> | <u>\$ 94</u> | <u>\$ 103</u> |

**East Carroll Parish Police Jury
Management's Discussion and Analysis (MD&A)
December 31, 2011**

The \$644 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 \$644 left. Unrestricted net assets increased approximately \$228 from the prior year. The changes in net assets are discussed later in this MD&A.

The net assets of our business-type activities decreased \$9.

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, 2011

Table 2
Changes in Net Assets
Years Ended December 31,
(in thousands)

| | <u>Governmental Activities</u> | | | <u>Business-Type Activities</u> | | |
|-------------------------------------|--------------------------------|--------------|--|---------------------------------|-------------|--|
| | <u>2011</u> | <u>2010</u> | <u>Increase (Decrease) From 2010</u> | <u>2011</u> | <u>2010</u> | <u>Increase (Decrease) From 2010</u> |
| Revenues: | | | | | | |
| Program revenues | | | | | | |
| Charges for services | \$ 566 | \$ 619 | \$ (53) | \$ - | \$ - | \$ - |
| Operating grants & contributions | 407 | - | 407 | 650 | 675 | (25) |
| Capital grants & contributions | 316 | 604 | (288) | - | - | - |
| General Revenues | | | | | | |
| Ad valorem taxes | 1,924 | 1,900 | 24 | - | - | - |
| Sales taxes | 522 | 544 | (22) | - | - | - |
| State revenue sharing | 54 | 56 | (2) | - | - | - |
| Licenses and permits | 101 | 92 | 9 | - | - | - |
| Other general revenues | 124 | 117 | 7 | - | - | - |
| Total revenues | <u>4,014</u> | <u>3,932</u> | <u>82</u> | <u>650</u> | <u>675</u> | <u>(25)</u> |
| Functions/Program Expenses: | | | | | | |
| General government: | | | | | | |
| Legislative | 88 | 173 | (85) | - | - | - |
| Judicial | 607 | 527 | 80 | - | - | - |
| Elections | 34 | 31 | 3 | - | - | - |
| Finance and administrative | 208 | 205 | 3 | - | - | - |
| Other general government | 270 | 344 | (74) | - | - | - |
| Public safety | 517 | 579 | (62) | - | - | - |
| Public works | 1,432 | 1,287 | 145 | - | - | - |
| Health and welfare | 114 | 132 | (18) | 678 | 664 | 14 |
| Culture and recreation | 382 | 390 | (8) | - | - | - |
| Economic development and assistance | 16 | 9 | 7 | - | - | - |
| Transportation | 24 | 25 | (1) | - | - | - |
| Interest on long-term debt | 30 | 38 | (8) | - | - | - |
| Total expenses | <u>3,722</u> | <u>3,740</u> | <u>(18)</u> | <u>678</u> | <u>664</u> | <u>14</u> |
| Excess before transfers | 292 | 192 | 100 | (28) | 11 | (39) |
| Transfers | (19) | - | (19) | 19 | - | 19 |
| Increase (decrease) in net assets | <u>273</u> | <u>192</u> | <u>81</u> | <u>(9)</u> | <u>11</u> | <u>(20)</u> |
| Net assets - beginning | <u>8,308</u> | <u>8,116</u> | <u>192</u> | <u>103</u> | <u>92</u> | <u>11</u> |
| Net assets - ending | <u>8,581</u> | <u>8,308</u> | <u>273</u> | <u>94</u> | <u>103</u> | <u>(9)</u> |

East Carroll Parish Police Jury
Management's Discussion and Analysis (MD&A)
December 31, 2011

The increase in the governmental activities net assets of \$273 is due mainly to grant revenues.

Revenue for operating and capital grants and contributions increased by approximately \$119 due to prior year reimbursements were received in 2011.

There was a decrease in charges for services of \$53 which is due mainly to a decrease in commercial garbage customers.

Governmental Activities As reported in the Statement of Activities, the cost of all of our governmental activities this year was \$3,722. However, the amount that our taxpayers ultimately financed for these activities through Police Jury taxes was only \$2,431 because some of the cost was paid by those who benefited from the programs \$566 or by other governments and organizations who subsidized certain programs with grants and contributions \$723. We paid for the remaining "public benefit" portion of our governmental activities with \$2,446 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, public safety, other general government, public works, finance and administrative, 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.

Years Ended December 31,

| | <u>Governmental Activities</u> | | | | <u>Business-Type Activities</u> | | | |
|----------------------------|-----------------------------------|---------------------------------|-----------------------------------|---------------------------------|-----------------------------------|------------------------|-----------------------------------|------------------------|
| | <u>(in thousands)</u> | | | | <u>(in thousands)</u> | | | |
| | Total Cost of Services 2011 | Net Cost of Services 2011 | Total Cost of Services 2010 | Net Cost of Services 2010 | Total Cost of Services 2011 | Net Cost of 2011 | Total Cost of Services 2010 | Net Cost of 2010 |
| Judicial | \$ 607 | \$ 160 | \$ 527 | \$ 41 | \$ - | \$ - | \$ - | \$ - |
| Finance and administrative | 208 | 208 | 205 | 205 | - | - | - | - |
| Other general government | 270 | 253 | 344 | 21 | - | - | - | - |
| Public safety | 517 | 52 | 579 | 418 | - | - | - | - |
| Public works | 1,432 | 1,088 | 1,287 | 1,052 | - | - | - | - |
| Culture and Recreation | 382 | 370 | 390 | 380 | - | - | - | - |
| All others | 306 | 300 | 408 | 401 | 678 | 28 | 664 | (11) |
| Totals | <u>\$ 3,722</u> | <u>\$ 2,431</u> | <u>\$ 3,740</u> | <u>\$ 2,518</u> | <u>\$ 678</u> | <u>\$ 28</u> | <u>\$ 664</u> | <u>\$ (11)</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.

**East Carroll Parish Police Jury
Management's Discussion and Analysis (MD&A)
December 31, 2011**

As the Police Jury completed this year, our governmental funds reported a combined fund balance of \$4,017 which is an increase of \$451 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 \$321 to \$655. This increase is due to an increase in federal grant revenue and a decrease in capital outlay expense.

The Road Maintenance and Construction fund accounts for funds used to maintain the parish roads and streets. This fund showed an increase of \$24 to \$813. The increase was due to a decrease in capital outlay expense.

The Garbage District No. 1 accounts for the parish garbage collection services begun in 2001. This fund showed a decrease of \$3 to \$606 due mainly to equipment repairs.

The Library fund accounts for the public library. This fund showed a decrease of \$46 to \$442. The decrease was due to an increase in pension expense.

The Drainage Maintenance fund accounts for the maintenance of the parish drainage system. This fund showed an increase of \$133 to \$683. This increase was due to no major equipment purchases.

The Criminal Court fund accounts for the activities of the parish court. This fund showed a decrease of \$83 to \$3. This decrease is due to a decrease in court costs revenue and an increase in wages and associated benefits.

The Other Governmental funds are comprised of the debt service fund and special revenue funds (Airport Hangar, Rural Fire Protection, Lakeside Walking Trail, LSU/SU Extension, Criminal Court, Health Unit and Health Unit Equipment). The combined funds showed an increase of \$104 to \$815.

The Section 8 Voucher fund accounts for the activity for HUD's Section 8 Housing Choice Voucher program. This fund showed a decrease of \$9 to \$94.

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 2011 general fund original budget. The primary change was to federal grant activity.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets At December 31, 2011, the Police Jury had \$5,189 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 \$293 or 5.3%, from last year. The primary reason for the net decrease is a result of depreciation expense exceeding current year purchases.

**East Carroll Parish Police Jury
Management's Discussion and Analysis (MD&A)
December 31, 2011**

**Capital Assets at December 31,
(in thousands)**

| | <u>Governmental Activities</u> | | <u>Business-Type Activities</u> | |
|----------------------------------|--------------------------------|-----------------|---------------------------------|-------------|
| | <u>2011</u> | <u>2010</u> | <u>2011</u> | <u>2010</u> |
| Land | \$ 376 | \$ 376 | \$ - | \$ - |
| Construction in progress | 104 | 47 | - | - |
| Buildings | 1,146 | 1,197 | - | - |
| Equipment and furniture | 509 | 622 | - | - |
| Vehicles | 459 | 558 | - | - |
| Books, periodicals and law books | 4 | 7 | - | - |
| Infrastructure | 2,591 | 2,675 | - | - |
| Total net assets | <u>\$ 5,189</u> | <u>\$ 5,482</u> | <u>\$ -</u> | <u>\$ -</u> |

This year's additions of \$63 were comprised of construction in progress for the airport obstruction removal project and the purchase of signs and fencing. 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.

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 result of 2,103.49 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 thirty-two bridges, eleven of which are concrete structures and twenty-one are wooden structures. Most bridges are thirty to fifty feet in length with two to three spans. The longest bridge is the Bayou Macon Bridge with twelve spans for a total length of 269 feet. The next longest is Loggy Bayou bridge with eight 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 two spans for a total length of 23 feet.

Cost of infrastructure assets was 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 was 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

East Carroll Parish Police Jury
Management's Discussion and Analysis (MD&A)
December 31, 2011

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 \$470 in general obligation bonds outstanding versus \$520 last year, a decrease of 9.6%. The Police Jury's general obligation bonds are not rated. The state limits the amount of general obligation debt that parishes can issue up to 10 percent of the assessed value of all taxable property within the parish. The Police Jury's net outstanding general obligation debt of \$395 is significantly below this \$4,227 statutorily imposed limit.

The Police Jury financed the purchase of the garbage truck by taking out a loan at a local bank. Outstanding notes payable at December 31, 2011 was \$144.

Other obligations are accrued vacations. We present more detailed information about our long-term liabilities in Note 9 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 2012-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 2011 to 2012. Approximately 85% of total revenue is from ad valorem and sales taxes. We have projected no increase in net assets for the 2012 budget year. We project that capital additions will be minimal for the 2012 year.

CONTACTING THE POLICE JURY'S FINANCIAL MANAGEMENT Our financial report is designed to provide our citizens, taxpayers, 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. Lucas, Secretary-Treasurer, at the East Carroll Parish Police Jury, 400 First Street, Lake Providence, Louisiana 71254, telephone number (318) 559-2256.

BASIC FINANCIAL STATEMENTS

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

EAST CARROLL PARISH POLICE JURY

STATEMENT OF NET ASSETS

December 31, 2011

Statement A

| | GOVERNMENTAL ACTIVITIES | BUSINESS-TYPE ACTIVITIES | TOTAL |
|---|----------------------------|-----------------------------|---------------------|
| ASSETS | | | |
| Cash and cash equivalents | \$ 1,398,462 | \$ 3,671 | \$ 1,402,133 |
| Investments | 830,365 | 0 | 830,365 |
| Receivables (net) | 1,873,307 | 0 | 1,873,307 |
| Prepaid items | 0 | 3,286 | 3,286 |
| Cash and cash equivalents - restricted | 0 | 87,661 | 87,661 |
| Capital assets not being depreciated | 479,381 | 0 | 479,381 |
| Capital assets, net of accumulated depreciation | 4,710,041 | 0 | 4,710,041 |
| TOTAL ASSETS | 9,291,556 | 94,618 | 9,386,174 |
| LIABILITIES | | | |
| Accounts payable | 84,835 | 655 | 85,490 |
| Interest payable | 5,987 | 0 | 5,987 |
| Long-term liabilities | | | |
| Due within one year | 118,328 | 219 | 118,547 |
| Due in more than one year | 501,069 | 0 | 501,069 |
| TOTAL LIABILITIES | 710,219 | 874 | 711,093 |
| NET ASSETS | | | |
| Invested in capital assets, net of related debt | 4,575,178 | 0 | 4,575,178 |
| Restricted for: | | | |
| Debt service | 75,183 | 0 | 75,183 |
| Special Revenue | 3,287,210 | 0 | 3,287,210 |
| Housing Assistance Payments | 0 | 87,661 | 87,661 |
| Unrestricted | 643,766 | 6,083 | 649,849 |
| TOTAL NET ASSETS | \$ 8,581,337 | \$ 93,744 | \$ 8,675,081 |

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, 2011

| FUNCTIONS/PROGRAMS | PROGRAM REVENUES | | | |
|-------------------------------------|------------------|----------------------|------------------------------------|----------------------------------|
| | EXPENSES | CHARGES FOR SERVICES | OPERATING GRANTS AND CONTRIBUTIONS | CAPITAL GRANTS AND CONTRIBUTIONS |
| <i>Governmental Activities:</i> | | | | |
| General government: | | | | |
| Legislative | \$ 88,147 | \$ 0 | \$ 0 | \$ 0 |
| Judicial | 607,067 | 446,917 | 0 | 0 |
| Elections | 34,010 | 0 | 0 | 0 |
| Finance and administrative | 207,774 | 0 | 0 | |
| Other general government | 270,302 | 16,927 | 0 | |
| Public safety | 516,656 | 0 | 153,006 | 311,478 |
| Public works | 1,432,468 | 88,647 | 251,563 | 4,631 |
| Health and welfare | 114,044 | 0 | 1,400 | 0 |
| Culture and recreation | 381,635 | 8,105 | 3,466 | 0 |
| Economic development and assistance | 15,690 | 1,256 | 0 | 0 |
| Transportation | 23,934 | 3,825 | 0 | 0 |
| Interest on long-term debt | 30,477 | 0 | 0 | 0 |
| Total Governmental Activities | 3,722,204 | 565,677 | 409,435 | 316,109 |
| <i>Business-Type Activities:</i> | | | | |
| Finance and administrative | 0 | 0 | 0 | 0 |
| Health and welfare | 678,408 | 0 | 650,424 | 0 |
| Total Component Units | \$ 678,408 | \$ 0 | \$ 650,424 | \$ 0 |

General revenues:

Taxes:

Property taxes, levied for general purposes

Property taxes, levied for debt services

Sales taxes, levied for general purposes

State revenue sharing

Other taxes

Grants and contributions not restricted to specific programs

Licenses and permits

Interest and investment earnings

Miscellaneous

Total general revenues

Excess before transfers

Transfers in(out)

Changes in net assets

Net assets - beginning

Net assets - ending

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

Statement B

NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS

| GOVERNMENTAL ACTIVITIES | BUSINESS-TYPE ACTIVITIES | TOTAL |
|----------------------------|-----------------------------|---------------------|
| \$ (88,147) | \$ 0 | \$ (88,147) |
| (160,150) | 0 | (160,150) |
| (34,010) | 0 | (34,010) |
| (207,774) | 0 | (207,774) |
| (253,375) | 0 | (253,375) |
| (52,172) | 0 | (52,172) |
| (1,087,627) | 0 | (1,087,627) |
| (112,644) | 0 | (112,644) |
| (370,064) | 0 | (370,064) |
| (14,434) | 0 | (14,434) |
| (20,109) | 0 | (20,109) |
| (30,477) | 0 | (30,477) |
| <u>(2,430,983)</u> | <u>0</u> | <u>(2,430,983)</u> |
| | 0 | 0 |
| | <u>(27,984)</u> | <u>(27,984)</u> |
| | <u>(27,984)</u> | <u>(27,984)</u> |
| 1,855,739 | 0 | 1,855,739 |
| 68,750 | 0 | 68,750 |
| 522,246 | 0 | 522,246 |
| 53,585 | 0 | 53,585 |
| 34,974 | 0 | 34,974 |
| 56,601 | 0 | 56,601 |
| 100,704 | 0 | 100,704 |
| 3,538 | 178 | 3,716 |
| 27,198 | 0 | 27,198 |
| <u>2,723,335</u> | <u>178</u> | <u>2,723,513</u> |
| 292,352 | (27,806) | 264,546 |
| <u>(18,690)</u> | <u>18,690</u> | <u>0</u> |
| 273,662 | (9,116) | 264,546 |
| <u>8,307,675</u> | <u>102,860</u> | <u>8,410,535</u> |
| <u>\$ 8,581,337</u> | <u>\$ 93,744</u> | <u>\$ 8,675,081</u> |

BASIC FINANCIAL STATEMENTS

Fund Financial Statements (FFS)

East Carroll Parish Police Jury



EAST CARROLL PARISH POLICE JURY

GOVERNMENTAL FUNDS
Balance Sheet
December 31, 2011

| | GENERAL | ROAD MAINTENANCE AND CONSTRUCTION | GARBAGE DISTRICT NO. 1 | LIBRARY |
|--|-------------------|--|------------------------------|-------------------|
| ASSETS | | | | |
| Cash and cash equivalents | \$ 238,630 | \$ 319,854 | \$ 73,577 | \$ 13,714 |
| Investments | 0 | 191,139 | 272,096 | 206,361 |
| Receivables | 389,028 | 324,267 | 275,742 | 249,461 |
| Interfund receivables | 71,799 | 0 | 0 | 0 |
| TOTAL ASSETS | 699,457 | 835,260 | 621,415 | 469,536 |
| LIABILITIES AND FUND BALANCES | | | | |
| Liabilities: | | | | |
| Accounts payable | 44,551 | 11,714 | 3,388 | 16,579 |
| Interfund payables | 0 | 10,543 | 11,590 | 10,516 |
| Total Liabilities | 44,551 | 22,257 | 14,978 | 27,095 |
| Fund Balances: | | | | |
| Restricted | 0 | 813,003 | 606,437 | 442,441 |
| Unassigned | 654,906 | 0 | 0 | 0 |
| Total Fund Balances | 654,906 | 813,003 | 606,437 | 442,441 |
| TOTAL LIABILITIES AND FUND BALANCES | \$ 699,457 | \$ 835,260 | \$ 621,415 | \$ 469,536 |

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

Statement C

| DRAINAGE MAINTENANCE | CRIMINAL COURT | OTHER GOVERNMENTAL | TOTAL |
|-------------------------|-------------------|-----------------------|---------------------|
| \$ 381,161 | \$ 16,076 | \$ 355,450 | \$ 1,398,462 |
| 61,533 | 0 | 99,236 | 830,365 |
| 250,068 | 19,290 | 365,451 | 1,873,307 |
| 0 | 0 | 0 | 71,799 |
| <u>692,762</u> | <u>35,366</u> | <u>820,137</u> | <u>4,173,933</u> |
| 0 | 8,603 | 0 | 84,835 |
| 10,043 | 23,325 | 5,782 | 71,799 |
| <u>10,043</u> | <u>31,928</u> | <u>5,782</u> | <u>156,634</u> |
| 682,719 | 3,438 | 814,355 | 3,362,393 |
| 0 | 0 | 0 | 654,906 |
| <u>682,719</u> | <u>3,438</u> | <u>814,355</u> | <u>4,017,299</u> |
| <u>\$ 692,762</u> | <u>\$ 35,366</u> | <u>\$ 820,137</u> | <u>\$ 4,173,933</u> |

EAST CARROLL PARISH POLICE JURY

**Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Assets
December 31, 2011**

| | | Statement D |
|--|---------------------|-------------------------|
| Total fund balances - governmental funds | \$ | 4,017,299 |
| <p>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 those capital assets among the assets of the Police Jury as a whole. The cost of those 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.</p> | | |
| Costs of capital assets | 20,166,932 | |
| Depreciation expense to date | <u>(14,977,510)</u> | |
| | | 5,189,422 |
| <p>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.</p> | | |
| Balances at December 31, 2011 are: | | |
| Long-term liabilities | | |
| Bonds payable | (470,000) | |
| Notes payable | (144,244) | |
| Compensated absences payable | (5,153) | |
| Interest payable | <u>(5,987)</u> | |
| | | <u>(625,384)</u> |
| Net Assets | \$ | <u><u>8,581,337</u></u> |

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
 For the Year Ended December 31, 2011

| | GENERAL | ROAD MAINTENANCE AND CONSTRUCTION | GARBAGE DISTRICT NO. 1 | LIBRARY |
|--|-------------------|--|------------------------------|--------------------|
| REVENUES | | | | |
| Local sources: | | | | |
| Taxes: | | | | |
| Ad valorem | \$ 322,764 | \$ 289,622 | \$ 314,356 | \$ 288,920 |
| Sales and use | 52,679 | 469,567 | 0 | 0 |
| Licenses and permits | 100,704 | 0 | 0 | 0 |
| Intergovernmental revenues: | | | | |
| State funds: | | | | |
| Parish transportation funds | 0 | 141,695 | 0 | 0 |
| State revenue sharing (net) | 43,961 | 0 | 0 | 9,624 |
| Severance taxes | 34,974 | 0 | 0 | 0 |
| Other | 184,597 | 0 | 0 | 2,400 |
| Federal funds - federal grants | 436,843 | 0 | 0 | 0 |
| Fees, charges, and commissions for services | 186,401 | 0 | 0 | 0 |
| Fines and forfeitures | 0 | 0 | 0 | 0 |
| Use of money and property | 118,211 | 489 | 432 | 912 |
| Other revenues | 84,354 | 2,021 | 23,163 | 7,914 |
| Total Revenues | 1,565,488 | 903,394 | 337,951 | 309,770 |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government: | | | | |
| Legislative | 88,147 | 0 | 0 | 0 |
| Judicial | 163,105 | 0 | 0 | 0 |
| Elections | 31,786 | 0 | 0 | 0 |
| Finance and administrative | 134,076 | 0 | 0 | 0 |
| Other general government | 256,300 | 0 | 4,167 | 0 |
| Public safety | 385,699 | 0 | 0 | 0 |
| Public works | 85,914 | 843,789 | 299,199 | 0 |
| Health and welfare | 0 | 0 | 0 | 0 |
| Culture and recreation | 898 | 0 | 0 | 355,577 |
| Economic development and assistance | 15,690 | 0 | 0 | 0 |
| Transportation | 0 | 0 | 0 | 0 |
| Capital outlay | 60,887 | 0 | 0 | 0 |
| Debt service: | | | | |
| Principal retirement | 0 | 29,483 | 31,797 | 0 |
| Interest and bank charges | 0 | 6,517 | 5,608 | 0 |
| Total Expenditures | 1,222,502 | 879,789 | 340,771 | 355,577 |
| EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES | \$ 342,986 | \$ 23,605 | \$ (2,820) | \$ (45,807) |

Statement E

| <u>DRAINAGE MAINTENANCE</u> | <u>CRIMINAL COURT</u> | <u>OTHER GOVERNMENTAL</u> | <u>TOTAL</u> |
|---------------------------------|---------------------------|-------------------------------|------------------|
| \$ 289,622 | \$ 0 | \$ 419,205 | \$ 1,924,489 |
| 0 | 0 | 0 | 522,246 |
| 0 | 0 | 0 | 100,704 |
| 0 | 0 | 0 | 141,695 |
| 0 | 0 | 0 | 53,585 |
| 0 | 0 | 0 | 34,974 |
| 0 | 0 | 15,210 | 202,207 |
| 0 | 0 | 1,400 | 438,243 |
| 0 | 0 | 3,825 | 190,226 |
| 0 | 361,222 | 0 | 361,222 |
| 320 | 0 | 796 | 121,160 |
| 3,259 | 0 | 4,495 | 125,206 |
| <u>293,201</u> | <u>361,222</u> | <u>444,931</u> | <u>4,215,957</u> |
| 0 | 0 | 0 | 88,147 |
| 0 | 443,962 | 0 | 607,067 |
| 0 | 0 | 0 | 31,786 |
| 0 | 0 | 91,645 | 225,721 |
| 0 | 0 | 0 | 260,467 |
| 0 | 145 | 78,724 | 464,568 |
| 159,941 | 0 | 0 | 1,388,843 |
| 0 | 0 | 95,490 | 95,490 |
| 0 | 0 | 0 | 356,475 |
| 0 | 0 | 0 | 15,690 |
| 0 | 0 | 4,218 | 4,218 |
| 0 | 0 | 1,772 | 62,659 |
| 0 | 0 | 50,000 | 111,280 |
| 0 | 0 | 21,598 | 33,723 |
| <u>159,941</u> | <u>444,107</u> | <u>343,447</u> | <u>3,746,134</u> |
| \$ 133,260 | \$ (82,885) | \$ 101,484 | \$ 469,823 |

(CONTINUED)

EAST CARROLL PARISH POLICE JURY

GOVERNMENTAL FUNDS
 Statement of Revenues, Expenditures, and Changes
 in Fund Balances
 For the Year Ended December 31, 2011

| | GENERAL | ROAD MAINTENANCE AND CONSTRUCTION | GARBAGE DISTRICT NO. 1 | LIBRARY |
|--------------------------------------|------------|--|------------------------------|------------|
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Transfers out | (21,690) | 0 | 0 | 0 |
| Proceeds from note | 0 | 0 | 0 | 0 |
| Total Other Financing Sources (Uses) | (21,690) | 0 | 0 | 0 |
| Net Change in Fund Balances | 321,296 | 23,605 | (2,820) | (45,807) |
| FUND BALANCES - BEGINNING | 333,610 | 789,398 | 609,257 | 488,248 |
| FUND BALANCES - ENDING | \$ 654,906 | \$ 813,003 | \$ 606,437 | \$ 442,441 |

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

Statement E

| <u>DRAINAGE MAINTENANCE</u> | <u>CRIMINAL COURT</u> | <u>OTHER GOVERNMENTAL</u> | <u>TOTAL</u> |
|---------------------------------|---------------------------|-------------------------------|---------------------|
| \$ 0 | \$ 0 | \$ 3,000 | \$ 3,000 |
| 0 | 0 | 0 | (21,690) |
| 0 | 0 | 0 | 0 |
| 0 | 0 | 3,000 | (18,690) |
| 133,260 | (82,885) | 104,484 | 451,133 |
| 549,459 | 86,323 | 709,871 | 3,566,166 |
| <u>\$ 682,719</u> | <u>\$ 3,438</u> | <u>\$ 814,355</u> | <u>\$ 4,017,299</u> |

(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, 2011**

Statement F

Total net change in fund balances - governmental funds \$ 451,133

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 capital outlays exceeded depreciation expense in the period.

| | | |
|----------------------|------------------|-----------|
| Capital outlay | 62,659 | |
| Depreciation expense | <u>(355,197)</u> | (292,538) |

Repayment of bond principal and notes are an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. 114,526

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 these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This year, vacation and sick time taken \$24,769 exceeded the amounts earned \$(24,228) by \$541. 541

Change in net assets of governmental activities. \$ 273,662

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

EAST CARROLL PARISH POLICE JURY

PROPRIETARY FUND TYPE - ENTERPRISE FUND

Statement of Net Assets

December 31, 2011

Statement G

SECTION 8
VOUCHER

ASSETS

Current Assets:

| | |
|--|---------------|
| Cash and cash equivalents | \$ 3,671 |
| Prepaid items | 3,286 |
| Cash and cash equivalents - restricted | <u>87,661</u> |
| Total Current Assets | 94,618 |

Non-Current Assets

| | |
|---|----------|
| Property, plant and equipment (net of accumulated depreciation) | <u>0</u> |
|---|----------|

| | |
|--------------|---------------|
| TOTAL ASSETS | <u>94,618</u> |
|--------------|---------------|

LIABILITIES

Current Liabilities:

| | |
|------------------------------|------------|
| Accounts payable | 655 |
| Compensated absences payable | <u>219</u> |

| | |
|-------------------|------------|
| TOTAL LIABILITIES | <u>874</u> |
|-------------------|------------|

NET ASSETS

| | |
|---|--------------|
| Invested in capital assets, net of related debt | 0 |
| Restricted for HAP (Expendable) | 87,661 |
| Unrestricted | <u>6,083</u> |

| | |
|------------------|------------------|
| TOTAL NET ASSETS | <u>\$ 93,744</u> |
|------------------|------------------|

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

EAST CARROLL PARISH POLICE JURY

PROPRIETARY FUND TYPE - ENTERPRISE FUND
 Statements of Revenues, Expenses,
 and Changes in Fund Net Assets
 For the Year Ended December 31, 2011

| | Statement H |
|---|------------------------------|
| | <u>SECTION 8 VOUCHER</u> |
| OPERATING REVENUES | |
| Federal Grants | \$ 650,424 |
| Total operating revenues | <u>650,424</u> |
| OPERATING EXPENSES | |
| Administration | 97,245 |
| Housing assistance payments | 581,163 |
| Depreciation | <u>0</u> |
| Total operating expenses | <u>678,408</u> |
| OPERATING INCOME (Loss) FROM OPERATIONS | <u>(27,984)</u> |
| NONOPERATING REVENUES (EXPENSES) | |
| Interest income | <u>178</u> |
| Income before transfers | <u>(27,806)</u> |
| TRANSFERS | |
| Transfers from (to) other funds | <u>18,690</u> |
| NET CHANGE IN NET ASSETS | (9,116) |
| NET ASSETS - BEGINNING OF YEAR | <u>102,860</u> |
| NET ASSETS - END OF YEAR | <u>\$ 93,744</u> |

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

EAST CARROLL PARISH POLICE JURY
PROPRIETARY FUND TYPE - ENTERPRISE FUND
Statement of Cash Flows
For the Year Ended December 31, 2011

| | <u>Statement I</u> |
|---|------------------------------------|
| | <u>SECTION 8</u> <u>VOUCHER</u> |
| CASH FLOWS FROM OPERATING ACTIVITIES | |
| Payments to vendors | \$ (52,428) |
| Payments to employees | (44,279) |
| Payments to private landlords and others | (581,163) |
| Federal grants | <u>650,424</u> |
| NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | <u>(27,446)</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | |
| Transfers from other funds | <u>18,690</u> |
| NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES | <u>18,690</u> |
| CASH FLOW FROM INVESTING ACTIVITIES: | |
| Interest and dividends | <u>178</u> |
| NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES | <u>178</u> |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | (8,578) |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR | <u>99,910</u> |
| CASH AND CASH EQUIVALENTS AT END OF YEAR | <u><u>\$ 91,332</u></u> |
| RECONCILIATION OF OPERATING INCOME | |
| (LOSS) TO NET CASH PROVIDED (USED) | |
| BY OPERATING ACTIVITIES | |
| Operating income (loss) | \$ (27,984) |
| Adjustments to reconcile operating income | |
| to net cash provided (used) by operating | |
| activities: | |
| Depreciation expense | 0 |
| Change in assets and liabilities: | |
| Prepaid expenses | 984 |
| Accounts payable | (626) |
| Compensated absences payable | <u>180</u> |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | <u><u>\$ (27,446)</u></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, 2011**

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East Carroll Parish Police Jury
Notes to the Basic Financial Statements
As of and for the Year Ended December 31, 2011

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 five jurors representing the various districts within the parish. The jurors serve four-year terms which expire in December 2011.

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, and health care facilities.

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

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

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

**East Carroll Parish Police Jury
Notes to the Basic Financial Statements
As of and for the Year Ended December 31, 2011**

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

| <u>Component Unit</u> | <u>Method of Inclusion</u> | <u>Fiscal Year End</u> | <u>Criteria Used</u> |
|--|----------------------------|------------------------|----------------------|
| Included within the reporting entity: | | | |
| East Carroll Parish Library | Blended | December 31 | 1 and 3 |
| Sixth Judicial District Criminal Court (East Carroll Parish) | Blended | December 31 | 2 and 3 |
| LSU/SU Extension Service | Blended | December 31 | 2 |
| 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 |
| Community Action Agency of East Carroll Parish | | 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 Community Action Agency of East Carroll Parish. Separate financial statements for each of these component units can be obtained by contacting the component unit.

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.

Governmental funds: The governmental funds are 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 major governmental funds of the Police Jury are described as follows:

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.

Road Maintenance and Construction - This fund accounts for funds used to maintain the parish roads, streets and bridges.

Garbage District No. 1 - This fund accounts for the parish garbage collection services begun in 2001.

Library fund - This fund accounts for the activities performed for the public library.

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

Criminal court - This fund accounts for the activities of the parish court.

East Carroll Parish Police Jury
Notes to the Basic Financial Statements
As of and for the Year Ended December 31, 2011

Proprietary Fund - The proprietary fund accounts for activities similar to those found in the private sector where the determination of net income is necessary or useful to sound financial administration. The proprietary fund differs from a governmental fund in that its focus is on income measurement which, together with the maintenance of equity, is an important financial indicator.

Section 8 Voucher - This fund accounts for the activity for HUD's Section 8 Housing Choice Voucher program. The purpose is to assist low-income families in obtaining affordable housing.

Activities accounted for in the Police Jury's proprietary fund follow all applicable GASB pronouncements as well as applicable Financial Accounting Standards Board pronouncements issued on or before November 30, 1989.

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." Fiduciary funds are not included in the government-wide financial statements.

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 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.

East Carroll Parish Police Jury
Notes to the Basic Financial Statements
As of and for the Year Ended December 31, 2011

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 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 long-term obligations, which are recognized when due.

Other Financing Sources (Uses) Sale of capital 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.

Proprietary Funds

Operating Revenues and Expenses Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with the fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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.

East Carroll Parish Police Jury
Notes to the Basic Financial Statements
As of and for the Year Ended December 31, 2011

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:

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

Definitions:

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

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

The Police Jury participates in the Louisiana Asset Management Pool, Inc., (LAMP) which is an external investment pool that is not SEC-registered. Because the LAMP is an arrangement sponsored by a type of governmental entity, it is exempt by statute from regulation by the SEC. LAMP is a 2a7-like investment pool.

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA-R.S. 33.2955.

The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

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

**East Carroll Parish Police Jury
Notes to the Basic Financial Statements
As of and for the Year Ended December 31, 2011**

LAMP issues financial reports. These financial reports can be obtained by writing: LAMP, Inc., 228 St. Charles Avenue, Suite 1123, New Orleans, LA 70130.

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

J. CAPITAL ASSETS Capital assets exceeding \$1,000 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, 2011

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.

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.

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

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

The employees' right to receive compensation is 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.

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 another 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;

East Carroll Parish Police Jury
Notes to the Basic Financial Statements
As of and for the Year Ended December 31, 2011

Imposed by law through constitutional provisions or enabling legislation. All of the Police Jury's restricted net assets are restricted by enabling legislation except for net assets restricted for housing assistance payments.

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 The Police Jury adopted GASB 54 Fund Balance Reporting and Governmental Fund Type Definitions for the year ended December 31, 2011. GASB 54 requires the fund balance amounts to be reported within the fund balance categories as follows:

Non-spendable: Fund balance that is not in spendable form or legally or contractually required to be maintained intact. This category includes items that are not easily converted to cash such as inventories and prepaid items.

Restricted: Fund balance that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

Committed: Fund balance that can only be used for specific purposes determined by the Police Jury's highest level of decision making authority. Committed amounts cannot be used for any other purpose unless the Police Jury removes or changes the specified use by taking the same type of action it employed to previously commit the funds. Committed fund balance is the result of either a policy of the Jury or motions were passed at a Jury meeting committing the funds. The motions passed are usually the result of budget revisions.

Assigned: Fund balance that is constrained by the Police Jury's intent to be used for specific purposes, but are neither restricted nor committed. Intent should be expressed by the Jury or Finance Committee.

Unassigned: Fund balance that is the residual classification for the general fund.

The Police Jury reduces committed amounts, followed by assigned amounts and then unassigned amounts when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

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 July 2008, this tax was renewed for five years. The taxing period for the renewal is effective from January 1, 2009 through December 31, 2013. The net proceeds of the tax (after necessary costs of collection) are to be used to construct, operate, and maintain parish public roads, drainage canals, and public bridges, with ten percent of the proceeds used exclusively for insurance premiums.

**East Carroll Parish Police Jury
Notes to the Basic Financial Statements
As of and for the Year Ended December 31, 2011**

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.

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Excess of Actual Expenditures Over Budgeted Expenditures in Individual Funds The following funds had actual expenditures which exceeded budgeted expenditures for the year ended December 31, 2011:

| | <u>Final Budget</u> | <u>Actual</u> | <u>Unfavorable Variance</u> |
|------------------------|---------------------|---------------|-----------------------------|
| Garbage District No. 1 | \$312,375 | \$335,163 | \$22,788 |

The unfavorable budget variance is a result of expenditures exceeding the budget in the last month of the year.

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.

Property Tax Calendar

| | |
|-------------------------------------|--------------------|
| Millage rates adopted | September 13, 2011 |
| Levy date | September 13, 2011 |
| Tax bills mailed | November 2011 |
| Due date | December 31, 2011 |
| Lien date | January 1, 2012 |
| Tax sale – 2011 delinquent property | June 2012 |

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 |

East Carroll Parish Police Jury
Notes to the Basic Financial Statements
As of and for the Year Ended December 31, 2011

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, 2008. Total assessed value was \$42,267,234 in calendar year 2011. Louisiana state law exempts the first \$75,000 of assessed value of a taxpayer's primary residence from parish property taxes. This homestead exemption was \$5,681,675 of the assessed value in calendar year 2011.

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 fund, library special revenue fund, health unit special revenue fund, extension service 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 2011 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, 2011:

| | <u>Authorized Millage</u> | <u>Levied Millage</u> | <u>Expiration Date</u> |
|------------------------------------|-------------------------------|---------------------------|----------------------------|
| Parish-wide taxes: | | | |
| General fund | 6.40 | 6.60 | Indefinite |
| Courthouse maintenance | 2.45 | 2.53 | 2014 |
| Road maintenance | 7.99 | 8.24 | 2012 |
| Drainage maintenance | 7.99 | 8.24 | 2012 |
| Library maintenance | 7.97 | 8.22 | 2014 |
| Health unit | 4.60 | 4.74 | 2017 |
| La Cooperative Extension program | 2.66 | 2.74 | 2014 |
| District taxes: | | | |
| Rural fire protection | 3.03 | 3.25 | 2018 |
| Rural fire protection debt service | Variable | 2.55 | 2018 |
| Waste collection and disposal | 11.66 | 11.66 | 2010 |

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.

East Carroll Parish Police Jury
Notes to the Basic Financial Statements
As of and for the Year Ended December 31, 2011

NOTE 4 - DEPOSITS At December 31, 2011, the Police Jury had cash and cash equivalents (book balances) as follows:

| | |
|---|---------------------|
| Demand deposits (cash and cash equivalents per Statement A) | \$ 1,489,794 |
| Time deposits (reported as investments) | <u>100,948</u> |
| Total | <u>\$ 1,590,742</u> |

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

Custodial Credit Risk-Deposits. At year-end, the bank balance of \$1,709,013 was covered by federal depository insurance or by collateral held by the Police Jury's agent in the Police Jury's name. The Police Jury's policy does not address custodial credit risk.

Interest Rate Risk-Deposits. The Police Jury's policy does not address interest rate risk.

NOTE 5 - INVESTMENTS 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) | \$729,417 |

Investments held at December 31, 2011 consist of \$729,417 in the Louisiana Asset Management Pool (LAMP), a local government investment pool and a certificate of deposit of \$100,948.

GASB Statement No. 40 Deposit and Investment Risk Disclosure, requires disclosure of credit risk, custodial credit risk, concentration of credit risk, interest rate risk and foreign currency risk for all public entity investments.

LAMP is a 2a7-like investment pool. The following facts are relevant for 2a7-like investment pools:

Credit risk: Lamp is rated AAAM by Standard & Poor's.

Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.

Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.

Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method.

East Carroll Parish Police Jury
Notes to the Basic Financial Statements
As of and for the Year Ended December 31, 2011

The WAM of LAMP assets is restricted to not more than 60 days and consists of no securities with a maturity in excess of 397 days. The WAM of LAMP's total investments is 54 at December 31, 2011.

Foreign currency risk: Not applicable to 2a7-like pools.

NOTE 6 - RECEIVABLES The following is a summary of receivables at December 31, 2011:

| | Taxes | | Intergovernmental | | | Total |
|-------------------------------|---------------------|------------------|-------------------|------------------|------------------|---------------------|
| | Ad Valorem | Other taxes | Federal | State | Other | |
| General | \$ 277,078 | \$ 6,861 | \$ 63,113 | \$ 26,753 | \$ 15,223 | \$ 389,028 |
| Road Maintenance Construction | 250,068 | 61,748 | - | 12,451 | - | 324,267 |
| Garbage District 1 | 275,742 | - | - | - | - | 275,742 |
| Library | 249,461 | - | - | - | - | 249,461 |
| Drainage Maintenance | 250,068 | - | - | - | - | 250,068 |
| Criminal Court | - | - | - | - | 19,290 | 19,290 |
| Other Governmental | 364,169 | - | - | - | 1,282 | 365,451 |
| Total | \$ 1,666,586 | \$ 68,609 | \$ 63,113 | \$ 39,204 | \$ 35,795 | \$ 1,873,307 |

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.

East Carroll Parish Police Jury
Notes to the Basic Financial Statements
As of and for the Year Ended December 31, 2011

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

| | Balance Beginning | Additions | Deletions | Balance Ending |
|---------------------------------------|----------------------|---------------------|-------------|---------------------|
| Governmental activities | | | | |
| Nondepreciable capital assets: | | | | |
| Land | \$ 274,665 | \$ - | \$ - | \$ 274,665 |
| Airport land | 101,000 | - | - | 101,000 |
| Construction in progress | 46,933 | 56,783 | - | 103,716 |
| Total nondepreciable capital assets | <u>422,598</u> | <u>56,783</u> | <u>-</u> | <u>479,381</u> |
| Depreciable capital assets: | | | | |
| Buildings | 2,630,747 | - | - | 2,630,747 |
| Office equipment | 404,238 | - | - | 404,238 |
| Furniture & fixtures | 99,303 | 5,876 | - | 105,179 |
| Construction equipment | 1,608,354 | - | - | 1,608,354 |
| Vehicles | 2,349,689 | - | - | 2,349,689 |
| Books, periodicals & law books | 342,548 | - | - | 342,548 |
| Infrastructure: | | | | |
| Airport hangars | 25,000 | - | - | 25,000 |
| Airport runway | 763,626 | - | - | 763,626 |
| Road right-of-way | 558,234 | - | - | 558,234 |
| Road surface | 9,140,845 | - | - | 9,140,845 |
| Bridges | 1,759,091 | - | - | 1,759,091 |
| Total depreciable capital assets | <u>19,681,675</u> | <u>5,876</u> | <u>-</u> | <u>19,687,551</u> |
| Less accumulated depreciation: | | | | |
| Buildings | 1,433,640 | 50,924 | - | 1,484,564 |
| Office equipment | 290,589 | 25,164 | - | 315,753 |
| Furniture & fixtures | 68,302 | 4,822 | - | 73,124 |
| Construction equipment | 1,130,666 | 89,329 | - | 1,219,995 |
| Vehicles | 1,791,958 | 98,268 | - | 1,890,226 |
| Books, periodicals & law books | 335,300 | 2,759 | - | 338,059 |
| Infrastructure: | | | | |
| Airport hangars | 22,188 | 625 | - | 22,813 |
| Airport runway | 143,180 | 19,091 | - | 162,271 |
| Road surface | 8,326,153 | 35,595 | - | 8,361,748 |
| Bridges | 1,080,337 | 28,620 | - | 1,108,957 |
| Total accumulated depreciation | <u>14,622,313</u> | <u>355,197</u> | <u>-</u> | <u>14,977,510</u> |
| Total depreciable capital assets, net | <u>5,059,362</u> | <u>(349,321)</u> | <u>-</u> | <u>4,710,041</u> |
| Governmental activities | | | | |
| Capital assets, net | <u>\$ 5,481,960</u> | <u>\$ (292,538)</u> | <u>\$ -</u> | <u>\$ 5,189,422</u> |

East Carroll Parish Police Jury
Notes to the Basic Financial Statements
As of and for the Year Ended December 31, 2011

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

| | |
|--------------------------|------------|
| Elections | \$ 2,224 |
| Finance & administrative | 223 |
| Other general government | 9,835 |
| Public Safety | 60,330 |
| Public Works | 202,761 |
| Health & Welfare | 34,948 |
| Culture & Recreation | 25,160 |
| Transportation | 19,716 |
| Total | \$ 355,197 |

The following schedule presents changes in capital assets for the business-type activities.

| | Balance Beginning | Additions | Deletions | Balance Ending |
|---|----------------------|-----------|-----------|-------------------|
| Depreciable capital assets | | | | |
| Office equipment | \$ 5,810 | \$ - | \$ - | \$ 5,810 |
| Furniture & fixtures | 3,131 | - | - | 3,131 |
| Vehicles | 12,365 | - | - | 12,365 |
| Total | 21,306 | - | - | 21,306 |
| Less accumulated depreciation | | | | |
| Office equipment | 5,810 | - | - | 5,810 |
| Furniture & fixtures | 3,130 | - | - | 3,130 |
| Vehicles | 12,366 | - | - | 12,366 |
| Total | 21,306 | - | - | 21,306 |
| Business-type activities capital assets, net | \$ - | \$ - | \$ - | \$ - |

NOTE 8 - RETIREMENT SYSTEMS Substantially all employees of the Police Jury are members of the Parochial Employees Retirement System of Louisiana (System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. The System is composed of two district plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the Police Jury are members of Plan A.

All permanent employees working at least twenty-eight hours per week who are paid wholly or in part from parish funds and all elected parish officials are eligible to participate in the System. Under Plan A, employees who retire at or after age 65 with a minimum of seven years of creditable service, 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

East Carroll Parish Police Jury
Notes to the Basic Financial Statements
As of and for the Year Ended December 31, 2011

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 15.75 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 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, 2011, 2010, and 2009, were \$167,073, \$160,013 and \$118,773, respectively, equal to the required contribution for each year.

The System issues an annual publicly available report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Parochial Employees' Retirement System of Louisiana, Post Office Box 14619, Baton Rouge, Louisiana 70898-4619, or by calling (225) 928-1361.

NOTE 9 - LONG-TERM LIABILITIES The following is a summary of the long-term liabilities transactions and balances for the year ended December 31:

| | Beginning Balance | Additions | Deletions | Ending Balance | Amounts Due Within One year |
|-------------------------|----------------------|------------------|-------------------|-------------------|-----------------------------------|
| Governmental Activities | | | | | |
| Bonds payable: | | | | | |
| General obligation debt | \$ 520,000 | \$ - | \$ 50,000 | \$ 470,000 | \$ 50,000 |
| Other Liabilities: | | | | | |
| Compensated absences | 5,694 | 24,228 | 24,769 | 5,153 | 5,153 |
| Note payable | 208,770 | - | 64,526 | 144,244 | 63,175 |
| Governmental Activities | | | | | |
| Long-term liabilities | <u>\$ 734,464</u> | <u>\$ 24,228</u> | <u>\$ 139,295</u> | <u>\$ 619,397</u> | <u>\$ 118,328</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 (28%), the garbage district (19%), health unit (4%), and the road maintenance and construction fund (49%).

East Carroll Parish Police Jury
Notes to the Basic Financial Statements
As of and for the Year Ended December 31, 2011

The general obligation bonds payable at December 31, 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> |
|------------|----------------------------|---------------------------|----------------------------------|---------------------------------|----------------------------------|
| 2004 Issue | <u>\$750,000</u> | 3.99 | April 1, 2019 | <u>\$86,401</u> | <u>\$470,000</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, the Police Jury had accumulated \$75,183 in the debt service fund for future bond debt requirements.

The notes payable consists of three notes as follows:

| | <u>Original Amount</u> | <u>Interest Rate</u> | <u>Final Payment Due</u> | <u>Interest to Maturity</u> | <u>Principal Outstanding</u> |
|------|----------------------------|--------------------------|------------------------------|---------------------------------|----------------------------------|
| 2008 | \$ 84,560 | 6.25 | December 5, 2012 | \$ 715 | \$ 21,285 |
| 2009 | 151,571 | 4.85 | April 15, 2014 | 6,236 | 76,355 |
| 2010 | 65,500 | 4.35 | March 10, 2015 | 5,091 | 46,604 |
| | | | | <u>\$ 12,042</u> | <u>\$ 144,244</u> |

The bonds and notes payable are due as follows:

| <u>Year Ending December 31,</u> | <u>Principal Payments</u> | <u>Interest Payments</u> | <u>Total</u> |
|---------------------------------|-------------------------------|------------------------------|-------------------|
| 2012 | \$ 113,175 | \$ 26,704 | \$ 139,879 |
| 2013 | 97,585 | 20,920 | 118,505 |
| 2014 | 82,023 | 15,282 | 97,305 |
| 2015 | 61,461 | 12,039 | 73,500 |
| 2016 | 60,000 | 9,972 | 69,972 |
| 2017-2019 | 200,000 | 13,527 | 213,527 |
| Total | <u>\$ 614,244</u> | <u>\$ 98,444</u> | <u>\$ 712,688</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, the statutory limit is \$4,226,723 and net outstanding bonded debt totals \$394,817.

Compensated absences for Section 8 are as follows:

| | |
|-------------------------------|---------------|
| Beginning Balance | \$ 39 |
| Additions | 3,054 |
| Deletions | 2,874 |
| Ending Balance, due in 1 year | <u>\$ 219</u> |

NOTE 10 - 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. In the current year the criminal court paid \$0 to the General Fund based on the prior year.

East Carroll Parish Police Jury
Notes to the Basic Financial Statements
As of and for the Year Ended December 31, 2011

NOTE 11 - INTERFUND ASSETS/LIABILITIES (FFS LEVEL ONLY)

| <u>Receivable Fund</u> | <u>Payable Fund</u> | <u>Amount</u> |
|------------------------|---------------------------------|------------------|
| General Fund | Road Maintenance & Construction | \$ 10,543 |
| General Fund | Garbage District No. 1 | 11,590 |
| General Fund | Drainage Maintenance | 10,043 |
| General Fund | Library | 10,516 |
| General Fund | Criminal Court | 23,325 |
| General Fund | Other Governmental | 5,782 |
| Total | | <u>\$ 71,799</u> |

All funds are expected to pay its liability within one year. The interfund receivable/payable is the pension withholdings on ad valorem tax receipts passed through the general fund.

NOTE 12 - INTERFUND TRANSFERS

| | <u>Transfer In</u> | <u>Transfer Out</u> |
|---------------------------|--------------------|---------------------|
| <u>Governmental Funds</u> | | |
| General Fund | \$ - | \$ 21,690 |
| Other Governmental | 3,000 | - |
| <u>Business-Type</u> | | |
| Section 8 Voucher | 18,690 | - |
| Total | <u>\$ 21,690</u> | <u>\$ 21,690</u> |

The transfer from the General Fund to Section 8 was made to eliminate deficit unrestricted net assets.

NOTE 13 - LITIGATION AND CLAIMS

Litigation At December 31, 2011 there is one lawsuit outstanding. It is the opinion of legal counsel that the ultimate resolution of this lawsuit will not materially affect the financial statements.

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.

Construction Projects The Police Jury has two ongoing construction projects. The Police Jury has spent \$17,000 related to the design phase for construction of the infrastructure for an industrial site development. A total construction cost of the infrastructure is projected to be \$4 million. In 2010, the Police Jury began an airport obstruction removal project. The project is expected to be completed in 2012 with a total projected cost of \$395 thousand. A total of \$86,116 has been spent to date.

NOTE 14 - RISK MANAGEMENT The Police Jury is at risk for property damage, liability and theft which are covered by commercial insurance through the Louisianan Rural Parish Insurance Cooperative, a self-insurance fund. This self-insurance program is a public entity risk pool which was approved by the State of Louisiana Insurance Commission. The cooperative operates as any other commercial insurance company. Three insurance companies currently share the excess coverage insurance. The first \$100,000 of all coverage is self-funded by the combined contributions of the members. No additional assessments can be made against the Police Jury. The Police Jury is responsible only for the payment of premiums.

East Carroll Parish Police Jury
Notes to the Basic Financial Statements
As of and for the Year Ended December 31, 2011

NOTE 15 - FUND BALANCE CLASSIFICATION DETAILS

| | General Fund | Road Maintenance and Construction | Garbage District No. 1 | Library | Drainage Maintenance | Other Governmental | Total |
|--------------------------------------|-------------------|--|------------------------------|-------------------|-------------------------|-----------------------|---------------------|
| Restricted for: | | | | | | | |
| Road Maintenance and Construction | \$ - | \$ 813,003 | \$ - | \$ - | \$ - | \$ - | \$ 813,003 |
| Garbage | - | - | 606,437 | - | - | - | 606,437 |
| Library | - | - | - | 442,441 | - | - | 442,441 |
| Drainage Maintenance | - | - | - | - | 682,719 | - | 682,719 |
| Debt Service | - | - | - | - | - | 75,183 | 75,183 |
| Airport | - | - | - | - | - | 4,475 | 4,475 |
| Lakeside Walking Trail | - | - | - | - | - | 905 | 905 |
| Rural Fire Protection | - | - | - | - | - | 305,645 | 305,645 |
| LSU Extension | - | - | - | - | - | 117,609 | 117,609 |
| Criminal Court | - | - | - | - | - | 3,438 | 3,438 |
| Health Unit | - | - | - | - | - | 310,538 | 310,538 |
| Unassigned: | 654,906 | - | - | - | - | - | 654,906 |
| Total | \$ 654,906 | \$ 813,003 | \$ 606,437 | \$ 442,441 | \$ 682,719 | \$ 817,793 | \$ 4,017,299 |

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.

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

EAST CARROLL PARISH POLICE JURY

GENERAL FUND
Budgetary Comparison Schedule
For the Year Ended December 31, 2011

Exhibit 1-1

| | BUDGETED AMOUNTS | | ACTUAL | VARIANCE WITH |
|--|-------------------|-------------------|------------------------------|--|
| | ORIGINAL | FINAL | AMOUNTS (BUDGETARY BASIS) | FINAL BUDGET POSITIVE (NEGATIVE) |
| BUDGETARY FUND BALANCES, BEGINNING | \$ 130,000 | \$ 225,442 | \$ 225,442 | \$ 0 |
| Resources (inflows) | | | | |
| Local sources: | | | | |
| Taxes: | | | | |
| Ad valorem | 288,845 | 288,845 | 336,009 | 47,164 |
| Sales and use | 55,000 | 55,000 | 54,785 | (215) |
| Licenses and permits | 67,500 | 67,500 | 100,564 | 33,064 |
| Intergovernmental revenues: | | | | |
| State funds: | | | | |
| State revenue sharing (net) | 48,000 | 48,000 | 43,961 | (4,039) |
| Severance taxes | 49,000 | 58,000 | 30,439 | (27,561) |
| Other | 306,100 | 168,900 | 201,024 | 32,124 |
| Federal funds - federal grants | 138,151 | 398,134 | 370,791 | (27,343) |
| Fees, charges, and commissions for service | 186,401 | 186,401 | 186,401 | - |
| Use of money and property | 104,500 | 104,500 | 119,309 | 14,809 |
| Other revenues | 2,800 | 77,800 | 96,947 | 19,147 |
| Transfers from other funds | 0 | 0 | 0 | - |
| Amounts available for appropriations | <u>1,376,297</u> | <u>1,678,522</u> | <u>1,765,672</u> | <u>87,150</u> |
| Charges to appropriations (outflows) | | | | |
| General government: | | | | |
| Legislative | 214,303 | 76,152 | 88,786 | (12,634) |
| Judicial | 170,015 | 170,015 | 160,712 | 9,303 |
| Elections | 36,095 | 36,095 | 29,852 | 6,243 |
| Finance and administrative | 125,200 | 134,000 | 135,743 | (1,743) |
| Other general government | 327,700 | 318,900 | 338,060 | (19,160) |
| Public safety | 224,700 | 461,460 | 402,059 | 59,401 |
| Health and welfare | 2,000 | 2,000 | 0 | 2,000 |
| Culture and recreation | 2,700 | 118,838 | 108,301 | 10,537 |
| Economic development and assistance | 4,228 | 154,228 | 156,209 | (1,981) |
| Transfers to other funds | 3,000 | 3,000 | 21,690 | (18,690) |
| Total charges to appropriations | <u>1,109,941</u> | <u>1,474,688</u> | <u>1,441,412</u> | <u>33,276</u> |
| BUDGETARY FUND BALANCES, ENDING | <u>\$ 266,356</u> | <u>\$ 203,834</u> | <u>\$ 324,260</u> | <u>\$ 120,426</u> |

EAST CARROLL PARISH POLICE JURY
ROAD MAINTENANCE AND CONSTRUCTION
Budgetary Comparison Schedule
For the Year Ended December 31, 2011

Exhibit 1-2

| | BUDGETED AMOUNTS | | ACTUAL AMOUNTS | VARIANCE WITH FINAL BUDGET |
|--------------------------------------|-------------------|-------------------|-------------------|-------------------------------|
| | ORIGINAL | FINAL | (BUDGETARY BASIS) | POSITIVE (NEGATIVE) |
| BUDGETARY FUND BALANCES, BEGINNING | \$ 258,408 | \$ 789,398 | \$ 789,398 | \$ 0 |
| Resources (inflows) | | | | |
| Local sources: | | | | |
| Taxes: | | | | |
| Ad valorem | 247,737 | 247,737 | 278,299 | 30,562 |
| Sales and use | 500,000 | 500,000 | 509,121 | 9,121 |
| Intergovernmental revenues: | | | | |
| State funds: | | | | |
| Parish transportation funds | 138,000 | 138,000 | 153,831 | 15,831 |
| Federal funds- federal grants | 0 | 0 | 0 | 0 |
| Use of money and property | 1,170 | 1,170 | 489 | (681) |
| Other revenues | 51,420 | 51,420 | 54,129 | 2,709 |
| Amounts available for appropriations | <u>1,196,735</u> | <u>1,727,725</u> | <u>1,785,267</u> | <u>57,542</u> |
| Charges to appropriations (outflows) | | | | |
| Public works | 885,872 | 885,872 | 843,789 | 42,083 |
| Capital outlay | 36,000 | 36,000 | 0 | 36,000 |
| Transfers to other funds | 50,000 | 50,000 | 0 | 50,000 |
| Total charges to appropriations | <u>971,872</u> | <u>971,872</u> | <u>843,789</u> | <u>128,083</u> |
| BUDGETARY FUND BALANCES, ENDING | <u>\$ 224,863</u> | <u>\$ 755,853</u> | <u>\$ 941,478</u> | <u>\$ 185,625</u> |

EAST CARROLL PARISH POLICE JURY

GARBAGE DISTRICT NO. 1
 Budgetary Comparison Schedule
 For the Year Ended December 31, 2011

Exhibit 1-3

| | BUDGETED AMOUNTS | | ACTUAL | VARIANCE WITH |
|--------------------------------------|------------------|------------|------------------------------|--|
| | ORIGINAL | FINAL | AMOUNTS (BUDGETARY BASIS) | FINAL BUDGET POSITIVE (NEGATIVE) |
| BUDGETARY FUND BALANCES, BEGINNING | \$ 295,717 | \$ 329,947 | \$ 609,257 | \$ 279,310 |
| Resources (inflows) | | | | |
| Local sources: | | | | |
| Taxes: | | | | |
| Ad valorem | 285,791 | 285,791 | 314,356 | 28,565 |
| Intergovernmental revenues: | | | | |
| State revenue sharing (net) | 0 | 0 | 0 | 0 |
| Use of money and property | 675 | 675 | 432 | (243) |
| Other revenue | 25,909 | 25,909 | 23,163 | (2,746) |
| Amounts available for appropriations | 608,092 | 642,322 | 947,208 | 304,886 |
| Charges to appropriations (outflows) | | | | |
| Other general government | 3,000 | 3,000 | 4,167 | (1,167) |
| Public works | 269,969 | 269,969 | 299,199 | (29,230) |
| Debt service: | | | | |
| Principal retirement | 39,406 | 39,406 | 31,797 | 7,609 |
| Total charges to appropriations | 312,375 | 312,375 | 335,163 | (22,788) |
| BUDGETARY FUND BALANCES, ENDING | \$ 295,717 | \$ 329,947 | \$ 612,045 | \$ 282,098 |

EAST CARROLL PARISH POLICE JURY

LIBRARY
 Budgetary Comparison Schedule
 For the Year Ended December 31, 2011

Exhibit 1-4

| | BUDGETED AMOUNTS | | ACTUAL | VARIANCE WITH |
|--------------------------------------|------------------|------------|-------------------|--|
| | ORIGINAL | FINAL | (BUDGETARY BASIS) | FINAL BUDGET POSITIVE (NEGATIVE) |
| BUDGETARY FUND BALANCES, BEGINNING | \$ 264,415 | \$ 260,852 | \$ 260,852 | \$ 0 |
| Resources (inflows) | | | | |
| Local sources: | | | | |
| Taxes: | | | | |
| Ad valorem | 285,000 | 285,000 | 288,920 | 3,920 |
| Intergovernmental revenues: | | | | |
| State funds: | | | | |
| State revenue sharing (net) | 10,500 | 10,500 | 9,624 | (876) |
| Other | 10,000 | 10,000 | 2,400 | (7,600) |
| Use of money and property | 450 | 450 | 912 | 462 |
| Other revenues | 9,741 | 9,741 | 7,914 | (1,827) |
| Amounts available for appropriations | 580,106 | 576,543 | 570,622 | (5,921) |
| Charges to appropriations (outflows) | | | | |
| Culture and recreation | 406,747 | 406,747 | 355,577 | 51,170 |
| Capital outlay | 0 | 0 | 0 | 0 |
| Total charges to appropriations | 406,747 | 406,747 | 355,577 | 51,170 |
| BUDGETARY FUND BALANCES, ENDING | \$ 173,359 | \$ 169,796 | \$ 215,045 | \$ 45,249 |

EAST CARROLL PARISH POLICE JURY

DRAINAGE MAINTENANCE
 Budgetary Comparison Schedule
 For the Year Ended December 31, 2011

Exhibit 1-5

| | BUDGETED AMOUNTS | | ACTUAL | VARIANCE WITH |
|--------------------------------------|-------------------|-------------------|------------------------------|--|
| | ORIGINAL | FINAL | AMOUNTS (BUDGETARY BASIS) | FINAL BUDGET POSITIVE (NEGATIVE) |
| BUDGETARY FUND BALANCES, BEGINNING | \$ 217,319 | \$ 311,169 | \$ 311,169 | \$ 0 |
| Resources (inflows) | | | | |
| Local sources: | | | | |
| Taxes: | | | | |
| Ad valorem | 247,818 | 247,818 | 289,622 | 41,804 |
| Federal funds- federal grants | 0 | 0 | 0 | 0 |
| Use of money and property | 490 | 490 | 320 | (170) |
| Other revenues | 1,000 | 1,000 | 3,259 | 2,259 |
| Transfers from other funds | 0 | 0 | 0 | 0 |
| Amounts available for appropriations | <u>466,627</u> | <u>560,477</u> | <u>604,370</u> | <u>43,893</u> |
| Charges to appropriations (outflows) | | | | |
| Public works | 123,069 | 123,069 | 159,941 | (36,872) |
| Capital outlay | 36,000 | 36,000 | 0 | 36,000 |
| Transfers to other funds | 50,000 | 50,000 | 0 | 50,000 |
| Total charges to appropriations | <u>209,069</u> | <u>209,069</u> | <u>159,941</u> | <u>49,128</u> |
| BUDGETARY FUND BALANCES, ENDING | <u>\$ 257,558</u> | <u>\$ 351,408</u> | <u>\$ 444,429</u> | <u>\$ 93,021</u> |

East Carroll Parish Police Jury

Notes to Budgetary Comparison Schedules For the Year Ended December 31, 2011

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 re-appropriated 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, 2011, 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 per Louisiana Revised Statutes 30:1301-1314 (Local Government Budget Act).

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.

B. Unfavorable Budget Variance

Actual Expenditures Greater Than Budgeted Expenditures

| | <u>Final Budget</u> | <u>Actual</u> | <u>Unfavorable Variance</u> |
|------------------------|---------------------|---------------|-----------------------------|
| Garbage District No. 1 | \$312,375 | \$335,163 | \$22,788 |

East Carroll Parish Police Jury

**C. BUDGET TO GAAP RECONCILIATION – EXPLANATION OF DIFFERENCES BETWEEN
BUDGETARY INFLOWS AND OUTFLOWS AND GAAP REVENUES AND EXPENDITURES**

**Notes to Budgetary Comparison Schedules
For the Year Ended December 31, 2011**

| | <u>General</u> | <u>Road Maintenance & Construction</u> | <u>Garbage District No. 1</u> | <u>Library</u> | <u>Drainage Maintenance</u> |
|---|---------------------|--|-----------------------------------|-------------------|---------------------------------|
| <u>Sources/inflows of resources:</u> | | | | | |
| Actual amounts (budgetary basis) "available for appropriation" from the Budgetary Comparison Schedule | \$ 1,765,672 | \$ 1,785,267 | \$ 947,208 | \$ 570,622 | \$ 604,370 |
| The fund balance at the beginning of the year is a budgetary resource but is not a current-year revenue for financial reporting | (225,442) | (789,398) | (609,257) | (260,852) | (311,169) |
| Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes | - | - | - | - | - |
| Adjustments for conversion from cash basis to modified accrual for financial reporting purposes | <u>25,258</u> | <u>(92,475)</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental | <u>\$ 1,565,488</u> | <u>\$ 903,394</u> | <u>\$ 337,951</u> | <u>\$ 309,770</u> | <u>\$ 293,201</u> |
| <u>Uses/Outflows of resources:</u> | | | | | |
| Actual amounts (budgetary basis) "Total charges to appropriations" from the Budgetary Comparison Schedule | \$ 1,441,412 | \$ 843,789 | \$ 335,163 | \$ 355,577 | \$ 159,941 |
| Adjustments for conversion from cash basis to modified accrual for financial reporting purposes | (218,910) | 36,000 | 5,608 | - | - |
| Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes | <u>(21,690)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total expenditures as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental | <u>\$ 1,222,502</u> | <u>\$ 879,789</u> | <u>\$ 340,771</u> | <u>\$ 355,577</u> | <u>\$ 159,941</u> |

SUPPLEMENTAL INFORMATION

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

EAST CARROLL PARISH POLICE JURY

NONMAJOR GOVERNMENTAL FUNDS
 Combining Balance Sheet - By Fund Type
 December 31, 2011

Exhibit 2

| | SPECIAL REVENUE | DEBT SERVICE | TOTAL |
|--|--------------------|------------------|-------------------|
| ASSETS | | | |
| Cash and cash equivalents | \$ 340,572 | \$ 14,878 | \$ 355,450 |
| Investments | 99,236 | 0 | 99,236 |
| Receivables | 305,146 | 60,305 | 365,451 |
| TOTAL ASSETS | <u>744,954</u> | <u>75,183</u> | <u>820,137</u> |
| LIABILITIES AND FUND BALANCES | | | |
| Liabilities: | | | |
| Accounts payable | 0 | 0 | 0 |
| Interfund payables | 5,782 | 0 | 5,782 |
| Total Liabilities | <u>5,782</u> | <u>0</u> | <u>5,782</u> |
| Fund Balances: | | | |
| Restricted | 739,172 | 75,183 | 814,355 |
| Total Fund Balances | <u>739,172</u> | <u>75,183</u> | <u>814,355</u> |
| TOTAL LIABILITIES AND FUND BALANCES | <u>\$ 744,954</u> | <u>\$ 75,183</u> | <u>\$ 820,137</u> |

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, 2011

Exhibit 3

| | SPECIAL REVENUE | DEBT SERVICE | TOTAL |
|--|--------------------|------------------|-------------------|
| REVENUES | | | |
| Local sources: | | | |
| Taxes: | | | |
| Ad valorem | \$ 350,455 | \$ 68,750 | \$ 419,205 |
| Intergovernmental revenues: | | | |
| State funds: | | | |
| Other | 15,210 | 0 | 15,210 |
| Federal funds - federal grants | 1,400 | 0 | 1,400 |
| Fees, charges, and commissions for services | 3,825 | 0 | 3,825 |
| Use of money and property | 741 | 55 | 796 |
| Other revenues | 4,495 | 0 | 4,495 |
| Total Revenues | 376,126 | 68,805 | 444,931 |
| EXPENDITURES | | | |
| Current: | | | |
| General government: | | | |
| Finance and administrative | 86,210 | 5,435 | 91,645 |
| Public Safety | 78,724 | 0 | 78,724 |
| Health and welfare | 95,490 | 0 | 95,490 |
| Transportation | 4,218 | 0 | 4,218 |
| Capital outlay | 1,772 | 0 | 1,772 |
| Debt service: | | | |
| Principal retirement | 0 | 50,000 | 50,000 |
| Interest and bank charges | 0 | 21,598 | 21,598 |
| Total Expenditures | 266,414 | 77,033 | 343,447 |
| EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES | 109,712 | (8,228) | 101,484 |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers in | 3,000 | 0 | 3,000 |
| Total Other Financing Sources (Uses) | 3,000 | 0 | 3,000 |
| Net Change in Fund Balances | 112,712 | (8,228) | 104,484 |
| FUND BALANCES - BEGINNING | 626,460 | 83,411 | 709,871 |
| FUND BALANCES - ENDING | \$ 739,172 | \$ 75,183 | \$ 814,355 |

East Carroll Parish Police Jury

NONMAJOR SPECIAL REVENUE FUNDS

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

LAKESIDE WALKING TRAIL The Lakeside Walking Trail fund accounts for funds which will be used to create and landscape a walking trail for East Carroll Parish residents.

RURAL FIRE PROTECTION This fund accounts for grant funds provided by USDA, FEMA, and Louisiana Community Development Block Grants. These grants are used to enhance existing equipment, purchase new equipment, emergencies, and construction of a new fire house.

LSU/SU EXTENSION This fund accounts for the LSU Cooperative Extension program which sponsors 4-H events, provides literature and information to local farmers and provides educational seminars, etc.

LCDBG STREET GRANT This fund accounts for the activity of the CDBG grant.

HEALTH UNIT This fund accounts for the parish health center.

HEALTH UNIT EQUIPMENT This fund accounts for a USDA grant and matching funds for equipment purchases for the new Health Unit.

East Carroll Parish Police Jury



EAST CARROLL PARISH POLICE JURY

NONMAJOR SPECIAL REVENUE FUNDS

Combining Balance Sheet

December 31, 2011

| | AIRPORT HANGAR | LAKESIDE WALKING TRAIL | RURAL FIRE PROTECTION | LSU/SU EXTENSION |
|--|-------------------|------------------------------|-----------------------------|---------------------|
| ASSETS | | | | |
| Cash and cash equivalents | \$ 3,225 | \$ 905 | \$ 158,256 | \$ 34,454 |
| Investments | 0 | 0 | 70,529 | 0 |
| Receivables | 1,250 | 0 | 76,860 | 83,155 |
| TOTAL ASSETS | 4,475 | 905 | 305,645 | 117,609 |
| LIABILITIES AND FUND EQUITY | | | | |
| Liabilities: | | | | |
| Accounts payable | 0 | 0 | 0 | 0 |
| Interfund payables | 0 | 0 | 0 | 0 |
| Total Liabilities | 0 | 0 | 0 | 0 |
| Fund Balances: | | | | |
| Restricted | 4,475 | 905 | 305,645 | 117,609 |
| Total Fund Balance | 4,475 | 905 | 305,645 | 117,609 |
| TOTAL LIABILITIES AND FUND BALANCES | \$ 4,475 | \$ 905 | \$ 305,645 | \$ 117,609 |

Exhibit 4

| LCDBG STREET GRANT | HEALTH UNIT | HEALTH UNIT EQUIPMENT | TOTAL |
|-----------------------|----------------|-----------------------------|------------|
| \$ 0 | \$ 143,732 | \$ 0 | \$ 340,572 |
| 0 | 28,707 | 0 | 99,236 |
| 0 | 143,881 | 0 | 305,146 |
| 0 | 316,320 | 0 | 744,954 |
| 0 | 0 | 0 | 0 |
| 0 | 5,782 | 0 | 5,782 |
| 0 | 5,782 | 0 | 5,782 |
| 0 | 310,538 | 0 | 739,172 |
| 0 | 310,538 | 0 | 739,172 |
| \$ 0 | \$ 316,320 | \$ 0 | \$ 744,954 |

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, 2011

| | AIRPORT HANGAR | LAKESIDE WALKING TRAIL | RURAL FIRE PROTECTION | LSU/SU EXTENSION |
|--|-------------------|------------------------------|-----------------------------|---------------------|
| REVENUES | | | | |
| Local sources: | | | | |
| Taxes: | | | | |
| Ad valorem | \$ 0 | \$ 0 | \$ 87,537 | \$ 96,312 |
| Intergovernmental revenues: | | | | |
| State funds: | | | | |
| Other | 0 | 0 | 15,210 | 0 |
| Federal funds - federal grants | 0 | 0 | 0 | 0 |
| Fees, charges, and commissions for services | 3,825 | 0 | 0 | 0 |
| Use of money and property | 0 | 0 | 357 | 83 |
| Other revenues | 0 | 0 | 4,495 | 0 |
| Total Revenues | 3,825 | 0 | 107,599 | 96,395 |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government: | | | | |
| Finance and administrative | 0 | 0 | 0 | 84,810 |
| Public Safety | 0 | 0 | 78,724 | 0 |
| Health and welfare | 0 | 0 | 0 | 0 |
| Transportation | 4,218 | 0 | 0 | 0 |
| Capital outlay | 1,772 | 0 | 0 | 0 |
| Total Expenditures | 5,990 | 0 | 78,724 | 84,810 |
| EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES | (2,165) | 0 | 28,875 | 11,585 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 3,000 | 0 | 0 | 0 |
| Total Other Financing Sources (Uses) | 3,000 | 0 | 0 | 0 |
| Net Change in Fund Balances | 835 | 0 | 28,875 | 11,585 |
| FUND BALANCES - BEGINNING | 3,640 | 905 | 276,770 | 106,024 |
| FUND BALANCES - ENDING | \$ 4,475 | \$ 905 | \$ 305,645 | \$ 117,609 |

Exhibit 5

| LCDBG STREET GRANT | HEALTH UNIT | HEALTH UNIT EQUIPMENT | TOTAL |
|-----------------------|----------------|-----------------------------|------------|
| \$ 0 | \$ 166,606 | \$ 0 | \$ 350,455 |
| 0 | 0 | 0 | 15,210 |
| 1,400 | 0 | 0 | 1,400 |
| 0 | 0 | 0 | 3,825 |
| 0 | 301 | 0 | 741 |
| 0 | 0 | 0 | 4,495 |
| 1,400 | 166,907 | 0 | 376,126 |
| 1,400 | 0 | 0 | 86,210 |
| 0 | 0 | 0 | 78,724 |
| 0 | 92,504 | 2,986 | 95,490 |
| 0 | 0 | 0 | 4,218 |
| 0 | 0 | 0 | 1,772 |
| 1,400 | 92,504 | 2,986 | 266,414 |
| 0 | 74,403 | (2,986) | 109,712 |
| 0 | 0 | 0 | 3,000 |
| 0 | 0 | 0 | 3,000 |
| 0 | 74,403 | (2,986) | 112,712 |
| 0 | 236,135 | 2,986 | 626,460 |
| \$ 0 | \$ 310,538 | \$ 0 | \$ 739,172 |

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 \$1,200 per month and the other jurors receive \$1,000 per month.

**Schedule of Compensation Paid Police Jurors
For the Year Ended December 31, 2011**

| | |
|-------------------------------------|-----------------|
| Joseph G. Jackson, President | \$ 14,400 |
| Kendall L. Thompson, Vice-President | 12,000 |
| Roger Clement | 12,000 |
| Cecil T. Dunn | 12,000 |
| John E. Shoemaker | <u>12,000</u> |
| Total | <u>\$62,400</u> |

East Carroll Parish Police Jury (LA195)
 Lake Providence, LA
Program Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2011

| | 14.871 Housing Choice Vouchers | Total |
|---|-----------------------------------|-----------|
| 111 Cash - Unrestricted | \$ 3,671 | \$ 3,671 |
| 113 Cash - Other Restricted | 87,661 | 87,661 |
| 100 Total Cash | 91,332 | 91,332 |
| 142 Prepaid Expenses and Other Assets | 3,286 | 3,286 |
| 150 Total Current Assets | 94,618 | 94,618 |
| 164 Furniture, Equipment & Machinery - Administration | 21,307 | 21,307 |
| 166 Accumulated Depreciation | (21,307) | (21,307) |
| 160 Total Capital Assets, Net of Accumulated Depreciation | - | - |
| 180 Total Non-Current Assets | - | - |
| 190 Total Assets | 94,618 | 94,618 |
| 312 Accounts Payable <= 90 Days | 273 | 273 |
| 321 Accrued Wage/Payroll Taxes Payable | 382 | 382 |
| 322 Accrued Compensated Absences - Current Portion | 219 | 219 |
| 310 Total Current Liabilities | 874 | 874 |
| 350 Total Non-Current Liabilities | - | - |
| 300 Total Liabilities | 874 | 874 |
| 508.1 Invested In Capital Assets, Net of Related Debt | | |
| 511.1 Restricted Net Assets | 87,661 | 87,661 |
| 512.1 Unrestricted Net Assets | 6,083 | 6,083 |
| 512.2 Unreserved, Undesignated Fund Balance | | |
| 513 Total Equity/Net Assets | 93,744 | 93,744 |
| 600 Total Liabilities and Equity/Net Assets | \$ 94,618 | \$ 94,618 |

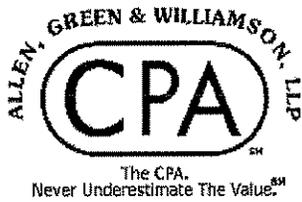
East Carroll Parish Police Jury (LA195)
 Lake Providence, LA
Program Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2011

| | 14.871 Housing Choice Vouchers | Total |
|---|--------------------------------------|----------------|
| 70600 HUD PHA Operating Grants | \$ 650,424 | \$ 650,424 |
| 72000 Investment Income - Restricted | 178 | 178 |
| 70000 Total Revenue | <u>650,602</u> | <u>650,602</u> |
| 91100 Administrative Salaries | 44,459 | 44,459 |
| 91200 Auditing Fees | 6,760 | 6,760 |
| 91500 Employee Benefit contributions - Administrative | 12,896 | 12,896 |
| 91600 Office Expenses | 18,594 | 18,594 |
| 91700 Legal Expense | 1,200 | 1,200 |
| 91800 Travel | 4,624 | 4,624 |
| 91000 Total Operating - Administrative | <u>88,533</u> | <u>88,533</u> |
| 96120 Liability Insurance | 3,480 | 3,480 |
| 96130 Workmen's Compensation | 139 | 139 |
| 96100 Total insurance Premiums | <u>3,619</u> | <u>3,619</u> |
| 96200 Other General Expenses | 5,093 | 5,093 |
| 96000 Total Other General Expenses | <u>5,093</u> | <u>5,093</u> |
| 96900 Total Operating Expenses | <u>97,245</u> | <u>97,245</u> |
| 97000 Excess of Operating Revenue over Operating Expenses | 553,357 | 553,357 |
| 97300 Housing Assistance Payments | 581,163 | 581,163 |
| 90000 Total Expenses | <u>678,408</u> | <u>678,408</u> |
| 10000 Excess (Deficiency) of Total Revenue Over (Under) Total | (27,806) | (27,806) |
| 11020 Required Annual Debt Principal Payments | - | - |
| 11030 Beginning Equity | 102,860 | 102,860 |
| 11040 Prior Period Adjustments, Equity Transfers and Correction | 18,690 | 18,690 |
| 11170 Administrative Fee Equity | 6,083 | 6,083 |
| 11180 Housing Assistance Payments Equity | \$ 87,661 | \$ 87,661 |
| 11190 Unit Months Available | 1,675 | 1,675 |
| 11210 Number of Unit Months Leased | 1,675 | 1,675 |

**Other reports required by Government Auditing
Standards and OMB Circular A-133**



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Report on Internal Control Over Financial Reporting and on Compliance and Other Matters 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 financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of East Carroll Parish Police Jury, as of and for the year ended December 31, 2011, which collectively comprise the Police Jury's basic financial statements as listed in the table of contents, and have issued our report thereon dated July 3, 2012. We issued an adverse opinion on the reporting entity for the omission of the aggregate discretely presented component units and an unqualified opinion on the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the primary government. 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.

Internal Control Over Financial Reporting

Management of the Police Jury is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Police Jury's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Police Jury's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Police Jury's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined previously.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Police Jury's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings and Questioned Cost as 11-F1 .

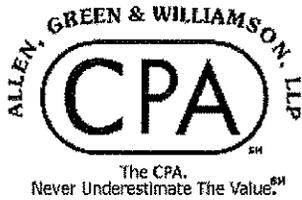
The Police Jury's response to the findings identified in our audit is described in the accompanying Corrective Action Plan for Current Year Audit Findings and Questioned Costs. We did not audit the Police Jury's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Police Jurors, management, others within the entity, 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. Although the intended use of this report may be limited, under Louisiana Revised Statute 24:513 this report is distributed by the Office of the Louisiana Legislative Auditor as a public document.

Allen, Green & Williamson, LLP

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
July 3, 2012



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Report on Compliance With Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance With *OMB Circular A-133*

Independent Auditor's Report

Police Jurors
East Carroll Parish Police Jury
Lake Providence, Louisiana

Compliance

We have audited the compliance of the East Carroll Parish Police Jury with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Police Jury's major federal programs for the year ended December 31, 2011. 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 the 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; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular 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 compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2011. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying Schedule of Findings and Questioned Costs as item 11-F2.

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 the requirements that could have a direct and material effect on a major federal program to determine the 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 A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Police Jury's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified a certain deficiency in internal control over compliance that we consider to be a significant deficiency as described in the accompanying Schedule of Findings and Questioned costs as item 11-F2. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

The Police Jury's response to the findings identified in our audit is described in the accompanying Corrective Action Plan for Current Year Audit Findings and Questioned Costs. We did not audit the Police Jury's response and, accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of the Police Jurors, management, others within the entity, 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. Although the intended use of this report may be limited, under Louisiana Revised Statute 24:513 this report is distributed by the Office of the Louisiana Legislative Auditor as a public document.

Allen, Green & Williamson, LLP
ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
July 3, 2012

**East Carroll Parish Police Jury
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2011**

| FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM NAME | CFDA <u>Number</u> | Pass-Through <u>Grantor No.</u> | <u>Expenditures</u> |
|--|-----------------------|------------------------------------|----------------------------|
| CASH FEDERAL AWARDS | | | |
| United States Department of Housing and Urban Development | | | |
| Direct Programs: | | | |
| Section 8 Housing Choice Voucher Program | 14.871 | FW2118 | \$ 650,424 |
| Passed Through the Louisiana Division of Administration: | | | |
| Community Development Block Grant | 14.218 | CFMS # 689288 | <u>1,400</u> |
| Total Department of Housing and Urban Development | | | <u>651,824</u> |
| United States Department of Homeland Security | | | |
| Passed Through the Governor's Office of Homeland Security and Emergency Preparedness: | | | |
| Hazard Mitigation Grant | 97.039 | 1603n-035-0001 | 98,458 |
| State Homeland Security Program | 97.067 | 2010-SS-TO-0043 | 79,518 |
| Emergency Management Performance Grant | 97.042 | 2010-EP-EO-0058 | <u>22,307</u> |
| Total Department of Homeland Security | | | 200,283 |
| United States Delta Regional Authority | | | |
| Passed Through North Delta Regional Planning | | | |
| Delta Area Economic Development | 90.201 | LA-5301 | 143,961 |
| United States Department of Transportation | | | |
| Passed Through Louisiana Department of Transportation | | | |
| Airport Improvement Program | 20.106 | 3-22-0027-002-2011 | 87,999 |
| United States Department of Energy | | | |
| Passed Through Louisiana Department of Natural Resources | | | |
| Energy Efficiency and Conservation Block Grant | 81.128 | EEA 1018 | <u>4,600</u> |
| TOTAL FEDERAL AWARDS | | | <u><u>\$ 1,088,667</u></u> |

East Carroll Parish Police Jury
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2011

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") primary government of the reporting entity is defined in Note 1 to the Police Jury's 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 financial statements.

NOTE 3 - RELATIONSHIP TO BASIC FINANCIAL STATEMENTS Federal awards revenues are reported in the Police Jury's fund financial statements as follows:

| | |
|------------------------|---------------------|
| General fund | \$ 436,843 |
| Other governmental | 1,400 |
| Section 8 Voucher fund | <u>650,424</u> |
| | <u>\$ 1,088,667</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, 2011**

PART I - Summary of the Auditors' Results

Financial Statement Audit

- i. The type of audit report issued was an adverse opinion on the reporting entity because of the omission of all aggregate discretely presented component units and an unqualified opinion on the governmental activities, the business type activities, each major fund, and the aggregate remaining fund information of the primary government.
- ii. There were no significant deficiencies required to be disclosed by Government Auditing Standards issued by the Comptroller General of the United States of America.
- iii. There was an instance of noncompliance that was considered material, as defined by the Government Auditing Standards, to the financial statements.

Audit of Federal Awards

- iv. There was one significant deficiency required to be disclosed by OMB Circular A-133. The significant deficiency was not considered to be a material weakness.
- v. The type of report the auditor issued on compliance for major programs was unqualified.
- vi. The audit disclosed one audit finding which the auditor is required to report under OMB Circular A-133, Section .510(a).
- vii. The major federal program is:

| | |
|--|--------------|
| Section 8 Housing Choice Voucher Program | CFDA #14.871 |
|--|--------------|
- viii. The dollar threshold used to distinguish between Type A and Type B programs as described in OMB Circular A-133, Section .520(b) was \$300,000.
- ix. The auditee does not qualify as a low-risk auditee under OMB Circular A-133, Section .530.

**East Carroll Parish Police Jury
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2011**

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: **11-F1** **Budget Violation**

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

Criteria or specific requirement: Louisiana Revised Statute 39:1307B states in part “...the political subdivision shall publish a notice stating that the proposed budget is available for public inspection. The notice shall also state that a public hearing on the proposed budget shall be held with the date, time, and place of the hearing specified in the notice. The notice shall be published at least ten days prior to the date of the first public hearing.”

Condition found: While testing the Police Jury’s budget for certain Louisiana Revised Statute requirements, it was noted that the notice of availability and notice of public hearing was not published before the public hearing occurred.

Possible asserted effect (cause and effect):

Cause: The newspaper failed to advertise budget as requested by the Police Jury.

Effect: The Police Jury did not adhere to the requirement that public notice on proposed budgets must occur no later than ten days prior to the public hearing as set forth in the Louisiana Revised Statute.

Recommendations to prevent future occurrences: Management should establish procedures to ensure that prior to a public hearing, notice is given on the availability and occurrence of the public hearing within ten days to ensure the public has a chance to review and voice their opinion on the budgets of the City.

**East Carroll Parish Police Jury
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2011**

PART III - Findings and questioned costs for federal awards which are required to be reported under OMB Circular A-133 Section 510(a):

Reference # and title: 11-F2 Depository Agreements

Federal program and specific federal award identification: This finding relates to the Section 8 Housing Choice Voucher program, CFDA# 14.871 for Federal Award Year 2011 received from Federal Agency: Department of Housing and Urban Development.

Criteria or specific requirement: According to HUD regulations, Section 8 is required to enter into a depository agreement with their financial institution in a form required by HUD in the ACC. The agreement serves as a safe guard for Federal funds and provides third-party rights to HUD.

Condition found: Section 8 was unable to provide the auditor with a depository agreement with their financial institution.

Possible asserted effect (cause and effect):

Cause: Financial institution did not return signed agreement and no one followed up.

Effect: No signed agreement on file at December 31.

Recommendations to prevent future occurrences: The signed agreement should be obtained from the financial institution.

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 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 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, 2011**

Reference # and title: **10-F1** **Recording of Capital Assets**

Origination date: 2008.

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

Condition: Good internal controls over capital asset acquisitions and record-keeping require that capital asset purchases be coded to the correct account for easy identification, that items be tagged and that these tag numbers are entered into the asset management system.

The listing of additions for capital assets which was provided to the auditors did not include all additions to capital assets. A review of the general ledger revealed several capital assets that were not on the additions listing. These included several vehicles and several infrastructure projects. No listing of deletions was provided to the auditors although the minutes reflected that there were deletions during the year.

Corrective action taken: The Secretary-Treasurer scheduled trainings for capital assets management.

Reference # and title: **10-F2** **Test of Resident Files**

Origination date: 2002.

Federal program and specific federal award identification: This finding relates to the Section 8 Voucher Program, CFDA# 14.871, for the Federal Award Year 2010 received for Federal Agency: Department of Housing and Urban Development.

Condition: The Section 8 program must re-examine family income and composition at least once every 12 months and adjust the housing assistance payment (HAP) as necessary using the documentation from third party verifications (24 CFR section 982.516). As a condition of admission or continued occupancy, the resident and other family members must provide necessary information, documentation, and releases for the Section 8 to verify income eligibility (24 CFR sections 5.230, 5.609, and 982.516). The Section 8 program is required to submit Form 50058 electronically to HUD each time the Section 8 program completes an admission, annual reexamination, interim reexamination, portability move in, or other changes of unit for a family. Several line items on this form must agree to documentation in the file (24 CFR part 908 and 24 CFR section 982.158). For both family income examinations and reexaminations, the Section 8 program must obtain and document in the family file third party verification of reporting family income, the value of assets, expenses related to deductions from annual income, and other factors that affect the determination of adjusted income or income based rent (24 CFR section 982.516). The Section 8 program must determine income eligibility and calculate the resident's rent payment using the documentation from third party verifications in accordance with 24 CFR part 5 subpart F (24 CFR section 5.601 and 24 CFR sections 982.201, 982.515 and 982.516).

A sample of 15 resident files was tested for certain attributes. Four files had documentation for key line items on the HUD 50058 which did not match the 50058. One income calculation for a resident used a higher income than the verification which resulted in the resident paying more rent and the Section 8 program paying less HAP than they should have based on the income verification.

**East Carroll Parish Police Jury
Summary Schedule of Prior Audit Findings
December 31, 2011**

Corrective action taken: The Secretary-Treasurer requested that quality reviews be performed periodically to check vital date against the resident files. A third party was contracted to assist with this project.

Reference # and title: **10-F3** **Rent Reasonableness**

Origination date: 2008.

Federal program and specific federal award identification: This finding relates to the Section 8 Voucher Program, CFDA# 14.871, for the Federal Award Year 2010 received for Federal Agency: Department of Housing and Urban Development.

Condition: HUD guidelines state that rent reasonableness determinations are required before entering into a HAP contract, before any increase in rent the owner, if there is a 5% decrease in the published fair market rentals in effect 60 prior to the contract anniversary date or if directed by HUD.

Comparable unassisted unit information is pulled from a database in the software used by Section 8. The majority of the units in the database have been there since the current Executive Director started which was 8 years ago. Some new units have been added to the database in the past several years. Since the documentation for the units that were added many years ago is not available, it is impossible to know how old the information for comparable units is.

Corrective action taken: The Secretary-Treasurer advised the Section 8 Director to review database information and make the necessary updates and or deletions.

Reference # and title: **10-F4** **Depository Agreements**

Origination date: 2010.

Federal program and specific federal award identification: This finding relates to the Section 8 Housing Choice Voucher program, CFDA# 14.871 for Federal Award Year 2010 received from Federal Agency: Department of Housing and Urban Development.

Condition: According to HUD regulations, Section 8 is required to enter into depository agreements with their financial institutions in a form required by HUD in the ACC. The agreements serve as safe guards for Federal funds and provide third-party rights to HUD.

Section 8 was not aware of this requirement and was unable to provide the auditor with depository agreements with any of their financial institutions.

Corrective action planned: See current year finding 11-F2.

**East Carroll Parish Police Jury
Corrective Action Plan For Current Year Audit Findings and Questioned Costs
December 31, 2011**

Reference # and title: **11-F1** **Budget Violation**

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

Condition: Louisiana Revised Statute 39:1307B states in part “.the political subdivision shall publish a notice stating that the proposed budget is available for public inspection. The notice shall also state that a public hearing on the proposed budget shall be held with the date, time, and place of the hearing specified in the notice. The notice shall be published at least ten days prior to the date of the first public hearing.”

While testing the Police Jury’s budget for certain Louisiana Revised Statute requirements, it was noted that the notice of availability and notice of public hearing was not published before the public hearing occurred.

Corrective action planned: The 2011 budget was taken to the newspaper; however, it was not published. Management will establish procedures to ensure that prior to a public hearing, verification of publication will be completed.

Person responsible for corrective action:

Elisha Lucas, 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: July 6, 2012.

Reference # and title: **11-F2** **Depository Agreements**

Federal program and specific federal award identification: This finding relates to the Section 8 Housing Choice Voucher program, CFDA# 14.871 for Federal Award Year 2011 received from Federal Agency: Department of Housing and Urban Development.

Condition: According to HUD regulations, Section 8 is required to enter into a depository agreement with their financial institution in a form required by HUD in the ACC. The agreement serves as a safe guard for Federal funds and provides third-party rights to HUD.

Section 8 was unable to provide the auditor with a depository agreement with their financial institution.

Corrective action planned: Section 8 will establish procedures to ensure that a depository agreement with all financial institutions is completed.

Person responsible for corrective action:

Elisha Lucas, 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: June 30, 2012.

**East Carroll Parish Police Jury
Status of Prior Year Agreed Upon Procedures Findings
December 31, 2011**

Financial Management:

Comment: The Police Jury does not have written policies and procedures for budget, cash receipts, cash disbursements, or contract areas of financial management.

Status: Although the Police Jury does not have a detailed purchasing or budget policy, they have a Police Jury Manual which lists the state budget requirements which the Jury must follow and also the state bid laws which the Jury must follow. It is their practice to adhere to the written requirements in this manual when preparing budgets, disbursements and contracts. They also have a short purchasing policy that provides guidance for the use of purchase orders. In addition, the job descriptions for the two bookkeepers list procedures to be followed for cash disbursements and cash receipts.

Credit Cards:

Comment: When choosing monthly credit card statements to review, there were five monthly statements for the three Master Card accounts which were not in the vendor file and thus unable to be reviewed.

Status: The Police Jury now receives monthly statements from the Master Card accounts even if there was a zero balance or no activity on the statements.

Comment: In reviewing credit card statements selected, two statements had late charges and finance charges totaling \$59.48.

Status: The Police Jury initiated procedures to ensure that all credit card balances were paid timely in the 2011 calendar year.

Travel and Expense Reimbursement:

Comment: In reviewing three travel reimbursements, three exceptions were noted in which there was no documentation of actual attendance at the meeting/conference (i.e. sign in sheet, brochure) and also, no documentation of persons attending meals in which reimbursement was being requested. Also, there were two reimbursement forms not signed by the employee making the request.

Status: The Police Jury has started including sufficient documentation for meeting/conference attendance as well as persons attending meals for which reimbursement is requested. In addition, procedures were put in place to ensure that all employees sign their reimbursement request forms.

Contracts:

Comment: The Police Jury does not have a written policy and procedures in regards to contracts.

Status: Although the Police Jury does not have a detailed purchasing policy, they have a Police Jury Manual which lists the state bid laws which the Jury must follow. It is their practice to adhere to the written requirements in this manual when preparing bids, obtaining quotes, preparing disbursements and contracts.