

East Carroll Parish Police Jury Lake Providence, Louisiana

Basic Financial Statements And Independent Auditors' Report As of and for the Year Ended December 31, 2007

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

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

Release Date 7/9/08

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

**Basic Financial Statements
And Independent Auditors' Report
As of and for the Year Ended December 31, 2007**

East Carroll Parish Police Jury

TABLE OF CONTENTS

	<u>Statement</u>	<u>Page</u>
INDEPENDENT AUDITORS' REPORT		1-2
REQUIRED SUPPLEMENTAL INFORMATION		3
Management's Discussion and Analysis (MD&A)		4-13
BASIC FINANCIAL STATEMENTS		
Government-wide Financial Statements (GWFS)		14
Statement of Net Assets	A	15
Statement of Activities	B	16-17
Fund Financial Statements (FFS)		19
Governmental Funds		
Balance Sheet	C	20-21
Reconciliation of the Governmental Funds		
Balance Sheet to the Statement of Net Assets	D	23
Statement of Revenues, Expenditures, and Changes in Fund Balances	E	24-27
Reconciliation of the Governmental Funds		
Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	F	28
Proprietary Fund Type – Enterprise Fund:		
Statement of Net Assets	G	29
Statement of Revenues, Expenses, and Changes in Fund Net Assets	H	30
Statement of Cash Flows	I	31
Notes to the Basic Financial Statements		
Index		32
Notes		33-51
REQUIRED SUPPLEMENTAL INFORMATION		52
BUDGETARY COMPARISON SCHEDULES		53
General Fund	1-1	54
Road Maintenance and Construction	1-2	55
Garbage District No. 1	1-3	56
Library	1-4	57
Health Unit	1-5	58
Drainage Maintenance	1-6	59
Notes to the Budgetary Comparison Schedules		60-62

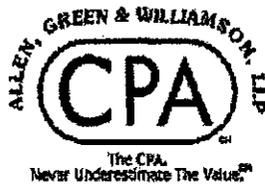
(Continued)

East Carroll Parish Police Jury

TABLE OF CONTENTS

	<u>Exhibit</u>	<u>Page</u>
SUPPLEMENTAL INFORMATION		63
COMBINING NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE		64
Combining Balance Sheets - By Fund Type	2	65
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - By Fund Type	3	66
NON-MAJOR SPECIAL REVENUE FUNDS		67
Combining Balance Sheet	4	68
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	5	69
Financial Data Schedule		70-71
GENERAL		
Schedule of Compensation Paid Police Jurors	6	72
OTHER REPORTS REQUIRED BY GOVERNMENT AUDITING STANDARDS AND OMB CIRCULAR A-133		73
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <u>Government Auditing Standards</u>		74-75
Report on Compliance With Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance With <u>OMB Circular A-133</u>		76-78
Schedule of Expenditures of Federal Awards		79
Notes to the Schedule of Expenditures of Federal Awards		80
Schedule of Findings and Questioned Costs		81-84
OTHER INFORMATION:		85
Summary Schedule of Prior Audit Findings		86-87
Corrective Action Plan for Current-Year Findings and Questioned Costs		88-90
Status of Prior Management Items		91

(Concluded)



ALLEN, GREEN & WILLIAMSON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

P. O. Box 6075

Monroe, LA 71211-6075

2441 Tower Drive
Monroe, LA 71201

Phone: (318) 388-4422
Fax: (318) 388-4664

Toll-free: (888) 741-0205
www.allengreencpa.com

Tim Green, CPA
Margie Williamson, CPA

Diane Ferschoff, CPA
Amy Tynes, CPA
Aimee Buchanan, CPA
Angie Williamson, CPA
Cindy Thomason, CPA

Ernest L. Allen, CPA
(Retired) 1963 - 2000

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, 2007, 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 controls 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 some 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, 2007, or the changes in financial position thereof for the year then ended.

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, 2007 and the respective changes in financial position, and where applicable, cash flows 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 June 26, 2008, on our consideration of the Police Jury's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and 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 the 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.

The Management's Discussion and Analysis and the Budgetary Comparison Schedules on pages 4-13 and pages 53-62, respectively, are not a required part of the primary government's basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplemental information. However, we did not audit the information and express no opinion on it.

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, is presented for purposes of additional analysis and is not a required part of the primary government financial statements. Such information has been subjected to the auditing procedures applied in the audit of the primary government's basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the primary government's basic financial statements taken as a whole.

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

Allen, Green & Williamson, LLP

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
June 26, 2008

East Carroll Parish Police Jury

REQUIRED SUPPLEMENTAL INFORMATION

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

East Carroll Parish Police Jury

Management's Discussion and Analysis (MD&A)

December 31, 2007

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, 2007.

The comparative data, as required by the new reporting model by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 Basic Financial Statements, does not include prior year information for the business-type activities. In prior years the Section 8 Voucher program was included as part of the governmental funds. Recent guidance issued directed this to be reported separately as a business-type activity.

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

Total spending for all our governmental activities was \$3,438,631 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: other general government \$284,236, public safety \$432,944, public works \$945,246, and culture and recreation \$288,403.

Governmental activities reported an increase in net assets of \$195,513 due to sales tax and charges for services.

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

East Carroll Parish Police Jury

Management's Discussion and Analysis (MD&A)
December 31, 2007

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
Financial Data Schedule
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, 2007

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 19, provide detailed information about the most significant funds – not the Police Jury as a whole. Some funds are required to be established by State law and by bond covenants. However, the Police Jury establishes many other funds to help it control and manage money for particular purposes (like the Criminal Court fund) or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money (like grants the Police Jury receives for Section 8). The Police Jury's governmental funds use the following accounting approach:

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

East Carroll Parish Police Jury

**Management's Discussion and Analysis (MD&A)
December 31, 2007**

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 -- When the Police Jury charges other agencies for the administrative services it provides, these services are generally reported in 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 \$6,986,246 at December 31, 2007. Of this amount, \$747,446 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,**

	Governmental Activities		Business-Type Activities
	<u>2007</u>	<u>2006</u>	<u>2007</u>
Current and other assets	\$4,117,115	\$3,885,747	\$83,668
Capital assets	<u>3,602,616</u>	<u>3,736,571</u>	<u>1,550</u>
Total assets	<u>7,719,731</u>	<u>7,622,318</u>	<u>85,218</u>
Current and other liabilities	75,965	68,660	4,312
Long-term liabilities	<u>657,520</u>	<u>706,486</u>	<u>0</u>
Total liabilities	<u>733,485</u>	<u>775,146</u>	<u>4,312</u>
Net assets			
Invested in capital assets, net of debt	2,952,616	3,036,390	1,550
Restricted	3,286,184	2,930,801	0
Unrestricted	<u>747,446</u>	<u>879,981</u>	<u>79,356</u>
Total net assets	<u>\$6,986,246</u>	<u>\$6,847,172</u>	<u>\$80,906</u>

East Carroll Parish Police Jury

Management's Discussion and Analysis (MD&A)
December 31, 2007

The \$747,446 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 \$747,446 left. Unrestricted net assets decreased approximately \$132,535 from the prior year. The changes in net assets are discussed later in this MD&A.

The net assets of our business-type activities increased \$24,467.

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, 2007

Table 2
Changes in Net Assets
Years Ended December 31,
Governmental Activities

	<u>2007</u>	<u>2006</u>	<u>Increase (Decrease) From 2006</u>	<u>Business-type Activities</u> <u>2007</u>
Revenues:				
Program revenues				
Charges for services	\$ 838,706	\$ 735,027	\$ 103,679	\$ 0
Operating grants & contributions	199,034	574,603	(375,569)	583,917
Capital grants & contributions	83,700	409,610	(325,910)	0
General Revenues				
Ad valorem taxes	1,475,487	1,581,206	(105,719)	0
Sales taxes	526,882	482,961	43,921	0
State revenue sharing	60,809	65,277	(4,468)	0
Interest and investment earnings	234,036	223,854	10,182	3,246
Other general revenues	<u>215,490</u>	<u>153,525</u>	<u>61,965</u>	<u>65,491</u>
Total revenues	<u>3,634,144</u>	<u>4,226,063</u>	<u>(591,919)</u>	<u>652,654</u>
Functions/Program Expenses:				
General government:				
Legislative	50,167	231,617	(181,450)	0
Judicial	521,768	436,249	85,519	0
Elections	34,256	24,786	9,470	0
Finance and administrative	340,589	185,396	155,193	0
Other general government	344,036	265,697	78,339	0
Public safety	461,802	380,521	81,281	0
Public works	1,247,958	1,155,729	92,229	0
Health and welfare	91,512	722,124	(630,612)	620,771
Culture and recreation	292,052	307,300	(15,248)	0
Economic development and assistance	7,487	9,823	(2,336)	0
Transportation	21,526	28,098	(6,572)	0
Interest on long-term debt	<u>25,478</u>	<u>34,445</u>	<u>(8,967)</u>	<u>0</u>
Total	<u>3,438,631</u>	<u>3,781,785</u>	<u>(343,154)</u>	<u>620,771</u>
Increase (decrease) in net assets	<u>\$ 195,513</u>	<u>\$ 444,278</u>	<u>\$(248,765)</u>	<u>\$ 31,883</u>

The increase in the governmental activities net assets of \$195,513 is due mainly to an increases in charges for services of \$103,679, and increases in sales taxes of \$43,921.

Revenue for operating grants and contributions decreased by approximately \$375,569 and capital grants and contributions decreased \$325,910.

There was an increase in charges for services of \$103,679 which is due mainly to an increase in charges for bookkeeping and administrative fees combined with small decreases in court fines and garbage pickup fees.

East Carroll Parish Police Jury

**Management's Discussion and Analysis (MD&A)
December 31, 2007**

Governmental Activities As reported in the Statement of Activities, the cost of all of our governmental activities this year was \$3,438,631. However, the amount that our taxpayers ultimately financed for these activities through Police Jury taxes was only \$2,317,191 because some of the cost was paid by those who benefited from the programs \$838,706 or by other governments and organizations who subsidized certain programs with grants and contributions \$282,734. We paid for the remaining "public benefit" portion of our governmental activities with \$2,317,191 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, health and welfare, and culture and recreation, as well as each program's *net* cost (total cost less revenues generated by the activities). As discussed above, net cost shows the financial burden that was placed on the Police Jury's taxpayers by each of these functions. Providing this information allows our citizens to consider the cost of each function in comparison to the benefits they believe are provided by that function.

Years Ended December 31,

	<u>Governmental Activities</u> <u>(in thousands)</u>				<u>Business-type Activities</u> <u>(in thousands)</u>	
	<u>Total Cost</u> <u>of Services</u> 2007	<u>Net Cost</u> <u>of Services</u> 2007	<u>Total Cost</u> <u>of Services</u> 2006	<u>Net Cost</u> <u>of Services</u> 2006	<u>Total Cost</u> <u>of Services</u> 2007	<u>Net Cost</u> <u>of Services</u> 2007
Judicial	\$ 521,768	\$ 154,413	\$ 436,249	\$ 41,729	\$ 0	\$ 0
Other general government	344,036	284,236	265,697	265,697	0	0
Public safety	461,802	432,944	380,521	169,601	0	0
Public works	1,247,958	945,246	1,155,729	893,889	0	0
Health & Welfare	91,512	91,512	722,124	147,521	628,187	44,270
Culture and Recreation	292,052	288,403	307,300	254,238	0	0
All others	<u>479,503</u>	<u>120,437</u>	<u>514,165</u>	<u>289,870</u>	<u>0</u>	<u>0</u>
Totals	<u>\$3,438,631</u>	<u>\$2,317,191</u>	<u>\$3,781,785</u>	<u>\$2,062,545</u>	<u>\$628,187</u>	<u>\$44,270</u>

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

As the Police Jury completed this year, our governmental funds reported a combined fund balance of \$4,047,462 which is an increase of \$268,517 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 decreased \$165,124 to \$465,869. This decrease is due to an increase of \$152,000 in administrative fees repaid due to excess charges made in the prior year.

The Road Maintenance and Construction fund accounts for funds used to maintain the parish roads and streets. This fund showed an increase of \$245,789 to \$955,657. The increase was due to an increase in sales tax collections, the refund of overpaid administrative fees, and increase in the parish transportation grant revenue and interest revenue.

East Carroll Parish Police Jury

Management's Discussion and Analysis (MD&A)

December 31, 2007

The Garbage District No. 1 accounts for the parish garbage collection services begun in 2001. This fund showed an increase of \$38,391 to \$523,848 due mainly to a refund of overpaid administrative fees.

The Library fund accounts for the public library. This fund showed an increase of \$45,378 to \$503,277. The increase was due to a decrease in expenditures.

The Health Unit fund accounts for the parish health center. This fund showed an increase of \$35,525 to \$692,049. The increase is due to a decrease in expenditures compared to the prior year.

The Drainage Maintenance fund accounts for the maintenance of the parish drainage system. This fund showed a decrease of \$37,344 to \$323,770. This decrease was due to an increase of culvert expense coupled with a decrease of track hoe expense.

The Criminal Court fund accounts for the activities of the parish court. This fund showed an increase of \$63,158 to \$194,386. This increase was due to a decrease in the expenses in relation to revenues collected.

The Other Governmental funds are comprised of the debt service fund and special revenue funds (Airport Hangar, Rural Fire Protection, the Lakeside Walking Trail, and the LSU/SU Extension). The combined funds showed an increase of \$42,744 to \$388,606.

The Section 8 Voucher fund accounts for the activity for HUD's Section 8 Housing Choice Voucher program. This fund showed an increase of \$24,467 to \$80,906. This increase was due to a decrease in salaries expense by decreasing work hours for employees.

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 2007 general fund original budget. The primary change was to increase the beginning budgetary fund balance to \$508,232. This was an increase of \$259,642. Total budgeted revenues were decreased \$144,811. The largest decreases were to State Funds (\$80,061) and licenses and fees (\$35,500). Budgeted expenses were increased a total of \$464,857 mainly due to distributing \$152,000 in administrative and bookkeeping back to all of the funds. Also the settlement with the sheriff in reference to pre-trial inmates.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets At December 31, 2007, the Police Jury had \$3,602,616 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 \$141,372, or 3.8%, from last year. The primary reason for the net decrease is a result of depreciation expense exceeding new equipment purchases.

East Carroll Parish Police Jury

**Management's Discussion and Analysis (MD&A)
December 31, 2007**

Capital Assets at December 31,

	<u>Governmental Activities</u>		<u>Business-Type</u>
			<u>Activities</u>
	<u>2007</u>	<u>2006</u>	<u>2007</u>
Land	\$ 375,665	\$ 375,665	\$ 0
Construction in progress	33,393	0	0
Buildings	400,545	345,844	0
Equipment and furniture	233,867	213,682	314
Vehicles	469,230	649,981	1,236
Books, periodicals and law books	26,080	33,543	0
Infrastructure	<u>2,063,836</u>	<u>2,117,856</u>	<u>0</u>
Total net assets	<u>\$3,602,616</u>	<u>\$3,736,571</u>	<u>\$1,550</u>

This year's additions of \$187,327 were comprised of air conditioners and boiler (\$50,777), construction equipment (\$69,342), portable building (\$27,307), furniture and equipment (\$4,996), sidewalks (\$1,512), and construction in progress (\$33,393).

One major capital project is planned for the 2007 fiscal year. The boiler for the courthouse is inoperable and must be replaced. Funding for this is expected to come from state sources. 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

East Carroll Parish Police Jury

Management's Discussion and Analysis (MD&A)

December 31, 2007

the roads. Most roads were considered to have been constructed in the 1950s and 1960s with most asphalt surfacing occurring in the 1960s and 1970s, and with resurfacing occurring periodically since. The surface of the roads currently was considered by management to be approximately 20 years old. Accordingly, 1979 was considered as the date of purchase for all surface materials for depreciation purpose.

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

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

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

Debt At the end of this year, the Police Jury had \$650,000 in bonds outstanding versus \$690,000 last year, a decrease of 5.8%. Those bonds consisted of:

Outstanding Debt at December 31,

	Governmental Activities	
	<u>2007</u>	<u>2006</u>
General obligation bonds (backed by the Police Jury)	<u>\$650,000</u>	<u>\$690,000</u>

The Police Jury's general obligation bonds are not rated. The state limits the amount of general obligation debt that parishes can issue to 10 percent of the assessed value of all taxable property within the parish. The Police Jury's net outstanding general obligation debt of \$650,000 is significantly below this \$3,605,686 statutorily-imposed limit.

Other obligations include accrued vacation pay and capital leases. We present more detailed information about our long-term liabilities in Note 10 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 2008-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 2007 to 2008. Approximately 55% of total revenue is from ad valorem and sales taxes. We have projected no increase in net assets for the 2008 budget year. We project that capital additions will be minimal for the 2008 year.

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

East Carroll Parish Police Jury

BASIC FINANCIAL STATEMENTS

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

EAST CARROLL PARISH POLICE JURY

STATEMENT OF NET ASSETS
December 31, 2007

Statement A

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Cash and cash equivalents	\$ 1,295,467	\$ 83,668	\$ 1,379,135
Investments	1,235,658	0	1,235,658
Receivables (net)	1,585,990	0	1,585,990
Capital assets not being depreciated	409,058	0	409,058
Capital assets, net of accumulated depreciation	<u>3,193,558</u>	<u>1,550</u>	<u>3,195,108</u>
TOTAL ASSETS	<u>7,719,731</u>	<u>85,218</u>	<u>7,804,949</u>
LIABILITIES			
Accounts, salaries and other payables	69,653	4,312	73,965
Interest payable	6,312	0	6,312
Long-term liabilities			
Due within one year	47,520	0	47,520
Due in more than one year	<u>610,000</u>	<u>0</u>	<u>610,000</u>
TOTAL LIABILITIES	<u>733,485</u>	<u>4,312</u>	<u>737,797</u>
NET ASSETS			
Invested in capital assets, net of related debt	2,952,616	1,550	2,954,166
Restricted for:			
Debt service	82,198	0	82,198
Road Maintenance and Construction	955,657	0	955,657
Garbage District No. 1	523,848	0	523,848
Library	503,277	0	503,277
Health Unit	692,049	0	692,049
Drainage Maintenance	323,770	0	323,770
Rural Fire	205,385	0	205,385
Unrestricted	<u>747,446</u>	<u>79,356</u>	<u>826,802</u>
TOTAL NET ASSETS	<u>\$ 6,986,246</u>	<u>\$ 80,906</u>	<u>\$ 7,067,152</u>

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

EAST CARROLL PARISH POLICE JURY

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2007

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
<i>Governmental Activities:</i>				
General government:				
Legislative	\$ 50,167	\$ 0	\$ 0	0
Judicial	521,768	367,355	0	
Elections	34,256			
Finance and administrative	340,589	326,464	0	
Other general government	344,036		0	59,800
Public safety	461,802	16,461	12,397	
Public works	1,247,958	92,175	186,637	23,900
Health and welfare	91,512	0	0	
Culture and recreation	292,052	3,649	0	
Economic development and assistance	7,487	29,902	0	
Transportation	21,526	2,700	0	0
Interest on long-term debt	25,478	0	0	0
Total Governmental Activities	3,438,631	838,706	199,034	83,700
<i>Business-Type Activities:</i>				
Finance and administrative	0	0	0	0
Health and welfare	628,187	0	583,917	0
Total Component Units	\$ 628,187	\$ 0	\$ 583,917	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

Severance tax

Beer tax

Licenses and permits

Interest and investment earnings

Miscellaneous

Total general revenues

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

<u>GOVERNMENTAL</u>	<u>BUSINESS-TYPE</u>	<u>TOTAL</u>
<u>ACTIVITIES</u>	<u>ACTIVITIES</u>	
\$ (50,167)	\$ 0	\$ (50,167)
(154,413)	0	(154,413)
(34,256)	0	(34,256)
(14,125)	0	(14,125)
(284,236)	0	(284,236)
(432,944)	0	(432,944)
(945,246)	0	(945,246)
(91,512)	0	(91,512)
(268,403)	0	(268,403)
22,415	0	22,415
(18,826)	0	(18,826)
<u>(25,478)</u>	<u>0</u>	<u>(25,478)</u>
<u>(2,317,191)</u>	<u>0</u>	<u>(2,317,191)</u>
	0	0
	<u>(44,270)</u>	<u>(44,270)</u>
	<u>(44,270)</u>	<u>(44,270)</u>
1,407,804	0	1,407,804
67,683	0	67,683
526,882	0	526,882
60,809	0	60,809
12,859	0	12,859
18,451	0	18,451
75,667	0	75,667
234,036	3,246	237,282
<u>108,513</u>	<u>85,491</u>	<u>174,004</u>
<u>2,512,704</u>	<u>88,737</u>	<u>(2,561,441)</u>
195,513	24,467	219,980
<u>6,790,733</u>	<u>56,439</u>	<u>6,847,172</u>
<u>\$ 6,986,246</u>	<u>\$ 80,906</u>	<u>\$ 7,067,152</u>

East Carroll Parish Police Jury



East Carroll Parish Police Jury

BASIC FINANCIAL STATEMENTS

Fund Financial Statements (FFS)

EAST CARROLL PARISH POLICE JURY

GOVERNMENTAL FUNDS
Balance Sheet
December 31, 2007

	GENERAL	ROAD MAINTENANCE AND CONSTRUCTION	GARBAGE DISTRICT NO. 1	LIBRARY
ASSETS				
Cash and cash equivalents	\$ 200,591	\$ 508,748	\$ 58,408	\$ 55,561
Investments	0	185,407	263,937	217,714
Receivables	264,738	300,306	228,573	231,848
Interfund Receivables	12,488	0	0	0
TOTAL ASSETS	477,817	994,461	548,918	505,123
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts, salaries and other payables	11,948	23,000	25,070	1,846
Interfund payables	0	15,804	0	0
Total Liabilities	11,948	38,804	25,070	1,846
Fund Balances				
Reserved for:				
Debt Service	0	0	0	0
Unreserved, reported in:				
General	465,889	0	0	0
Special Revenue	0	955,657	523,848	503,277
Total Fund Balances	465,889	955,657	523,848	503,277
TOTAL LIABILITIES AND FUND BALANCES	\$ 477,817	\$ 994,461	\$ 548,918	\$ 505,123

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

Statement C

HEALTH UNIT	DRAINAGE MAINTENANCE	CRIMINAL COURT	OTHER GOVERNMENTAL	TOTAL
\$ 137,212	\$ 60,666	\$ 154,510	\$ 121,771	1,295,467
440,497	59,688	0	68,415	1,235,658
116,784	200,122	42,541	201,078	1,585,990
0	3,318	0	0	15,804
<u>694,493</u>	<u>323,792</u>	<u>197,051</u>	<u>391,264</u>	<u>4,132,919</u>
2,444	22	2,665	2,658	69,653
0	0	0	0	15,804
<u>2,444</u>	<u>22</u>	<u>2,665</u>	<u>2,658</u>	<u>85,457</u>
0	0	0	82,198	82,198
0	0	0	0	465,869
<u>692,049</u>	<u>323,770</u>	<u>194,386</u>	<u>306,408</u>	<u>3,499,395</u>
<u>692,049</u>	<u>323,770</u>	<u>194,386</u>	<u>388,606</u>	<u>4,047,462</u>
<u>\$ 694,493</u>	<u>\$ 323,792</u>	<u>\$ 197,051</u>	<u>\$ 391,264</u>	<u>4,132,919</u>

East Carroll Parish Police Jury



EAST CARROLL PARISH POLICE JURY
Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Assets
December 31, 2007

Statement D

Total fund balances - governmental funds \$ 4,047,462

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.

Costs of capital assets	17,349,485	
Depreciation expense to date	<u>(13,746,869)</u>	3,602,616

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

Balances at December 31, 2007 are:

Long-term liabilities		
Bonds payable	(650,000)	
Compensated absences payable	(7,520)	
Interest payable	<u>(6,312)</u>	
		<u>(663,832)</u>

Net Assets \$ 6,986,246

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

EAST CARROLL PARISH POLICE JURY

**GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures, and Changes
in Fund Balances
For the Year Ended December 31, 2007**

	<u>GENERAL</u>	<u>ROAD MAINTENANCE AND CONSTRUCTION</u>	<u>GARBAGE DISTRICT NO. 1</u>	<u>LIBRARY</u>
REVENUES				
Local sources:				
Taxes:				
Ad valorem	\$ 242,579	\$ 212,145	\$ 238,898	\$ 235,488
Sales and use	52,688	474,194	0	0
Licenses and permits	75,667	0	0	0
Intergovernmental revenues:				
Federal funds - federal grants	12,397	0	0	0
State funds:				
Parish transportation funds	0	162,852	0	0
State revenue sharing (net)	48,988	0	0	11,821
Severance taxes	12,859	0	0	0
Other	163,459	0	0	29,922
Fees, charges, and commissions for services	186,464	0	0	0
Fines and forfeitures	0	0	0	0
Use of money and property	106,788	30,936	20,010	22,207
Other revenues	<u>98,132</u>	<u>97,103</u>	<u>59,600</u>	<u>5,585</u>
 Total Revenues	 <u>1,000,021</u>	 <u>977,230</u>	 <u>318,508</u>	 <u>305,023</u>
EXPENDITURES				
Current:				
General government:				
Legislative	50,167	0	0	0
Judicial	217,355	0	0	0
Elections	60,022	0	0	0
Finance and administrative	258,130	0	0	0
Other general government	226,472	0	0	0
Public safety	242,416	0	0	0
Public works	74,437	683,246	269,806	0
Health and welfare	0	0	0	0
Culture and recreation	25,659	0	0	259,645
Economic development and assistance	7,487	0	0	0
Transportation	0	0	0	0
Capital outlay	0	48,195	0	0
Debt service:				
Principal retirement	0	0	10,138	0
Interest and bank charges	<u>0</u>	<u>0</u>	<u>173</u>	<u>0</u>
 Total Expenditures	 <u>1,162,145</u>	 <u>731,441</u>	 <u>280,117</u>	 <u>259,645</u>
 EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	 <u>\$ (162,124)</u>	 <u>\$ 245,789</u>	 <u>\$ 38,391</u>	 <u>\$ 45,378</u>

Statement E

HEALTH UNIT	DRAINAGE MAINTENANCE	CRIMINAL COURT	OTHER GOVERNMENTAL	TOTAL
\$ 123,800	\$ 212,145	\$ 0	\$ 210,432	1,475,487
0	0	0	0	526,882
0	0	0	0	75,667
0	0	0	23,900	36,297
0	0	0	0	162,852
0	0	0	0	60,809
0	0	0	0	12,859
0	0	0	16,461	209,842
0	0	0	2,700	189,164
0	0	367,355	0	367,355
31,399	12,541	0	10,155	234,036
0	20,113	0	6,490	287,023
<u>155,199</u>	<u>244,799</u>	<u>367,355</u>	<u>270,138</u>	<u>3,638,273</u>
0	0	0	0	50,167
0	0	304,197	0	521,552
0	0	0	0	60,022
0	0	0	82,352	340,482
0	0	0	0	226,472
0	0	0	68,247	310,663
0	255,696	0	0	1,283,185
119,674	0	0	0	119,674
0	0	0	0	285,304
0	0	0	0	7,487
0	0	0	4,277	4,277
0	26,447	0	10,250	84,892
0	0	0	40,000	50,138
0	0	0	25,268	25,441
<u>119,674</u>	<u>282,143</u>	<u>304,197</u>	<u>230,394</u>	<u>3,369,756</u>
\$ 35,525	\$ (37,344)	\$ 63,158	\$ 39,744	\$ 268,517

EAST CARROLL PARISH POLICE JURY
GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures, and Changes
in Fund Balances
For the Year Ended December 31, 2007

	<u>GENERAL</u>	<u>ROAD MAINTENANCE AND CONSTRUCTION</u>	<u>GARBAGE DISTRICT NO. 1</u>	<u>LIBRARY</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 0	\$ 0	\$ 0	\$ 0
Transfers out	<u>(3,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(3,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	(165,124)	245,789	38,391	45,378
FUND BALANCES - BEGINNING	<u>630,993</u>	<u>709,868</u>	<u>485,457</u>	<u>457,899</u>
FUND BALANCES - ENDING	<u>\$ 465,869</u>	<u>\$ 955,657</u>	<u>\$ 523,848</u>	<u>\$ 503,277</u>

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

Statement E

HEALTH UNIT	DRAINAGE MAINTENANCE	CRIMINAL COURT	OTHER GOVERNMENTAL	TOTAL
\$ 0	\$ 0	\$ 0	3,000	\$ 3,000
0	0	0	0	(3,000)
0	0	0	3,000	0
35,525	(37,344)	63,158	42,744	268,517
656,524	381,114	131,228	345,862	3,778,945
\$ 692,049	\$ 323,770	\$ 194,386	\$ 388,606	\$ 4,047,462

(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, 2007**

Statement F

Total net change in fund balances - governmental funds \$ 268,517

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

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

Capital outlay	187,327	
Depreciation expense	(312,505)	
Adjustment to depreciation expense	<u>7,417</u>	(117,761)

Repayment of bond principal and capital leases is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. 50,181

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 earned \$24,787 exceeded the amounts used (\$23,572) by \$1,215. (1,215)

Capital assets disposed of prior to full depreciation result in a loss on disposal for the government-wide statements. There is no recognition of this loss in the governmental funds. (4,129)

Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. (80)

Change in net assets of governmental activities. \$ 195,513

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, 2007

Statement G

SECTION 8
VOUCHER

ASSETS	
Current Assets:	
Cash	\$ <u>83,668</u>
Total Current Assets	83,668
Long-term Assets	
Property, plant and equipment (net of accumulated depreciation)	<u>1,550</u>
TOTAL ASSETS	<u>85,218</u>
LIABILITIES	
Current Liabilities:	
Accounts, salaries and other payables	<u>4,312</u>
TOTAL LIABILITIES	<u>4,312</u>
NET ASSETS	
Invested in capital assets, net of related debt	1,550
Unrestricted	<u>79,356</u>
TOTAL NET ASSETS	<u>\$ 80,906</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, 2007

Statement H

SECTION 8
VOUCHER

OPERATING REVENUES	
Federal Grants	\$ 583,917
Other operating revenue	<u>65,491</u>
Total operating revenues	<u>649,408</u>
OPERATING EXPENSES	
Administration	73,785
Housing assistance payments	543,907
Depreciation	<u>10,515</u>
Total operating expenses	<u>628,187</u>
OPERATING INCOME (Loss) FROM OPERATIONS	<u>21,221</u>
NONOPERATING REVENUES (EXPENSES)	
Interest income	<u>3,246</u>
Total nonoperating revenues (expenses)	<u>3,246</u>
NET CHANGE IN NET ASSETS	24,467
NET ASSETS - BEGINNING OF YEAR	<u>56,439</u>
NET ASSETS - END OF YEAR	<u>\$ 80,908</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, 2007

Statement I

SECTION 8
VOUCHER

CASH FLOWS FROM OPERATING ACTIVITIES	
Payments to vendors	\$ (35,894)
Payments to employees	(35,416)
Payments to private landlords	(643,907)
Federal grants	583,917
Other operating revenue	<u>65,491</u>
NET CASH PROVIDED (USED) BY	
OPERATING ACTIVITIES	<u>34,191</u>
CASH FLOW FROM INVESTING ACTIVITIES:	
Interest and dividends	<u>3,246</u>
NET CASH PROVIDED (USED) BY	
INVESTING ACTIVITIES	<u>3,246</u>
NET INCREASE (DECREASE) IN CASH AND	
CASH EQUIVALENTS	37,437
CASH AND CASH EQUIVALENTS AT	
BEGINNING OF YEAR	<u>46,231</u>
CASH AND CASH EQUIVALENTS AT END	
OF YEAR	<u>\$ 83,668</u>
RECONCILIATION OF OPERATING INCOME	
(LOSS) TO NET CASH PROVIDED (USED)	
BY OPERATING ACTIVITIES	
Operating income (loss)	\$ 21,221
Adjustments to reconcile operating income	
to net cash provided (used) by operating	
activities:	
Depreciation expense	10,515
Change in assets and liabilities:	
Accounts payables	<u>2,455</u>
NET CASH PROVIDED BY OPERATING	
ACTIVITIES	<u>\$ 34,191</u>

THE NOTES TO THE 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, 2007

INDEX

	<u>Page</u>
NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	33
A. REPORTING ENTITY	33
B. FUNDS.....	34
Governmental funds	34
C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING.....	35
<u>Government-Wide Financial Statements (GWFS)</u>	35
<u>Fund Financial Statements (FFS)</u>	35
Revenues	36
Expenditures.....	36
Other Financing Sources (Uses).....	36
D. ENCUMBRANCES	37
E. CASH AND CASH EQUIVALENTS	37
F. INVESTMENTS	37
G. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES (FFS)	38
H. ELIMINATION AND RECLASSIFICATIONS	38
I. PREPAID ITEMS	38
J. CAPITAL ASSETS	38
K. COMPENSATED ABSENCES	39
L. LIABILITIES	40
M. RESTRICTED NET ASSETS	40
N. RESERVED FUND BALANCES OF FUND FINANCIAL STATEMENTS	40
O. INTERFUND TRANSACTIONS	40
P. SALES TAXES	40
Q. DEFERRED REVENUES	41
R. USE OF ESTIMATES	41
NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY	41
A. Excess of Expenditures Over Appropriations in Individual Funds.....	41
NOTE 3 - LEVIED TAXES	41
NOTE 4 - DEPOSITS.....	43
NOTE 5 - INVESTMENTS.....	44
NOTE 6 - RECEIVABLES	45
NOTE 7 - CAPITAL ASSETS	46
NOTE 8 - RETIREMENT SYSTEMS	47
NOTE 9 - ACCOUNTS, SALARIES AND OTHER PAYABLES.....	48
NOTE 10 - LONG-TERM LIABILITIES.....	49
NOTE 11 - CRIMINAL COURT FUND.....	50
NOTE 12 - INTERFUND ASSETS/LIABILITIES (FFS LEVEL ONLY).....	50
NOTE 13 - LITIGATION AND CLAIMS	50
NOTE 14 - RISK MANAGEMENT.....	51
NOTE 15 - CHANGES IN PRESENTATION.....	51

East Carroll Parish Police Jury
Notes to the Basic Financial Statements
As of and for the Year Ended December 31, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES The East Carroll Parish Police Jury (the Police Jury) is the governing authority for East Carroll Parish and is a political subdivision of the state of Louisiana. The Police Jury is governed by nine jurors representing the various districts within the parish. The jurors serve four-year terms which expire in December 2007.

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.

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

**East Carroll Parish Police Jury
Notes to the Basic Financial Statements
As of and for the Year Ended December 31, 2007**

<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.

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

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

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 and streets.

Garbage District #1 - This fund accounts for the parish garbage collection services begun in 2001.

**East Carroll Parish Police Jury
Notes to the Basic Financial Statements
As of and for the Year Ended December 31, 2007**

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

Health Unit - This fund accounts for the parish health center.

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 and its operations.

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

East Carroll Parish Police Jury
Notes to the Basic Financial Statements
As of and for the Year Ended December 31, 2007

are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The government considers all revenues available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for unmatured principal and interest on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

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

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

Sales taxes are susceptible to accrual.

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

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

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

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

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

Expenditures Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except for principal and interest on general long-term obligations, which are recognized when due.

Other Financing Sources (Uses) Sale of fixed assets, increases in capital lease purchases, and transfers between funds that are not expected to be repaid are accounted for as other financing sources (uses) and are recognized when the underlying events occur.

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.

East Carroll Parish Police Jury
Notes to the Basic Financial Statements
As of and for the Year Ended December 31, 2007

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

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

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

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

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

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.

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:

East Carroll Parish Police Jury
Notes to the Basic Financial Statements
As of and for the Year Ended December 31, 2007

- 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: 2a7-like investment pools are excluded from this disclosure requirement, per paragraph 15 of the GASB 40 statement.
- Foreign currency risk: Not applicable to 2a7-like pools.

The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. 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.

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.

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 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

**East Carroll Parish Police Jury
Notes to the Basic Financial Statements
As of and for the Year Ended December 31, 2007**

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.

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:

East Carroll Parish Police Jury
Notes to the Basic Financial Statements
As of and for the Year Ended December 31, 2007

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;

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

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

N. RESERVED FUND BALANCES OF FUND FINANCIAL STATEMENTS Reserves represent those portions of fund balance that are not appropriable for expenditures or that are legally segregated for a specific purpose. Designated fund balances represent tentative management plans for future use of financial resources and are subject to change.

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

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

P. SALES TAXES The Police Jury has a one percent sales and use tax, which was passed by the voters on October 16, 1993, for a period of five years. In October 2002, this tax was renewed for five years. The taxing period for the renewal is effective from January 1, 2004 through December 31, 2008. The net proceeds of the tax

**East Carroll Parish Police Jury
Notes to the Basic Financial Statements
As of and for the Year Ended December 31, 2007**

(after necessary costs of collection) are to be used to construct, operate, and maintain parish public roads, drainage canals, and public bridges, with ten percent of the proceeds used exclusively for insurance premiums.

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

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

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Excess of Appropriations Over Actual Revenue in Individual Funds The following funds had budgeted revenues which exceeded actual revenues for the year ended December 31, 2007:

	<u>Final Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
Actual Revenues less Than budgeted Revenues			
General Fund	\$1,479,546	\$1,464,880	\$14,666
Health Unit	710,231	709,633	598

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

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

<u>Property Tax Calendar</u>	
Millage rates adopted	September 12, 2007
Levy date	September 25, 2007
Tax bills mailed	November 7, 2007
Due date	December 31, 2007
Lien date	January 1, 2008
Tax sale - 2007 delinquent property	On or about May 1, 2008

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.

East Carroll Parish Police Jury
Notes to the Basic Financial Statements
As of and for the Year Ended December 31, 2007

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

A revaluation of all property is required after 1978 to be completed no less than every four years. The last revaluation was completed for the roll of January 1, 2007. Total assessed value was \$36,056,864 in calendar year 2007. Louisiana state law exempts the first \$7,500 of assessed value of a taxpayer's primary residence from parish property taxes. This homestead exemption was \$5,324,525 of the assessed value in calendar year 2007.

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 2007 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.

**East Carroll Parish Police Jury
Notes to the Basic Financial Statements
As of and for the Year Ended December 31, 2007**

The following is a summary of authorized and levied ad valorem taxes for the year ended December 31, 2007:

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
Parish-wide taxes:			
General fund	5.41	5.76	Indefinite
Courthouse maintenance	2.31	2.45	2009
Road maintenance	6.37	7.18	2012
Drainage maintenance	6.37	7.18	2012
Library maintenance	7.49	7.97	2009
Health unit	3.72	4.19	2007
La coop Extension Program	2.50	2.66	2009
District taxes:			
Rural fire protection	2.60	2.75	2008
Rural fire protection debt service	Variable	2.90	2018
Waste collection and disposal	10.14	10.24	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.

NOTE 4 - DEPOSITS At December 31, 2007, the Police Jury had cash and cash equivalents (book balances) as follows:

Demand deposits (cash and cash equivalents per Statement A)	\$1,379,135
Time deposits (reported as investments)	<u>41,117</u>
Total	<u>\$1,420,252</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 of the bank balance of \$1,569,911, \$303,059 was covered by federal depository insurance or by collateral held by the Police Jury's agent in the Police Jury's name (GASB Category 1). The remaining balance, \$1,266,852 was collateralized with securities held by the pledging financial institution's trust department or agent but not in the Police Jury's name (GASB Category 3).

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

East Carroll Parish Police Jury
Notes to the Basic Financial Statements
As of and for the Year Ended December 31, 2007

NOTE 5 - INVESTMENTS Investments are categorized into these three categories of credit risk:

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

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

<u>Type of investment</u>	<u>Carrying Amount</u> <u>Fair Value</u>
Investments not subject to categorization:	
External investment pool (LAMP)	\$1,194,541

Investments held at December 31, 2007 consist of \$1,194,541 in the Louisiana Asset Management Pool (LAMP), a local government investment pool. In accordance with GASB Codification Section 150.126, the investment in LAMP at December 31, 2007 is not categorized in the three risk categories provided by GASB Codification Section 150.125 because the investment is in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form.

Interest Rate Risk. The Police Jury manages its exposure to declines in fair value by investing in the LAMP investment pool which is highly liquid and has short maturity dates. 2a7-like investment pools are excluded from this disclosure requirement, per paragraph 15 of the GASB 40 statement.

Credit Risk. State law limits investments to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. Government, or one of its agencies. New regulations also include investments in investment grade commercial paper of domestic U.S. corporations. The Police Jury's investments at December 31, 2007 were limited to investments in LAMP with a Standard and Poor rating of AAAm. LAMP investments in commercial paper is limited to U.S. corporations with an A-1 or A-1+ by Standard and Poor.

Concentration of Credit Risk. Pool investments are excluded from the five percent disclosure requirement.

Custodial Credit Risk-Investments. 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 bank-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.

East Carroll Parish Police Jury
Notes to the Basic Financial Statements
As of and for the Year Ended December 31, 2007

NOTE 6 - RECEIVABLES The following is a summary of receivables at December 31, 2007:

	General	Road Maintenance Construction	Garbage District No. 1	Library	Health Unit	Drainage Maintenance	Criminal Court	Other Governmental	Total
Taxes:									
Ad Valorem	\$ 228,832	\$ 200,122	\$ 227,247	\$ 222,141	\$ 116,784	\$ 200,122	\$ -	\$ 199,528	\$ 1,394,776
Other taxes	5,324	47,924	-	-	-	-	-	-	53,248
Intergovernmental									
Revenues	-	-	-	-	-	-	-	-	-
Federal	-	-	-	-	-	-	-	-	-
State	-	-	-	-	-	-	-	-	-
Other	30,582	52,260	1,326	9,707	-	-	42,541	1,550	137,966
Total	\$ 264,738	\$ 300,306	\$ 228,573	\$ 231,848	\$ 116,784	\$ 200,122	\$ 42,541	\$ 201,078	\$ 1,585,990

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, 2007

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	-	33,393	-	33,393
Total nondepreciable capital assets	<u>375,665</u>	<u>33,393</u>	<u>-</u>	<u>409,058</u>
Depreciable capital assets:				
Buildings	1,640,301	78,084	-	1,718,385
Office equipment	262,657	1,336	-	263,993
Furniture & fixtures	59,108	3,660	-	62,768
Construction & equipment	1,091,675	69,342	-	1,161,017
Vehicles	2,002,120	-	30,668	1,971,452
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	8,381,245	1,512	-	8,382,757
Bridges	1,690,647	-	-	1,690,647
Total depreciable capital assets	<u>16,817,161</u>	<u>153,934</u>	<u>30,668</u>	<u>16,940,427</u>
Less accumulated depreciation:				
Buildings	1,294,457	23,383	-	1,317,840
Office equipment	213,226	2,064	-	215,290
Furniture & fixtures	57,450	436	-	57,886
Construction & equipment	930,021	50,714	-	980,735
Vehicles	1,355,848	172,913	26,539	1,502,222
Books, periodicals & law books	309,005	7,463	-	316,468
Infrastructure				
Airport hangars	19,688	625	-	20,313
Airport runway	66,818	19,091	-	85,909
Road right-of-way	8,258,796	5,241	-	8,264,037
Bridges	955,594	30,575	-	986,169
Total accumulated depreciation	<u>13,460,903</u>	<u>312,505</u>	<u>26,539</u>	<u>13,746,869</u>
Total depreciable capital assets, net	<u>3,356,258</u>	<u>(158,571)</u>	<u>4,129</u>	<u>3,193,558</u>
Governmental activities				
Capital assets, net	<u>\$ 3,731,923</u>	<u>\$ (125,178)</u>	<u>\$ 4,129</u>	<u>\$ 3,602,616</u>

East Carroll Parish Police Jury
Notes to the Basic Financial Statements
As of and for the Year Ended December 31, 2007

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

Judicial	\$	216
Elections		1,541
Finance & administrative		228
Other general government		4,821
Public Safety		156,089
Public Works		112,743
Health & Welfare		5,231
Culture & Recreation		11,920
Economic development & assistance		-
Transportation		19,716
Total	<u>\$</u>	<u>312,505</u>

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

	<u>Balance</u> <u>Beginning</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance Ending</u>
Depreciable capital assets				
Office equipment	\$ 5,810	\$ -	\$ -	\$ 5,810
Furniture & fixtures	3,131	-	-	3,131
Vehicles	12,365	-	-	12,365
Total	<u>21,306</u>	<u>-</u>	<u>-</u>	<u>21,306</u>
Less accumulated depreciation				
Office equipment	3,214	2,596	-	5,810
Furniture & fixtures	1,779	1,038	-	2,817
Vehicles	4,248	6,881	-	11,129
Total	<u>9,241</u>	<u>10,515</u>	<u>-</u>	<u>19,756</u>
Business-type activities capital assets, net	<u>\$ 12,065</u>	<u>\$ (10,515)</u>	<u>\$ -</u>	<u>\$ 1,550</u>

Depreciation expense was charged to governmental activities for the business-type activities as follows:

Health and welfare \$10,515

The beginning balance of accumulated depreciation was decreased \$7,417 to correct for depreciation expense which was reported in the governmental funds in the past.

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

**East Carroll Parish Police Jury
Notes to the Basic Financial Statements
As of and for the Year Ended December 31, 2007**

creditable service are entitled to a retirement benefit, payable monthly for life, equal to three percent of their final average salary for each year of creditable service. However, for those employees who were members of the supplemental plan only before January 1, 1980, the benefit is equal to one percent of final average salary plus \$24 for each year of supplemental-plan-only service earned before January 1, 1980, plus three percent of final-average salary for each salary for each year of service credited after the revision date. Final average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefits accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

Under Plan A, members are required by state statute to contribute 9.50 percent of their annual covered salary and the Police Jury is required to contribute at an actuarially determined rate. The current rate is 7.75 percent of annual covered payroll. Contributions to the system also include one-fourth of one percent (except Orleans and East Baton Rouge Parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Police Jury and Community Action Agency of East Carroll Parish (component unit) are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Police Jury's contributions to the System under Plan A for the years ending December 31, 2007, 2006, and 2005, were \$109,853, \$99,127, and \$102,055, 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 - ACCOUNTS, SALARIES AND OTHER PAYABLES

	General	Road Maintenance and Construction	Garbage District	Library	Health Unit	Drainage Maintenance	Criminal Court	Other Governmental	Section 8 Voucher	Total
Vendors	\$ 11,948	\$ 23,000	\$ 25,070	\$ 1,846	\$ 2,444	\$ 22	\$ 2,665	\$ 2,658	\$ 4,312	\$73,965
Total	\$ 11,948	\$ 23,000	\$ 25,070	\$ 1,846	\$ 2,444	\$ 22	\$ 2,665	\$ 2,658	\$ 4,312	\$73,965

East Carroll Parish Police Jury
Notes to the Basic Financial Statements
As of and for the Year Ended December 31, 2007

NOTE 10 - LONG-TERM LIABILITIES The following is a summary of the long-term liabilities transactions and balances for the year ended December 31:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One year</u>
Governmental Activities					
Bonds payable:					
General obligation debt	\$ 690,000	\$ -	\$ 40,000	\$ 650,000	\$ 40,000
Other Liabilities:					
Compensated absences	6,305	24,787	23,572	7,520	7,520
Capital Leases	10,181	-	10,181	-	-
Governmental Activities					
Long-term liabilities	<u>\$ 706,486</u>	<u>\$ 24,787</u>	<u>\$ 73,753</u>	<u>\$ 657,520</u>	<u>\$ 47,520</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 (22%), the garbage district (13%), health unit (5%), and the road maintenance and construction fund (60%).

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>\$180,738</u>	<u>\$650,000</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 \$82,198 in the debt service fund for future debt requirements. The bonds are due as follows:

<u>Year Ending December 31,</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total</u>
2008	\$ 40,000	\$ 25,048	\$ 65,048
2009	45,000	24,398	69,398
2010	45,000	23,273	68,273
2011	50,000	21,598	71,598
2012	50,000	19,473	69,473
2013-2017	285,000	60,793	345,793
2018-2019	135,000	6,155	141,155
Total	<u>\$ 650,000</u>	<u>\$ 180,738</u>	<u>\$ 830,738</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 \$3,605,686 and net outstanding bonded debt totals \$567,802.

**East Carroll Parish Police Jury
Notes to the Basic Financial Statements
As of and for the Year Ended December 31, 2007**

NOTE 11 - 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 prior years the Criminal Court Fund had a negative fund balance. In the current year the criminal court paid no funds to the General Fund because their books which are on a cash basis recorded a negative fund balance.

NOTE 12 - INTERFUND ASSETS/LIABILITIES (FFS LEVEL ONLY)

Interfund Receivables/Payables:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Road Maintenance & Construction	\$ 12,488
Drainage Fund	Road Maintenance & Construction	3,316
Total		<u>\$ 15,804</u>

The road maintenance and construction fund is expected to pay its liability within one year.

The purpose of the interfund receivables/payables was to cover expenditures until reimbursements were received from outside agencies.

Interfund Transfers:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General	\$ -	\$ 3,000
Other governmental	3,000	-
	<u>\$ 3,000</u>	<u>\$ 3,000</u>

The transfer from the general fund to the airport is made annually to assist the fund in meeting expenses.

NOTE 13 - LITIGATION AND CLAIMS

Litigation The Police Jury was involved in three lawsuits regarding payment of expenses for inmate housing. Two lawsuits were settled during the year. The Police Jury extended a consent judgment in the amount of \$141,456 in the third lawsuit. Louisiana law stipulates that although the judicial branch of government has the authority to pass a judgment on the legislative branch of government, the judicial branch does not have the power to force the legislative branch to appropriate the funds to pay the judgment. The Police Jury does not intend to appropriate the funds; therefore, this amount has not been recorded in 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 Project The Police Jury began a construction project to build a new Health Unit. The current project is the first phase of construction which will cost a total of \$500,000. A total of \$33,625 has been spent to date with an additional \$466,375 to be spent in the 2008 fiscal year.

East Carroll Parish Police Jury
Notes to the Basic Financial Statements
As of and for the Year Ended December 31, 2007

NOTE 14 - RISK MANAGEMENT The Police Jury is at risk for property damage, liability and theft which are covered by commercial insurance through the Louisiana 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.

NOTE 15 - CHANGES IN PRESENTATION For the fiscal year end December 31, 2006, the Section 8 Voucher Program was considered a major program. Due to HUD guidelines, the Section 8 Voucher Program can no longer be included as part of the governmental activities but must be reported separately as a business-type activity for the fiscal year end December 31, 2007. In addition, for the fiscal year end December 31, 2006, the Community Action Agency of East Carroll Parish was presented as a discretely presented component unit. For the year ended December 31, 2007 an audit was not required for the Community Action Agency and, therefore, was not presented.

East Carroll Parish Police Jury

REQUIRED SUPPLEMENTAL INFORMATION

East Carroll Parish Police Jury

Budgetary Comparison Schedules

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

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

ROAD MAINTENANCE AND CONSTRUCTION The road maintenance fund accounts for the maintenance of the parish highways, streets, and bridges. Major means of financing is provided by a one percent sales tax.

GARBAGE DISTRICT NO. 1 The solid waste fund accounts for the operations of the parish-wide landfill project and is funded by a district ad valorem tax.

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

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

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, 2007**

Exhibit 1-1

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>AMOUNTS</u>	<u>FINAL BUDGET</u>
			<u>(BUDGETARY BASIS)</u>	<u>POSITIVE</u>
				<u>(NEGATIVE)</u>
BUDGETARY FUND BALANCES, BEGINNING	\$ 248,590	\$ 508,232	\$ 508,232	0
Resources (inflows)				
Local sources:				
Taxes:				
Ad valorem	206,000	207,500	206,910	(590)
Sales and use	42,000	40,500	39,381	(1,119)
Licenses and permits	47,000	82,500	75,667	(6,833)
Intergovernmental revenues:				
State funds:				
State revenue sharing (net)	48,000	48,000	48,988	988
Severance taxes	21,700	27,100	27,309	209
Other	98,653	178,714	173,106	(5,608)
Fees, charges, and commissions for services	183,600	186,500	186,464	(36)
Use of money and property	86,000	98,700	100,878	1,978
Other revenues	93,550	101,800	98,145	(3,655)
Transfers from other funds	0	0	0	0
	<u>1,075,093</u>	<u>1,479,546</u>	<u>1,464,880</u>	<u>(14,666)</u>
Amounts available for appropriations				
Charges to appropriations (outflows)				
General government:				
Legislative	120,858	54,646	49,272	5,374
Judicial	151,515	239,215	234,788	4,427
Elections	35,095	60,827	59,810	1,017
Finance and administrative	109,900	269,300	258,230	11,070
Other general government	231,100	273,625	270,528	3,097
Public safety	151,300	269,225	249,167	20,058
Public works	0	74,437	74,437	0
Health and welfare	2,000	2,000	0	2,000
Culture and recreation	13,200	29,650	25,659	3,991
Economic development and assistance	3,600	10,500	7,487	3,013
Capital outlay	0	0	0	0
Transfers to other funds	3,000	3,000	3,000	0
	<u>821,568</u>	<u>1,286,425</u>	<u>1,232,378</u>	<u>54,047</u>
Total charges to appropriations				
BUDGETARY FUND BALANCES, ENDING	\$ <u>253,525</u>	\$ <u>193,121</u>	\$ <u>232,502</u>	<u>39,381</u>

EAST CARROLL PARISH POLICE JURY
ROAD MAINTENANCE AND CONSTRUCTION
Budgetary Comparison Schedule
For the Year Ended December 31, 2007

Exhibit 1-2

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>AMOUNTS</u>	<u>FINAL BUDGET</u>
			<u>(BUDGETARY BASIS)</u>	<u>POSITIVE</u>
				<u>(NEGATIVE)</u>
BUDGETARY FUND BALANCES, BEGINNING	\$ 403,619	\$ 709,868	\$ 709,868	0
Resources (inflows)				
Local sources:				
Taxes:				
Ad valorem	177,086	197,086	197,110	24
Sales and use	405,000	405,000	504,888	99,888
Intergovernmental revenues:				
State funds:				
Parish transportation funds	116,000	116,000	168,373	52,373
Use of money and property	21,850	27,550	30,936	3,386
Other revenues	98,180	165,760	165,209	(551)
Amounts available for appropriations	<u>1,219,735</u>	<u>1,621,264</u>	<u>1,776,384</u>	<u>155,120</u>
Charges to appropriations (outflows)				
Public works	759,041	779,776	751,358	28,418
Capital outlay	59,171	59,171	48,195	10,976
Transfers to other funds	50,500	40,500	39,381	1,119
Total charges to appropriations	<u>868,712</u>	<u>879,447</u>	<u>838,934</u>	<u>40,513</u>
BUDGETARY FUND BALANCES, ENDING	<u>\$ 351,023</u>	<u>\$ 741,817</u>	<u>\$ 937,450</u>	<u>195,633</u>

EAST CARROLL PARISH POLICE JURY

GARBAGE DISTRICT NO. 1
 Budgetary Comparison Schedule
 For the Year Ended December 31, 2007

Exhibit 1-3

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL	AMOUNTS	FINAL BUDGET
			(BUDGETARY BASIS)	POSITIVE (NEGATIVE)
BUDGETARY FUND BALANCES, BEGINNING	\$ 251,667	\$ 251,667	\$ 280,672	29,005
Resources (inflows)				
Local sources:				
Taxes:				
Ad valorem	214,550	214,550	218,938	4,388
Use of money and property	19,300	19,300	20,010	710
Other revenue	25,909	25,909	60,583	34,674
Amounts available for appropriations	511,426	511,426	580,203	68,777
Charges to appropriations (outflows)				
Public works	283,364	283,364	247,238	36,126
Debt service:				
Principal retirement	24,840	24,840	10,311	14,529
Total charges to appropriations	308,204	308,204	257,549	50,655
BUDGETARY FUND BALANCES, ENDING	\$ 203,222	\$ 203,222	\$ 322,654	119,432

EAST CARROLL PARISH POLICE JURY

LIBRARY
 Budgetary Comparison Schedule
 For the Year Ended December 31, 2007

Exhibit 1-4

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL	AMOUNTS	FINAL BUDGET
			(BUDGETARY BASIS)	POSITIVE (NEGATIVE)
BUDGETARY FUND BALANCES, BEGINNING	\$ 259,425	\$ 259,425	\$ 259,425	0
Resources (inflows)				
Local sources:				
Taxes:				
Ad valorem	200,000	218,839	235,488	16,649
Intergovernmental revenues:				
State funds:				
State revenue sharing (net)	12,000	11,705	11,705	0
Other	10,734	29,922	29,922	0
Use of money and property	12,550	19,179	22,207	3,028
Other revenues	4,971	5,589	5,585	(4)
Amounts available for appropriations	<u>499,680</u>	<u>544,659</u>	<u>564,332</u>	<u>19,673</u>
Charges to appropriations (outflows)				
Culture and recreation	<u>278,756</u>	<u>257,686</u>	<u>249,037</u>	<u>8,649</u>
Total charges to appropriations	<u>278,756</u>	<u>257,686</u>	<u>249,037</u>	<u>8,649</u>
BUDGETARY FUND BALANCES, ENDING	\$ <u>220,924</u>	\$ <u>286,973</u>	\$ <u>315,295</u>	<u>28,322</u>

EAST CARROLL PARISH POLICE JURY

HEALTH UNIT
 Budgetary Comparison Schedule
 For the Year Ended December 31, 2007

Exhibit 1-5

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL	AMOUNTS	FINAL BUDGET
			(BUDGETARY BASIS)	POSITIVE (NEGATIVE)
BUDGETARY FUND BALANCES, BEGINNING	\$ 547,038	\$ 551,253	\$ 551,253	0
Resources (inflows)				
Local sources:				
Taxes:				
Ad valorem	108,000	126,981	126,981	0
Use of money and property	11,755	31,897	31,399	(498)
Other revenues	100	100	0	(100)
Amounts available for appropriations	<u>666,893</u>	<u>710,231</u>	<u>709,633</u>	<u>(598)</u>
Charges to appropriations (outflows)				
Health and welfare	<u>596,151</u>	<u>233,651</u>	<u>131,948</u>	<u>101,703</u>
Total charges to appropriations	<u>596,151</u>	<u>233,651</u>	<u>131,948</u>	<u>101,703</u>
BUDGETARY FUND BALANCES, ENDING	<u>\$ 70,742</u>	<u>\$ 476,580</u>	<u>\$ 577,685</u>	<u>101,105</u>

EAST CARROLL PARISH POLICE JURY

DRAINAGE MAINTENANCE
 Budgetary Comparison Schedule
 For the Year Ended December 31, 2007

Exhibit 1-6

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL	AMOUNTS (BUDGETARY BASIS)	FINAL BUDGET POSITIVE (NEGATIVE)
BUDGETARY FUND BALANCES, BEGINNING	\$ 172,465	\$ 172,240	\$ 361,114	\$ 188,874
Resources (inflows)				
Local sources:				
Taxes:				
Ad valorem	177,086	197,086	212,145	15,059
Use of money and property	16,700	16,700	12,541	(4,159)
Other revenues	1,020	20,044	20,113	69
Transfers from other funds	0	0	0	0
Amounts available for appropriations	<u>367,271</u>	<u>406,070</u>	<u>605,913</u>	<u>199,843</u>
Charges to appropriations (outflows)				
Public works	118,258	169,530	255,696	(86,166)
Debt service:				
Principal retirement	0	0	0	0
Interest and bank charges	0	0	0	0
Capital outlay	34,171	31,750	26,447	5,303
Transfers to other funds	<u>94,640</u>	<u>94,640</u>	<u>0</u>	<u>94,640</u>
Total charges to appropriations	<u>247,069</u>	<u>295,920</u>	<u>282,143</u>	<u>13,777</u>
BUDGETARY FUND BALANCES, ENDING	\$ <u>120,202</u>	\$ <u>110,150</u>	\$ <u>323,770</u>	\$ <u>213,620</u>

East Carroll Parish Police Jury

**Notes to Budgetary Comparison Schedules
For the Year Ended December 31, 2007**

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, 2007, 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

	<u>Final Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
Actual Revenues Less Than Budgeted Revenues			
General Fund	\$1,479,546	\$1,464,880	\$14,666
Health Unit	710,231	709,633	598

East Carroll Parish Police Jury

Notes to Budgetary Comparison Schedules
For the Year Ended December 31, 2007

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

Sources/inflows of resources:

Actual amounts (budgetary basis) "available for appropriation" from the Budgetary Comparison Schedule

The fund balance at the beginning of the year is a budgetary resource but is not a current-year revenue for financial reporting purposes

Accrual of accounts receivable for financial reporting purposes

Transfers of tax collections to other funds classified as tax revenue for budgetary purposes and as a reduction of tax revenue for financial reporting

Transfers from other funds to offset expenditures classified as receipts for budgetary purposes and as a reduction of expenditure for financial reporting

Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds

<u>General</u>	<u>Road Maintenance Construction</u>	<u>Garbage District No. 1</u>	<u>Library</u>	<u>Health Unit</u>	<u>Drainage Maintenance</u>
\$1,464,880	\$1,776,384	\$580,203	\$564,332	\$709,633	\$605,913
(508,232)	(709,868)	(280,672)	(259,425)	(551,253)	(361,114)
43,373	44,735	18,977	116	(3,181)	-
-	(39,381)	-	-	-	-
-	(94,640)	-	-	-	-
<u>\$ 1,000,021</u>	<u>\$ 977,230</u>	<u>\$318,508</u>	<u>\$305,023</u>	<u>\$155,199</u>	<u>\$244,799</u>

East Carroll Parish Police Jury

**Notes to Budgetary Comparison Schedules
For the Year Ended December 31, 2007**

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

	<u>General</u>	<u>Road Maintenance Construction</u>	<u>Garbage District No. 1</u>	<u>Library</u>	<u>Health Unit</u>	<u>Drainage Maintenance</u>
	\$1,232,378	\$838,934	\$257,549	\$249,037	\$131,948	\$282,143
	-	-	-	-	-	-
	(67,233)	(68,112)	22,568	10,608	(12,274)	-
	-	(39,381)	-	-	-	-
	<u>(3,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$1,162,145</u>	<u>\$731,441</u>	<u>\$280,117</u>	<u>\$259,645</u>	<u>\$119,674</u>	<u>\$282,143</u>

Uses/Outflows of resources:

Actual amounts (budgetary basis) "Total charges to appropriations" from the Budgetary Comparison Schedule

Transfers from other funds to offset expenditures classified as receipts for budgetary purposes and as a reduction of expenditures for financial reporting

2 Accrual of accounts payable for financial reporting

Transfers of tax collections to other funds classified as a transfer out for budgetary purposes and as a reduction of tax revenue for financial reporting

Transfers to other funds classified as expenditures for budgetary purposes and as an operating transfer for financial reporting

Total expenditures as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds

East Carroll Parish Police Jury

SUPPLEMENTAL INFORMATION

East Carroll Parish Police Jury

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

EAST CARROLL PARISH POLICE JURY
NONMAJOR GOVERNMENTAL FUNDS
Combining Balance Sheet - By Fund Type
December 31, 2007

Exhibit 2

	<u>SPECIAL REVENUE</u>	<u>DEBT SERVICE</u>	<u>CAPITAL PROJECT</u>	<u>TOTAL</u>
ASSETS				
Cash and cash equivalents	\$ 103,931	\$ 17,840	\$ 0	\$ 121,771
Investments	68,415	0	0	68,415
Receivables	136,720	64,358	0	201,078
TOTAL ASSETS	<u>309,066</u>	<u>82,198</u>	<u>0</u>	<u>391,264</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts, salaries and other payables	2,658	0	0	2,658
Total Liabilities	<u>2,658</u>	<u>0</u>	<u>0</u>	<u>2,658</u>
Fund Balances:				
Reserved for debt service	0	82,198	0	82,198
Reserved for capital project	0	0	0	0
Unreserved, reported in Special Revenue	306,408	0	0	306,408
Total Fund Balances	<u>306,408</u>	<u>82,198</u>	<u>0</u>	<u>388,606</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 309,066</u>	<u>\$ 82,198</u>	<u>\$ 0</u>	<u>\$ 391,264</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, 2007**

Exhibit 3

	<u>SPECIAL</u> <u>REVENUE</u>	<u>DEBT</u> <u>SERVICE</u>	<u>CAPITAL</u> <u>PROJECT</u>	<u>TOTAL</u>
REVENUES				
Local sources:				
Taxes:				
Ad valorem	\$ 142,749	\$ 67,683	\$ 0	\$ 210,432
Intergovernmental revenues:				
Federal funds - federal grants	0	0	23,900	23,900
State funds:				
Other	16,461	0	0	16,461
Fees, charges, and commissions for services	2,700	0	0	2,700
Use of money and property	8,409	1,746	0	10,155
Other revenues	6,200	290	0	6,490
	<u>176,519</u>	<u>69,719</u>	<u>23,900</u>	<u>270,138</u>
EXPENDITURES				
Current:				
General government:				
Finance and administrative	65,683	3,019	13,650	82,352
Public Safety	68,247	0	0	68,247
Culture and recreation	0	0	0	0
Transportation	4,277	0	0	4,277
Capital outlay	0	0	10,250	10,250
Debt service:				
Principal retirement	0	40,000	0	40,000
Interest and bank charges	0	25,268	0	25,268
	<u>138,207</u>	<u>68,287</u>	<u>23,900</u>	<u>230,394</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES				
	<u>38,312</u>	<u>1,432</u>	<u>0</u>	<u>39,744</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	3,000	0	0	3,000
	<u>3,000</u>	<u>0</u>	<u>0</u>	<u>3,000</u>
Total Other Financing Sources (Uses)				
	<u>3,000</u>	<u>0</u>	<u>0</u>	<u>3,000</u>
Net Change in Fund Balances	41,312	1,432	0	42,744
FUND BALANCES - BEGINNING	<u>265,096</u>	<u>80,766</u>	<u>0</u>	<u>345,862</u>
FUND BALANCES - ENDING	<u>\$ 306,408</u>	<u>\$ 82,198</u>	<u>\$ 0</u>	<u>\$ 388,606</u>

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.

EAST CARROLL PARISH POLICE JURY
NONMAJOR SPECIAL REVENUE FUNDS
Combining Balance Sheet
December 31, 2007

Exhibit 4

	AIRPORT HANGAR	LAKESIDE WALKING TRAIL	RURAL FIRE PROTECTION	LSU/SU EXTENSION	TOTAL
ASSETS					
Cash and cash equivalents	\$ 3,059	\$ 14,375	\$ 77,740	\$ 8,757	\$ 103,931
Investments	0	0	68,415	0	68,415
Receivables	1,550	0	61,029	74,141	136,720
TOTAL ASSETS	4,609	14,375	207,184	82,898	309,066
LIABILITIES AND FUND EQUITY					
Liabilities:					
Accounts, salaries and other payables	135	0	1,799	724	2,658
Total Liabilities	135	0	1,799	724	2,658
Fund Balances:					
Unreserved and undesignated	4,474	14,375	205,385	82,174	306,408
Total Fund Balance	4,474	14,375	205,385	82,174	306,408
TOTAL LIABILITIES AND FUND BALANCE	\$ 4,609	\$ 14,375	\$ 207,184	\$ 82,898	\$ 309,066

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, 2007

Exhibit 5

	AIRPORT HANGAR	LAKESIDE WALKING TRAIL	RURAL FIRE PROTECTION	LSU/SU EXTENSION	TOTAL
REVENUES					
Local sources:					
Taxes:					
Ad valorem	\$ 0	\$ 0	\$ 64,156	\$ 78,593	\$ 142,749
Intergovernmental revenues:					
State funds:					
Other	0	0	16,461	0	16,461
Fees, charges, and commissions for services	2,700	0	0	0	2,700
Use of money and property	0	0	7,642	767	8,409
Other revenues	0	0	6,200	0	6,200
Total Revenues	2,700	0	94,459	79,360	176,519
EXPENDITURES					
Current:					
General government:					
Finance and administrative	0	0	0	65,683	65,683
Public Safety	0	0	68,247	0	68,247
Culture and recreation	0	0	0	0	0
Transportation	4,277	0	0	0	4,277
Total Expenditures	4,277	0	68,247	65,683	138,207
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(1,577)	0	26,212	13,677	38,312
OTHER FINANCING SOURCES (USES)					
Transfers in	3,000	0	0	0	3,000
Total Other Financing Sources (Uses)	3,000	0	0	0	3,000
Net Change in Fund Balances	1,423	0	26,212	13,677	41,312
FUND BALANCES - BEGINNING	3,051	14,375	179,173	68,497	265,096
FUND BALANCES - ENDING	\$ 4,474	\$ 14,375	\$ 205,385	\$ 82,174	\$ 306,408

**East Carroll Parish Police Jury
Financial Data Schedule
For the Year Ended December 31, 2007**

PHA: LA195 FYED: 12/31/2006

Line Item No.	Account Description	Housing Choice Vouchers	Disaster Voucher Program	Total
111	Cash - Unrestricted	\$82,268	\$1,400	\$83,668
100	Total Cash	\$82,268	\$1,400	\$83,668
120	Accounts Receivable	\$0	\$0	\$0
150	Total Current Assets	\$82,268	\$1,400	\$83,668
164	Furniture, Equipment & Machinery - Administration	\$21,306	\$0	\$21,306
165	Leasehold Improvements	\$0	\$0	\$0
166	Accumulated Depreciation	(\$19,756)	\$0	(\$19,756)
160	Total Fixed Assets, Net of Accumulated Depreciation	\$1,550	\$0	\$1,550
180	Total Non-Current Assets	\$1,550	\$0	\$1,550
190	Total Assets	\$83,818	\$1,400	\$85,218
312	Accounts Payable <= 90 days	\$2,114	\$0	\$2,114
321	Accrued Wage/Payroll Taxes Payable	\$798	\$0	\$798
333	Accounts Payable - Other Government	\$0	\$1,400	\$1,400
310	Total Current Liabilities	\$2,912	\$1,400	\$4,312
350	Total Noncurrent Liabilities	\$0	\$0	\$0
300	Total Liabilities	\$2,912	\$1,400	\$4,312
508	Total Contributed Capital	\$0	\$0	\$0
508.1	Invested in Capital Assets, Net of Related Debt	\$1,550	\$0	\$1,550
511	Total Reserved Fund Balance	\$0	\$0	\$0
511.1	Restricted Net Assets	\$0	\$0	\$0
512.1	Unrestricted Net Assets	\$79,356	\$0	\$79,356
513	Total Equity/Net Assets	\$80,906	\$0	\$80,906
600	Total Liabilities and Equity/Net Assets	\$83,818	\$1,400	\$85,218

(continued)

**East Carroll Parish Police Jury
Financial Data Schedule
For the Year Ended December 31, 2007**

PHA: LA195 FYED: 12/31/2006

Line Item No.	Account Description	Housing Choice Vouchers	Disaster Voucher Program	Total
705	Total Tenant Revenue	\$0	\$0	\$0
706	HUD PHA Operating Grants	\$641,032	\$8,376	\$649,408
711	Investment Income - Unrestricted	\$3,246	\$0	\$3,246
700	Total Revenue	\$644,278	\$8,376	\$652,654
911	Administrative Salaries	\$35,416	\$0	\$35,416
912	Auditing Fees	\$5,200	\$0	\$5,200
915	Employee Benefit Contributions - Administrative	\$8,770	\$0	\$8,770
916	Other Operating - Administrative	\$17,595	\$0	\$17,595
961	Insurance Premiums	\$4,384	\$0	\$4,384
962	Other General Expenses	\$2,400	\$0	\$2,400
969	Total Operating Expenses	\$73,765	\$0	\$73,765
970	Excess Operating Revenue over Operating Expenses	\$570,513	\$8,376	\$578,889
973	Housing Assistance Payments	\$534,619	\$9,288	\$543,907
974	Depreciation Expense	\$10,515	\$0	\$10,515
900	Total Expenses	\$618,899	\$9,288	\$628,187
1010	Total Other Financing Sources (Uses)	\$0	\$0	\$0
1000	Excess (Deficiency) of Operating Revenue Over (Under) Expenses	\$25,379	(\$912)	\$24,467
1102	Debt Principal Payments - Enterprise Funds	\$0	\$0	\$0
1103	Beginning Equity	\$55,527	\$912	\$56,439
1104	Prior Period Adjustments, Equity Transfers and Correction of Errors	\$0	\$0	\$0
1113	Maximum Annual Contributions Commitment (Per ACC)	\$641,032	\$0	\$641,032
1114	Prorata Maximum Annual Contributions Applicable to a Period of less than Twelve Months	\$0	\$0	\$0
1115	Contingency Reserve, ACC Program Reserve	\$0	\$0	\$0
1116	Total Annual Contributions Available	\$641,032	\$0	\$641,032
1120	Unit Months Available	1,704	18	1,722
1121	Number of Unit Months Leased	1,680	18	1,698
1117	Administrative Fee Equity	(\$16,523)	\$0	(\$16,523)
1118	Housing Assistance Payments Equity	\$97,429	\$0	\$97,429

(concluded)

East Carroll Parish Police Jury

GENERAL

Exhibit 6

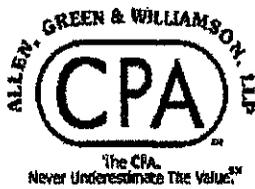
COMPENSATION PAID POLICE JURORS The schedule of compensation paid to police jurors is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Compensation of the police jurors is included in the legislative expenditures of the general fund. In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

**Schedule of Compensation Paid Police Jurors
For the Year Ended December 31, 2007**

Joseph G. Jackson, President	\$ 8,400
Roger Clement	7,200
Patricia F. Roberson	7,200
John E. Shoemaker	7,200
Billy Travis	<u>7,200</u>
Total	<u>\$37,200</u>

East Carroll Parish Police Jury

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



ALLEN, GREEN & WILLIAMSON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

P. O. Box 6075

Monroe, LA 71211-6075

2441 Tower Drive
Monroe, LA 71201

Phone: (318) 388-4422

Fax: (318) 388-4664

Toll-free: (888) 741-0205

www.allengreencpa.com

Tim Green, CPA
Margie Williamson, CPA

Diane Ferschoff, CPA
Amy Tynes, CPA
Aimee Buchanan, CPA
Angie Williamson, CPA
Cindy Thomason, CPA

Ernest L. Allen, CPA
(Retired) 1963 - 2000

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, 2007, which collectively comprise the Police Jury's basic financial statements and have issued our report thereon dated June 26, 2008. 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

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.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as items 07-F1, 07-F2 and 07-F3 to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described above is a material weakness.

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 one instance of noncompliance or other matters that are required to be reported under Government Auditing Standards. This is listed as item 07-F3 in the Schedule of Findings and Questioned Costs.

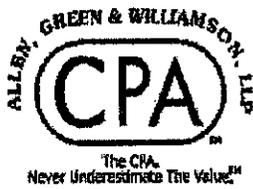
The Police Jury's response to the findings identified in our audit is described in the accompanying Corrective Action Plan for Current Year Audit Findings and Questioned Costs. We did not audit the Police Jury's response and, accordingly, we express no opinion on it.

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
June 26, 2008



ALLEN, GREEN & WILLIAMSON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

P. O. Box 6075

Monroe, LA 71211-6075

2441 Tower Drive
Monroe, LA 71201

Phone: (318) 388-4422
Fax: (318) 388-4664

Toll-free: (888) 741-0205
www.allengreencpa.com

Tim Green, CPA
Margie Williamson, CPA

Diane Ferschoff, CPA
Amy Tynes, CPA
Aimee Buchanan, CPA
Angie Williamson, CPA
Cindy Thomason, CPA

Ernest L. Allen, CPA
(Retired) 1963 - 2000

Report on Compliance With Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133

Police Jurors
East Carroll Parish Police Jury
Lake Providence, Louisiana

Compliance

We have audited the compliance of the East Carroll Parish Police Jury with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended December 31, 2007. 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 Policy Jury complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2007. 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 are described in the accompanying Schedule of Findings and Questioned Costs as item 07-F4.

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 in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the Police Jury's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

A control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item 07-F4 to be a significant deficiency.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. We do not consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs to be a material weakness.

The Police Jury's response to the finding 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.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Police Jury, as of and for the year ended December 31, 2007, and have issued our report thereon dated June 26, 2008. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the Police Jury's primary government financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

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
June 26, 2008

**East Carroll Parish Police Jury
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2007**

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	\$ 641,032
Disaster Voucher Program	14.DVP		8,376
Passed Through Louisiana Office of Community Development:			
Community Development Block Grant	14.228		<u>23,900</u>
Total United States Department of Housing and Urban Development			<u>673,308</u>
Department of Homeland Security			
Passed Through the Governor's Office of Homeland Security and Emergency Preparedness:			
Emergency Management Performance Grant	97.042		11,647
Homeland Security Grant Program	97.067		<u>750</u>
Total Department of Homeland Security			<u>12,397</u>
TOTAL FEDERAL AWARDS			<u><u>\$ 685,705</u></u>

East Carroll Parish Police Jury
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2007

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 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	\$ 12,397
Other Governmental fund	23,900
Section 8 Voucher fund:	
Federal grants	583,917
Other operating revenue	<u>65,491</u>
	<u>\$685,705</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, 2007**

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, each major fund, and the aggregate remaining fund information of the primary government.
- ii. There were three significant deficiencies required to be disclosed by Government Auditing Standards issued by the Comptroller General of the United States of America. The significant deficiencies were not considered to be material weaknesses.
- iii. There was one 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. This 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, 2007**

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: **07-F1** **Inadequate Record Keeping For Leave**

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

Criteria or specific requirement: In order to maintain good internal controls over leave taking, it is necessary that records are kept with all leave earned and all leave taken to ensure that the employee has earned the necessary leave hours prior to taking leave. It is also necessary for the correct leave type to be coded or corrected when errors are found.

Condition found: It was noted that five employees had negative leave time for annual leave at year end. It was also noted that leave was miscoded as sick leave when the requested leave was actually annual leave.

Possible asserted effect (cause and effect):

Cause: The supervisors of the road and garbage departments were not keeping records correctly and they did not match the ones prepared at the Police Jury offices.

Effect: Employees were awarded leave which they had not earned.

Recommendations to prevent future occurrences: The central office at the Police Jury should match their records to the ones kept by the supervisors and should correct leave as needed to ensure proper records for leave are kept.

Reference # and title: **07-F2** **Bank Reconciliations Not Reconciled Properly**

Entity-wide or program/department specific: This finding is specific to the Criminal Court.

Criteria or specific requirement: In order to properly reconcile the general ledger cash account to the bank statements, any unusual or long-term reconciling items should be researched and corrected.

Condition found: Review of the bank reconciliation for the Criminal Court for year end showed a deposit in transit of \$18,741 which had been outstanding for over six weeks. It was discovered that the item listed as an outstanding deposit was actually one deposit which had been entered into the ledger twice.

Possible asserted effect (cause and effect):

Cause: The reconciliations are being generated by the software but there appears to be no review of the reconciliation once generated.

Effect: Cash is overstated and internal controls over cash are weakened.

Recommendations to prevent future occurrences: Once the reconciliations are prepared, the preparer should review the reconciliations for any unusual items and research.

**East Carroll Parish Police Jury
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2007**

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: **07-F3** **Compliance With Transportation Guidelines**

Entity-wide or program/department specific: This finding is specific to the Road and Drainage departments.

Criteria or specific requirement: State law prohibits public agencies from donating or providing anything of value to persons, associations, or corporations. Attorney General Opinion 05-0153 gives approval to install culverts on public right of way for the benefit of private land owners only if the police jury is reimbursed for all of their expenses. The opinion states that if the installation is for the good of both the landowner and the public that the public entity may perform the service without reimbursement for installation if a cooperative endeavor agreement is obtained.

In addition the Parish Transportation Act (R.S. 48:751-762) requires a police jury to implement a parish-wide capital improvement plan and to follow that plan as approved.

Condition found: During our testing we discovered a number of culverts were purchased to install on private property. The culverts themselves were purchased by the landowners, but the police jury was not reimbursed for their expenses. There were no cooperative endeavor agreements observed.

In addition, although a three-year capital improvement plan was adopted, it was not implemented due to problems with broken machinery. Viewing the improvement plan for the next three years, the roads which were to be worked on in 2007 were not at the top of the list for 2008.

Possible asserted effect (cause and effect):

Cause: The cause is unknown.

Effect: The Transportation Act is not being followed correctly and the police jury is violating state law by providing installation charges at no expense to private landowners.

Recommendations to prevent future occurrences: Efforts should be made to ensure that all state laws and Guidelines are followed.

**East Carroll Parish Police Jury
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2007**

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

Reference # and title: **07-F4** **Test of Resident Files**

Federal program and specific federal award identification:

Section 8 Housing Choice Voucher Program CFDA#14.871

Criteria or specific requirement: Re-examination of income and family composition must be performed, at a minimum, yearly. The income should be verified by a third party or by viewing original documents provided by the resident. All social security numbers and birth dates reported on the re-examination form (form 50058) must match the information provided by the resident. All family members who are 18 years or older must sign the fraud affidavit and permission to release information. All participating parties must sign the amendment.

Condition found: A total of twenty-six files were chosen for testing. Of the twenty-six files tested, one 50058 was incomplete, nine files contained social security numbers or birth dates which did not match the documentation, two files did not have the proper expense or revenue verified by a third party or original document, and seven files contained incorrect income calculations. These incorrect calculations resulted in questioned costs of \$3,792.

Possible asserted effect (cause and effect):

Cause: The part-time person who assisted the director resigned and there was only one person handling all of the files, assisting incoming clients, answering the phone, etc.

Effect: Resident information was not reported correctly in some instances.

Recommendations to prevent future occurrences: Due care should be taken in entering information on the re-examination forms.

East Carroll Parish Police Jury

Other Information

The information in the following section concerns management's actions or intentions concerning prior- and current-year audit findings and is required by U. S. Office of Management and Budget (OMB) Circular 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, 2007**

Reference # and title: **06-F1** **Controls Over Capital Assets**

Origination date: Year ended December 31, 2006.

Finding: Good internal controls over capital assets require an effective system of reporting additions to and removal from the asset listing and that assets be recorded at the proper amount.

Tests were performed to trace a sample of assets from the listing to the asset and from the asset to the listing. Two items from the asset listing to the asset could not be located. Research revealed that one item was traded in for a newer model and the other had been scrapped. The procedure tracing from the asset to the listing revealed one asset which was quite old and assumed to be fully depreciated but could not be found on the fixed asset listing. Two of the new additions tested revealed that that the cost of the asset only was added to the asset listing. Extra attachments and delivery costs were not added to the cost of the asset.

Corrective action taken: All departments were reminded of the importance of reporting additions and deletions to the capital asset listing. This finding has been cleared.

Reference # and title: **06-F2** **No 1099 Tax Forms Submitted**

Origination date: Year ended December 31, 2006.

Finding: Internal Revenue Service guidelines indicate that non-employee compensation which meets or exceeds \$600 must be reported on a 1099-MISC form.

Review of the vendor list revealed that two summer student workers who were paid from Community Action funds received approximately \$625 and no 1099-MISC form was filed.

Corrective action taken: 1099 forms were filed as required by the IRS. This finding has been cleared.

Reference # and title: **06-F3** **Bank Reconciliations With Stale Checks and Deposits**

Origination date: Year ended December 31, 2006.

Finding: Good internal controls over cash require that bank reconciliations be performed on a timely basis and that items which appear as reconciling items with a date which precedes the reconciliation date by six months or more should be researched to ascertain if these reconciling items are truly outstanding items or should be corrected in the general ledger.

Review of six cash accounts revealed that there were outdated reconciling items as early as March, 2004.

Corrective action planned: See finding 07-F2.

**East Carroll Parish Police Jury
Summary Schedule of Prior Audit Findings
December 31, 2007**

Reference # and title: **06-F4** **Test of Tenant Files**

Origination date: Year ended December 31, 2002.

Finding: Re-examination of income and family composition must be performed, at a minimum, yearly. The income should be verified by a third party or by viewing original documents provided by the resident. All social security numbers and birth dates reported on the re-examination form (form 50058) must match the information provided by the resident. All family members who are 18 years or older must sign the fraud affidavit and permission to release information. All participating parties must sign the amendment.

A total of twenty seven files were tested and the following exemptions were noted:

- 2 instances where the landlord did not sign the amendment
- 2 instances where a child of 18 or greater did not sign the fraud affidavit
- 1 instance where a child of 18 or greater did not sign the authorization for release of information
- 1 instance where the client's name did not match the documentation

Corrective action planned: See finding 07-F4.

Reference # and title: **06-F5** **Family Self Sufficiency Corrective Action Plan**

Origination date: Year ended December 31, 2006.

Finding: A response letter from HUD indicating receipt of the SEMAP report requested that the Section 8 program establish a corrective action plan for establishing a Family Self Sufficiency program and submit this plan no later than May 18th, 2007.

At the final date of field work the corrective action plan had not been submitted.

Corrective action taken: A plan was developed and submitted. This finding has been cleared.

Reference # and title: **06-F6** **Waiting List**

Origination date: Year ended December 31, 2006.

Finding: The waiting list format should contain sufficient information to allow the proper selection for the next family eligible for a housing choice voucher according to the selection policy.

Two families listed on the waiting list were sent letters after families who were lower on the list.

Corrective action taken: The waiting list was maintained according to written policy. This finding has been cleared.

East Carroll Parish Police Jury
Corrective Action Plan for Current Year Audit Findings and Questioned Costs
December 31, 2007

Reference # and title: **07-F1** **Inadequate Record Keeping For Leave**

Condition found: In order to maintain good internal controls over leave taking, it is necessary that records are kept with all leave earned and all leave taken to ensure that the employee has earned the necessary leave hours prior to taking leave. It is also necessary for the correct leave type to be coded or corrected when errors are found.

It was noted that five employees had negative leave time for annual leave at year end. It was also noted that leave was miscoded as sick leave when the requested leave was actually annual leave.

Corrective action planned: A training on maintaining leave records will be conducted and a cross reference policy will be put in place.

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 15, 2008.

Reference # and title: **07-F2** **Bank Reconciliations Not Reconciled Properly**

Condition found: In order to properly reconcile the general ledger cash account to the bank statements, any unusual or long-term reconciling items should be researched and corrected.

Review of the bank reconciliation for the Criminal Court for year end showed a deposit in transit of \$18,741 which had been outstanding for over six weeks. It was discovered that the item listed as an outstanding deposit was actually one deposit which had been entered into the ledger twice.

Corrective action planned: Stale items will be researched, documented, and corrected as needed.

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: Immediately.

Reference # and title: **07-F3** **Compliance With Transportation Guidelines**

Condition found: State law prohibits public agencies from donating or providing anything of value to persons, associations, or corporations. Attorney General Opinion 05-0153 gives approval to install culverts on public right of way for the benefit of private land owners only if the police jury is reimbursed for all of their expenses. The opinion

**East Carroll Parish Police Jury
Corrective Action Plan for Current Year Audit Findings and Questioned Costs
December 31, 2007**

states that if the installation is for the good of both the landowner and the public that the public entity may perform the service without reimbursement for installation if a cooperative endeavor agreement is obtained.

In addition the Parish Transportation Act (R.S. 48:751-762) requires a police jury to implement a parish-wide capital improvement plan and to follow that plan as approved.

During our testing we discovered a number of culverts were purchased to install on private property. The culverts themselves were purchased by the landowners, but the police jury was not reimbursed for their expenses. There were no cooperative endeavor agreements observed.

In addition, although a three-year capital improvement plan was adopted, it was not implemented due to problems with broken machinery. Viewing the improvement plan for the next three years, the roads which were to be worked on in 2007 were not at the top of the list for 2008.

Corrective action planned: A cooperative endeavor agreement will be established for culvert installation that benefits both the landowner and parish. Also the incomplete roads in the 2007 capital improvement plan have been moved to 2008.

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: Immediately.

Reference # and title:

07-F4

Test of Resident Files

Condition found: Re-examination of income and family composition must be performed, at a minimum, yearly. The income should be verified by a third party or by viewing original documents provided by the resident. All social security numbers and birth dates reported on the re-examination form (form 50058) must match the information provided by the resident. All family members who are 18 years or older must sign the fraud affidavit and permission to release information. All participating parties must sign the amendment.

A total of twenty-six files were chosen for testing. Of the twenty-six files tested, one 50058 was incomplete, nine files contained social security numbers or birth dates which did not match the documentation, two files did not have the proper expense or revenue verified by a third party or original document, and seven files contained incorrect income calculations. These incorrect calculations resulted in questioned costs of \$3,792.

Corrective action planned: Extra care will be taken to ensure that resident files are accurate and complete with proper expense and/or revenue verifications.

**East Carroll Parish Police Jury
Corrective Action Plan for Current Year Audit Findings and Questioned Costs
December 31, 2007**

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: Immediately.

**East Carroll Parish Police Jury
Status of Prior Management Letter Items
December 31, 2007**

06-M1 Written Backup Disaster Plan

Comment: Review of the information systems revealed that there is no written backup disaster plan for the Police Jury's financial software.

Management's action taken: An automatic backup of the system is done every other day. The backup is stored on site in a fire-proof vault.