

**WEST CARROLL PARISH POLICE JURY
Oak Grove, Louisiana**

**Primary Government Financial Statements
With Independent Auditor's Report
As of and for the Year Ended
December 31, 2006
With Supplemental Information Schedules**

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 8-8-07

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West Carroll Parish Police Jury
 Oak Grove, Louisiana
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Required Supplemental Information (Part I)
Management's Discussion and Analysis

West Carroll Parish Police Jury
Oak Grove, Louisiana
Management's Discussion and Analysis
December 31, 2006
(Unaudited)

As management of the West Carroll Parish Police Jury, we offer readers of the police jury's financial statements this narrative overview and analysis of the financial activities of the police jury for the year ended December 31, 2006. We encourage readers to consider the information presented here, in conjunction with the basic financial statements, and the supplementary information provided in this report in assessing the efficiency and effectiveness of our stewardship of public resources.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the West Carroll Parish Police Jury's basic financial statements. The police jury's basic financial statements comprise three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the West Carroll Parish Police Jury's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of the West Carroll Parish Police Jury's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the police jury is improving or deteriorating.

The statement of activities presents information showing how the police jury's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (for example, earned but not taken annual leave).

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The West Carroll Parish Police Jury, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the current funds of the police jury are included in one category - governmental funds.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The West Carroll Parish Police Jury maintains 15 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Parish Wide Road Tax Fund, Solid Waste, Drainage Maintenance, Criminal Court, and Section 8 special revenue funds, which are considered to be major funds. Data from the other funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining schedules in the other supplemental information section of the report.

West Carroll Parish Police Jury adopts an annual appropriated budget for the General Fund and all special revenue funds. Budgetary comparison schedules are provided in the Required Supplemental Information (Part II) for the major funds to demonstrate compliance with this budget.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain other supplemental information concerning the West Carroll Parish Police Jury. The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplemental information section.

Government-Wide Financial Analysis As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. At the close of the fiscal year, assets of the West Carroll Parish Police Jury exceeded liabilities by \$20,189,580. Of those net assets, \$15,730,468 represents the police jury's investment in capital assets net of accumulated depreciation and debt associated with assets. These assets are not available for future spending. The remaining net assets are made up of bank balances and receivables.

Statement of Net Assets		
Assets	2006	2005
Cash and cash equivalents	\$4,802,325	\$3,976,294
Deposits held in trust	318,369	278,454
Receivables	1,271,731	1,208,220
Prepays	3,096	3,096
Capital assets (net)	<u>15,787,260</u>	<u>14,605,602</u>
Total Assets	<u>\$22,182,781</u>	<u>\$20,071,666</u>
Liabilities		
Cash overdrafts		\$12,241
Accounts payable	\$113,857	351,945
Payroll taxes payable		6,218
Compensated absences payable	95,501	101,419

Leases payable	\$56,792	\$121,995
Landfill closure/post closure payable	1,357,229	1,296,285
Bank loan payable	212,000	
Deferred revenues:		
Protest taxes	98,697	75,769
Grant	59,125	58,176
Total Liabilities	<u>\$1,993,201</u>	<u>\$2,024,048</u>
Net Assets		
Invested in capital assets, net of related debt	\$15,730,468	\$14,483,606
Reserved for post closure	318,369	278,454
Unrestricted	<u>4,140,743</u>	<u>3,287,461</u>
Total Net Assets	<u>\$20,189,580</u>	<u>\$18,049,521</u>

Financial Analysis of the Government's Funds West Carroll Parish Police Jury uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the governmental funds is to provide information on near-term revenue, expenditures, and balances of expendable resources. This information is used in assessing the financing requirements of the police jury. Unreserved fund balances may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of December 31, 2006, combined governmental fund balances of \$6,123,842 showed an increase of \$1,160,224 over December 31, 2005. The General Fund's balance of \$1,118,215 showed an increase of \$313,622 over the 2005 balance of \$804,593.

Budgetary Highlights

Differences in the General Fund between the original budgeted revenues and the final budgeted numbers were mainly due to an increase in anticipated sales tax, licenses and permits, federal grants, rural development, other state grants, and local grants, and operating transfer in. Expenditures were higher in areas such as capital outlay and transportation.

Differences in the Parish Wide Road Tax Fund between the original budgeted revenues and the final budgeted numbers were mainly due to an increase in sales tax, fees charges and commissions, use of money and property and other revenues. Expenditures were less in Public Works.

Differences in the Solid Waste Fund between the original budgeted revenues and the final budgeted numbers were mainly due to an increase in anticipated sales tax fees, charges and commissions and use of money and property. Expenditures were less in public works.

Differences in the Drainage Maintenance Fund between the original actual expenditures were higher in public works.

Capital Asset and Debt Administration

Capital Assets. The West Carroll Parish Police Jury's investment in capital assets for its governmental activities as of December 31, 2006, amounts to \$15,730,468 (net accumulated depreciation and associated debt). This investment includes land, buildings and improvements, infrastructure roads and bridges, and

furniture and equipment. The increase in capital assets for the year was \$478,763. Reductions in capital assets for the year ended December 31, 2006 were \$18,180. The construction in progress airport taxiway project was completed and two capital leases paid out during the current year.

Long-Term Debt. At the end of the year, West Carroll Parish Police Jury had total long-term debt of \$1,721,522, which consisted of Capital Leases, Compensated Absences, and Landfill Closure/Post Closure Care. During 2006, approximately \$102,759 was paid on this debt.

Economic Factors and Next Year's Budgets

The police jury's financial plan for this upcoming year is underway. The General Fund plans to make transfers to alleviate deficit balances in the Criminal Court fund.

Requests for Information

This financial report is designed to be a summary of the West Carroll Parish Police Jury's finances. If there are any questions regarding any information, a request can be made in writing to the West Carroll Parish Police Jury, at P.O. Drawer 630, Oak Grove, Louisiana 71263. Our telephone number is (318) 428-3390.

June 14, 2007

Independent Auditor's Report

West Carroll Parish Police Jury
Oak Grove, Louisiana

I have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of West Carroll Parish Police Jury as of and for the year ended December 31, 2006, which collectively comprise the basic financial statements of the parish's primary government as listed in the table of contents. These financial statements are the responsibility of West Carroll Parish Police Jury's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my 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 I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

The financial statements referred to above include only the primary government of West Carroll Parish which consist of all funds, organizations, institutions, agencies, departments, and offices that comprise the police jury's legal entity. The financial statements do not include financial data of the police jury's legally separate component units, which accounting principles generally accepted in the United States of America require to be reported with the financial data of the parish's primary government. As a result, the primary government financial statements do not purport to, and do not, present fairly the financial position of the reporting entity of West Carroll Parish as of December 31, 2006, and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

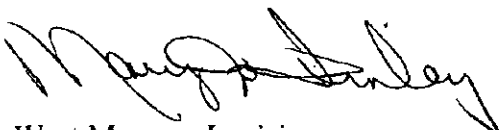
In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, major funds, and the aggregate remaining fund information for the primary government of West Carroll Parish Police Jury as of December 31, 2006, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

West Carroll Parish Police Jury
Oak Grove, Louisiana
Independent Auditor's Report,
December 31, 2006

Management's discussion and analysis on pages 4 through 7 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, I did not audit the information and express no opinion on it.

My audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise West Carroll Parish Police Jury's basic financial statements. The budgetary comparison schedules on pages 36 through 39, which is supplementary information required by the Governmental Accounting Standards Board and the other supplementary information schedules on pages 43 through 44 are presented for the purpose of additional analysis and are not a required part of the basic financial statements. Those schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, are presented fairly in all material respects in relation to the basic financial statements taken as a whole.

In accordance with *Government Auditing Standards*, I have also issued a report dated June 14, 2007, on my consideration of the West Carroll Parish Police Jury's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of my audit.



West Monroe, Louisiana
June 14, 2007

Basic Financial Statements

Statement A

West Carroll Parish Police Jury
Oak Grove, Louisiana
Governmental Activities
Statement of Net Assets
December 31, 2006

Assets	
Cash and cash equivalents	\$4,802,325
Deposits held in trust	318,369
Receivables	1,271,731
Prepays	3,096
Capital assets (net)	<u>15,787,260</u>
Total Assets	<u>\$22,182,781</u>
Liabilities	
Accounts payable	113,857
Compensated absences payable	95,501
Leases payable	56,792
Landfill closure/post closure payable	1,357,229
Bank loans payable	212,000
Deferred revenues:	
Protest taxes	98,697
Federal grant	<u>59,125</u>
Total Liabilities	<u>\$1,993,201</u>
Net Assets	
Invested in capital assets, net of related debt	\$15,730,468
Reserved for post closure	318,369
Unrestricted	<u>4,140,743</u>
Total Net Assets	<u>\$20,189,580</u>

See accompanying notes to basic financial statements.

Statement B

West Carroll Parish Police Jury
Oak Grove, Louisiana
Statement of Activities
For the Year Ended December 31, 2006

Functions:	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	
Governmental Activities:				
General government	\$667,483	\$90,114		(\$577,369)
Public safety	374,454	97,470	\$90,505	(186,479)
Public works	2,853,124	431,204	193,587	(2,228,333)
Health and welfare	358,882	3,870	202,685	(152,327)
Culture and recreation	5,527		5,415	(112)
Economic development and assistance	24,356		105	(24,251)
Transportation	158,524		28,451	203,846
Total governmental activities	<u>\$4,442,350</u>	<u>\$622,658</u>	<u>\$520,748</u>	<u>(\$2,965,025)</u>
General revenues:				
Taxes:				
Ad valorem taxes				1,007,321
Sales taxes				1,928,440
State revenue sharing				62,368
Fire insurance rebate				41,556
Severance taxes				9,676
Grants and contributions not restricted to specific programs				10,368
Licenses and permits				54,518
Unrestricted investment earnings				227,479
Gain on sale of assets				23,646
Other				133,101
Total general revenues				<u>3,498,473</u>
Change in net assets				533,448
Net assets at beginning of year				<u>19,656,132</u>
Net assets at end of year				<u>\$20,189,580</u>

See accompanying notes to basic financial statements.

Statement C

West Carroll Parish Police Jury
 Oak Grove, Louisiana
 Governmental Funds
 Balance Sheet
 December 31, 2006

	General	Parish Wide Road Tax	Solid Waste	Drainage Maintenance	Criminal Court	Section 8	Other Governmental Funds	Total Governmental Funds
Assets								
Cash and equivalents	\$784,316	\$1,015,733	\$1,379,744	\$750,615	\$4,346	\$59,125	\$808,446	\$4,802,325
Deposits held in trust			318,369					318,369
Receivables	370,433	594,727	114,589	112,186	6,413		73,383	1,271,731
Due from other funds	34,832		1,529				220	36,581
Prepaid charges			3,096					3,096
Total Assets	\$1,189,581	\$1,610,460	\$1,817,327	\$862,801	\$10,759	\$59,125	\$882,049	\$6,432,102
Liabilities and Fund Balances								
Liabilities:								
Accounts payable	\$42,085	\$31,246	\$30,544	\$2,404	\$559		\$7,019	\$113,857
Due to other funds	220			1,529	34,832			36,581
Deferred revenues:								
Federal grant						\$59,125		59,125
Protest taxes	29,061	52,483		8,105			9,048	98,697
Total Liabilities	71,366	83,729	30,544	12,038	35,391	59,125	16,067	308,260
Fund balances:								
Reserved for post closure			318,369					318,369
Unreserved - undesignated	1,118,215	1,526,731	1,468,414	850,763	(24,632)		865,982	5,805,473
Total fund balances	1,118,215	1,526,731	1,786,783	850,763	(24,632)	NONE	865,982	6,123,842
Total Liabilities and Fund Balances	\$1,189,581	\$1,610,460	\$1,817,327	\$862,801	\$10,759	\$59,125	\$882,049	\$6,432,102

See accompanying notes to basic financial statements.

West Carroll Parish Police Jury
Oak Grove, Louisiana
Reconciliation of Governmental Funds Balance Sheet to
Statement of Net Assets
December 31, 2006

Total Fund Balances at December 31, 2006- Governmental Funds (Statement C)		<u>\$6,123,842</u>
Cost of capital assets at December 31, 2006	\$49,611,398	
Less accumulated depreciation as of December 31, 2006	<u>(33,824,138)</u>	15,787,260
Elimination of interfund activities:		
Due from other funds	36,581	
Due to other funds	<u>(36,581)</u>	
Long-term liabilities at December 31, 2006:		
Compensated absences	95,501	
Leases payable	56,792	
Landfill closure/post closure payable	1,357,229	
Bank loan payable	<u>212,000</u>	<u>(1,721,522)</u>
Net Assets at December 31, 2006 (Statement A)		<u>\$20,189,580</u>

See accompanying notes to basic financial statements.

Statement D

West Carroll Parish Police Jury
Oak Grove, Louisiana
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended December 31, 2006

	General	Parish Wide Road Tax	Solid Waste	Drainage Maintenance	Criminal Court	Section 8	Other Governmental Funds	Total Governmental Funds
REVENUES								
Taxes:								
Ad valorem	\$312,894	\$559,315		\$77,520			\$57,592	\$1,007,321
Sales	482,110	482,110	\$964,220					1,928,440
Licenses and permits	54,518							54,518
Intergovernmental revenues:								
Federal funds	317,222				\$202,685		82,873	602,780
State funds:								
Severance taxes	9,676							9,676
Fire insurance rebate	41,556							41,556
State revenue sharing				62,368				62,368
Parish transportation		193,587						193,587
Rural development grants	20,415							20,415
Other	39,802						8,451	48,253
Local funds	1,330							1,330
Fees, charges, and commissions for services	16,376		431,204				101,340	548,920
Fines and forfeitures					\$87,329		2,785	90,114
Use of money and property	33,826	37,826	53,593	24,285	6,729	307	70,913	227,479
Other	42,450	57,224	13,157	341	78	60	2,085	115,395
Total revenues	1,372,175	1,330,062	1,462,174	164,514	94,136	203,052	326,039	4,952,152
EXPENDITURES								
Current:								
General government:								
Legislative	54,981							54,981
Judicial	57,825				88,544		2,815	149,184
Elections	46,585							46,585
Finance and administrative	174,780							174,780
Other general government	220,408							220,408
Public safety	134,520						143,029	277,549

Public works	20,415	964,805	981,985	157,522	205,452	35,263	2,124,727
Health and welfare	67,180						307,895
Culture and recreation	527						527
Economic development and assistance	24,356					10,790	24,356
Transportation	102,678		69,263				113,468
Debt service							69,263
Capital outlay	381,125	81,879	4,684			11,075	478,763
Total expenditures	1,285,380	1,046,684	1,055,932	157,522	88,544	202,972	4,042,486
Excess (deficiency) of revenues over expenditures	86,795	283,378	406,242	6,992	5,592	123,067	909,666
OTHER FINANCING SOURCES (Use)							
Operating transfers in	22,227				2,400	5,500	30,127
Proceeds from bank loans	212,000						212,000
Gain on sale of property						38,558	38,558
Operating transfers out	(7,400)					(22,727)	(30,127)
Total other financing sources (use)	226,827	NONE	NONE	NONE	2,400	21,331	250,558
NET CHANGE IN FUND BALANCES	313,622	283,378	406,242	6,992	5,592	144,398	1,160,224
FUND BALANCES - BEGINNING	804,593	1,243,353	1,380,541	843,771	(30,224)	721,584	4,963,618
FUND BALANCES - ENDING	<u>\$1,118,215</u>	<u>\$1,526,731</u>	<u>\$1,786,783</u>	<u>\$850,763</u>	<u>NONE</u>	<u>\$865,982</u>	<u>\$6,123,842</u>

See accompanying notes to basic financial statements.

West Carroll Parish Police Jury
Oak Grove, Louisiana
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances to the Statement of Activities
For the Year Ended December 31, 2006

Net change in fund balances - total governmental funds (Statement D)	\$1,160,224
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.	(410,041)
In the Statement of Activities, certain operating expenses - compensated absences - 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).	5,918
Governmental funds do not report gain or loss on disposition of assets. In the Statement of Activities, gain on disposition of assets decreased when the asset is disposed.	(14,912)
Governmental funds report do not report proceeds from bank loans. In the Statement of Activities, bank loans are reported as bank loans payable.	(212,000)
Repayment of lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.	65,203
The accrued liability for the landfill closure/post closure is reported in the Statement of Net Assets, but not in the governmental funds.	<u>(60,944)</u>
Change in net assets of governmental activities (Statement B)	<u><u>\$533,448</u></u>

See accompanying notes to basic financial statements.

Statement E

WEST CARROLL PARISH POLICE JURY
Oak Grove, Louisiana
Statement of Fiduciary Net Assets - Agency Funds

December 31, 2006

	<u>AMBULANCE DISTRICT</u>	<u>FIRE DISTRICT</u>	<u>TOTAL</u>
ASSETS			
Accounts Receivables	\$37,838	\$37,838	\$75,676
TOTAL ASSETS	<u>\$37,838</u>	<u>\$37,838</u>	<u>\$75,676</u>
LIABILITIES			
Accounts payable	\$37,838	\$37,838	\$75,676
TOTAL LIABILITIES	<u>\$37,838</u>	<u>\$37,838</u>	<u>\$75,676</u>

The accompanying notes are an integral part of this statement.

Notes to the Financial Statements

WEST CARROLL PARISH POLICE JURY
Oak Grove, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 2006

Introduction

The West Carroll Parish Police Jury is the governing authority for West Carroll Parish and is a political subdivision of the State of Louisiana. The police jury is governed by five jurors representing the various districts within the parish. The jurors serve four-year terms which expire in January, 2008.

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, 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, and health care facilities.

GASB Statement No. 14, *The Reporting Entity*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the jury is considered a primary government, since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement No. 14, fiscally independent means that the police jury may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. In accordance with GASB Statement 14, the reporting entity for West Carroll Parish consist of 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.

GASB Statement No. 14 established criteria for determining which component units should be considered part of West 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.

West Carroll Parish Police Jury
 Oak Grove, Louisiana
 Notes to the Financial Statements (Continued)

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:

<u>Component Unit</u>	<u>Fiscal Year End</u>	<u>Criteria Used</u>
West Carroll Parish:		
Library	December 31	1, 2, and 3
Kelly Airport Authority	December 31	1, 2, and 3
Tax Assessor	December 31	2 and 3
Clerk of Court	June 30	2 and 3
Sheriff	June 30	2 and 3
Fifth Judicial District		
Criminal Court	December 31	2 and 3
Kilbourne Fire District	December 31	1 and 3
Fiske-Union Fire District	December 31	1 and 3
Forest Fire District	December 31	1 and 3
Goodwill Fire District	December 31	1 and 3
Concord Fire District	December 31	1 and 3
Ward One Fire District	December 31	1 and 3
Ward Two Fire District	December 31	1 and 3
Oak Grove Fire District	December 31	1 and 3
Oak Grove Recreation District	December 31	1, 2, and 3
Emergency Communications District	December 31	1 and 3
Office of Emergency Preparedness	December 31	1 and 3
Ambulance Service District	December 31	1 and 3

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

GASB Statement 14 provides for the issuance of primary government financial statements that are separate from those of the reporting entity. However, the primary government's (police jury's) financial statements are not a substitute for the reporting entity's financial statements. The accompanying primary government financial statements have been prepared in conformity with generally accepted accounting principles as applied to governmental units.

The police jury has chosen to issue financial statements of the primary government (police jury) only; therefore, none of the previously listed component units, except as discussed in the following paragraph, are included in the accompanying primary government financial statements. These financial statements are not intended to and do not report on the West Carroll Parish reporting entity but rather are intended to reflect only the financial statements of the primary government (police jury).

These primary government (police jury) financial statements include all funds, account groups, and organizations for which the police jury maintains the accounting records. The Fifth Judicial District Criminal Court, Kelly Airport Authority, and the Office of Emergency Preparedness, for which the police jury maintains the accounting records, are considered part of the primary government (police jury).

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and, where applicable, proprietary and fiduciary funds, even though fiduciary funds are excluded from the government-

wide financial statements. Major individual governmental funds and, where applicable, major individual enterprise funds are reported as separate columns in the fund financial statements.

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are proprietary and fiduciary fund financial statements, where applicable. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Ad valorem taxes, state revenue sharing, and federal and state grants are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the police jury.

The police jury reports the following major governmental funds:

The General Fund is the police jury's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund

The Parishwide Road Tax Fund accounts for the maintenance of parish highways, streets, and bridges. Financing is provided by a specific ad valorem tax which was renewed for a ten-year period during 1994, proceeds from a one cent sales tax, and the State of Louisiana Parish Transportation Fund.

The Solid Waste Fund accounts for the expenditures of a three-fourths per cent sales tax which is dedicated to construction, maintenance, and operation of facilities for the

West Carroll Parish Police Jury
Oak Grove, Louisiana
Notes to the Financial Statements (Continued)

collection and disposal of solid waste. The tax is for a ten year period and expires on August 1, 2015.

The Drainage Maintenance Fund accounts for maintenance of storm drainage systems and watershed programs in the parish. Financing is provided by a parishwide ad valorem tax and state revenue sharing funds.

The Criminal Court Fund for the Fifth Judicial District was established under Section 571.111 of Title 15 of the Louisiana Revised Statutes of 1950, which provides that fines and forfeitures imposed by district courts and district attorneys' conviction fees in criminal cases be transferred to the parish treasurer and deposited into a special account to be used for the expenses of the criminal court of the parish. Expenditures are made from the fund on motion of the district attorney and approval of the district judges.

The Section 8 Housing Fund provides housing assistance payments to participating owners on behalf of eligible tenants to provide decent, safe, and sanitary housing for very low income families at rents they can afford. Housing assistance payments are used to make up the difference between the approved rent due to the owner for the dwelling unit and the occupant family's required contribution towards the rent. Assisted families are required to contribute up to 30 per cent of their adjusted family income towards rent. Funding is provided through the United States Department of Housing and Urban Development.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The police jury has elected not to follow subsequent private-sector guidance. As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

When both restricted and unrestricted resources are available for use, it is the police jury's policy to use restricted resources first, then unrestricted resources as they are needed.

C. Deposits and Investments

The police jury's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. State law and the police jury's investment policy allow the police jury to invest in collateralized certificates of deposits, government backed securities, commercial paper, the Louisiana Asset Management Pool (a state sponsored investment pool), and mutual funds consisting solely of government backed securities. Investments for the police jury are reported at fair value.

D. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources

All property tax receivables are shown net of an allowance for uncollectibles. 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 15th. Ad valorem taxes become delinquent if not paid by December 31st. The taxes are normally collected in December of the current year and January and February of the ensuing year. The following is a summary of authorized and levied ad valorem taxes:

	Authorized Millage	Levied Millage	Expiration Date
Parish wide taxes:			
General	4.00	5.05	Indefinite
Parishwide Road	8.00	10.10	2014
Health Unit	1.98	1.04	2010
Drainage	1.35	1.40	2013
Library	4.25	4.71	2007

West Carroll Parish Police Jury
 Oak Grove, Louisiana
 Notes to the Financial Statements (Continued)

The difference between authorized and levied millage is the result of reassessments of taxable property within the parish as required by Article 7, Section 18 of the Louisiana Constitution of 1974. The following are the principal taxpayers for the parish and their 2006 assessed valuation:

	2006 Assessed Valuation	Percent of Total
Trunkline Gas Company	\$13,459,900	24.17%
Entergy Louisiana, Inc.	1,668,150	3.00%
Centennial Pipeline LLC	1,502,670	2.70%
Southern Natural Gas	1,222,350	2.19%
BellSouth	1,060,480	1.90%
ANR Pipeline	937,040	1.68%
Northeast Louisiana Power	899,500	1.62%
Louisiana Machinery Co. Inc.	899,050	1.61%
Regions Bank Alabama	872,720	1.57%
Amerencips	798,310	1.43%
Total	<u>\$23,320,170</u>	<u>41.87%</u>

E. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads and bridges) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Approximately 92% of the police jury's non-infrastructure assets are based on actual costs while the remaining 8% are based on the actual historical costs of like items. The cost of infrastructure assets (roads and bridges) acquired prior to 2006 are based on current replacement cost adjusted to their year of acceptance into the parish road system using the U.S. Department of Labor's producer price index. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The police jury maintains a threshold level of \$1,000 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend their useful lives are not capitalized.

West Carroll Parish Police Jury
 Oak Grove, Louisiana
 Notes to the Financial Statements (Continued)

All capital assets, other than land and construction in progress, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	Estimated Lives
Infrastructure roads and bridges	20 - 40 Years
Buildings and building improvements	10 - 40 Years
Furniture and fixtures	5 - 10 Years
Vehicles	5 - 10 Years
Heavy equipment	5 - 10 Years
Other equipment	5 - 10 Years

F. Annual and Sick Leave

Employees of the West Carroll Parish Police Jury receive from one to twenty days of vacation leave each year, depending on length of service. Vacation leave must be taken in the year earned or, with written approval, in the following year. Upon separation, employees are paid for any accrued vacation leave at the employee's current rate of pay. Additionally, police jury employees earn up to ten days of sick leave per year, depending on length of service. Sick leave can be accumulated without limitation. Upon retirement, a maximum of sixty days of sick leave may be paid to the employee at his or her average rate of pay for the last five years of service. The same sixty days may be carried into the retirement system at the employee's expense.

Employees of the criminal court earn ten days of vacation leave and seven days of sick leave each year. Vacation and sick leave are noncumulative and are forfeited if not taken in the year earned.

At December 31, 2006, employees of the police jury had accumulated and vested \$95,501 of employee leave benefits, computed in accordance with GASB Codification C60.

The entire compensated absence liability, determined in accordance with the provisions of GASB Codification Section C60, is reported on the government-wide financial statements. For governmental fund financial statements, the current portion of unpaid compensated absences is the amount that is normally expected to be paid using expendable available financial resources. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated leave are paid. The noncurrent portion of the liability is not reported in the governmental funds.

G. Sales Taxes

On March 8, 1988, the voters of West Carroll Parish passed a one per cent sales tax. One half of the sales tax is dedicated to operating expenditures of the General Fund while the remaining one-half is dedicated to the maintenance of roads, bridges, and drainage. The sales tax was for a five year period and expired on May 1, 1993. On October 3, 1992, the sales tax was renewed for a ten year period and expired on April 30, 2003. On October 5, 2002, the sales tax was renewed for a ten year period beginning May 1, 2003.

On January 20, 1990, voters of West Carroll Parish approved a three-fourths per cent sales tax, which became effective on August 1, 1990. The sales tax expired on August 1, 1995. On November 8, 1994, the sales tax was renewed for a ten year period beginning July 1, 1995. On November 2, 2004, the sales tax was renewed for a ten year period beginning July 1, 2005. The tax is dedicated for the purpose of constructing, acquiring, maintaining, and operating facilities for collecting and disposing of solid waste for West Carroll Parish.

On October 7, 2000, the voters of West Carroll Parish renewed a one-fourth per cent sales tax, effective July 1, 2001. The sales tax is dedicated for the purpose of providing a solid waste recycling program for the parish. The sales tax is for a ten year period and expires on June 30, 2011.

On September 21, 1996, voters of West Carroll Parish approved a one-half per cent sales tax. The sales tax is dedicated for the purpose of providing fire protection in the eight fire protection districts in the parish through the acquisition, construction, improvement, operation and maintenance of equipment, property, and facilities to be used in providing such fire protection. The sales tax is for a ten year period and expires in 2007. On April 1, 2006, the sales tax was renewed for a ten year period beginning January 1, 2007.

On September 21, 1996, the voters of West Carroll Parish approved a one-half per cent sales tax to provide ambulance service to the public, including acquiring, improving, maintaining and operating facilities and equipment required in connection therewith and paying related personnel costs. The sales tax is for a ten year period and expires in 2007. On April 1, 2006, the sales tax was renewed for a ten year period beginning January 1, 2007.

Effective January 1, 1987, the jury entered into an agreement with the West Carroll Parish School Board whereby the school board provides collection services for a fee of two per cent of total collections plus two-thirds of the costs of supplies and postage.

2. CASH AND EQUIVALENTS

Under state law, the police jury may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having principal offices in Louisiana. At December 31, 2006, the police jury has cash and cash equivalents (book balances) totaling \$4,802,325 as follows:

Demand deposits	\$610,545
Time deposits	4,191,730
Petty Cash	<u>50</u>
Total	<u>\$4,802,325</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. Cash (bank balances) at December 31, 2006, are secured in total as follows:

Bank Balances	<u>\$4,969,561</u>
Federal deposit insurance	\$200,000
Pledged securities (uncollateralized)	<u>7,871,804</u>
Total	<u>\$8,071,804</u>

Because the pledged securities are held by a custodial bank in the name of the fiscal agent bank rather than in the name of the police jury, they are considered uncollateralized (Category 3) under the provisions of GASB Codification C20.106. However, 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 bank has failed to pay deposited funds upon demand. Further, LRS 39:1224 states that securities held by a third party shall be deemed to be held in the police jury's name.

3. RECEIVABLES

The receivables of \$1,347,407 at December 31, 2006, are as follows:

	General Fund	Special Revenue Funds	Agency Funds	Total
Taxes:				
Ad valorem	\$284,963	\$632,449		\$917,412
Sales	37,838	113,514	\$75,676	227,028

West Carroll Parish Police Jury
 Oak Grove, Louisiana
 Notes to the Financial Statements (Continued)

	General Fund	Special Revenue Funds	Agency Funds	Total
Fees, charges, and commissions		\$51,554		\$51,554
Fines and forfeitures		6,963		6,963
Licenses and permits	\$260			260
Grants - federal		735		735
Grants - state	38,044	84,501		122,545
Other	9,328	11,582		20,910
Total	<u>\$370,433</u>	<u>\$901,298</u>	<u>\$75,676</u>	<u>\$1,347,407</u>

4. CHANGES IN CAPITAL ASSETS

	Balance January 1,	Additions	Deletions	Balance December 31,
Police Jury:				
Capital assets not being depreciated:				
Land	\$979,700		(\$14,912)	\$964,788
Assets under capital lease	355,741		(190,747)	164,994
Construction in Progress	371,046	\$245,582	(\$31,789)	84,839
Total capital assets not being depreciated	<u>1,706,487</u>	<u>245,582</u>	<u>(737,448)</u>	<u>1,214,621</u>
Capital assets being depreciated:				
Infrastructure - roads and bridges	37,818,054	75,000	(7,354)	37,885,700
Buildings and improvements	3,911,280	666,016		4,577,296
Improvements other than buildings	1,622,886			1,622,886
Office furniture and equipment	175,360	1,375	(\$3,238)	173,497
Heavy equipment	1,615,143	162,412		1,777,555
Other equipment	574,045	12,879		586,924
Vehicles	1,734,884	38,035		1,772,919
Total capital assets being depreciated	<u>47,451,652</u>	<u>955,717</u>	<u>(10,592)</u>	<u>48,396,777</u>
Less accumulated depreciation for:				
Infrastructure - roads and bridges	(27,395,736)	(504,032)	7,354	(27,892,414)
Buildings and improvements	(2,185,880)	(91,305)		(2,277,185)
Improvements other than buildings	(395,119)	(40,572)	3,238	(432,453)
Office furniture and equipment	(155,846)	(8,110)		(163,956)
Heavy equipment	(1,177,687)	(101,713)		(1,279,400)
Other equipment	(353,990)	(42,215)		(396,205)
Vehicles	(1,281,668)	(100,857)		(1,382,525)
Total accumulated depreciation	<u>(32,945,926)</u>	<u>(888,804)</u>	<u>10,592</u>	<u>(33,824,138)</u>
Total capital assets being depreciated (net)	<u>14,505,726</u>	<u>66,913</u>	<u>NONE</u>	<u>14,572,639</u>
Total capital assets (net)	<u>\$16,212,213</u>	<u>\$312,495</u>	<u>(\$737,448)</u>	<u>\$15,787,260</u>

Beginning depreciation balances for the year ended December 31, 2005 have been restated due to error on prior year bridges. Capital outlay does not agree to additions by \$722,536 due to a construction in progress project of \$531,789 being completed and capital leases of \$190,747 being paid out in 2006.

West Carroll Parish Police Jury
 Oak Grove, Louisiana
 Notes to the Financial Statements (Continued)

Depreciation expense for the year was charged to the following governmental functions:

	<u>Amount</u>
General government	\$20,410
Health and welfare	51,012
Public works (including depreciation on road and bridge infrastructure)	670,856
Public safety	96,470
Culture and recreation	5,000
Transportation	<u>45,056</u>
Total	<u>\$888,804</u>

The West Carroll Parish Hospital is leased to West Carroll Hospital, Incorporated, a nonprofit corporation, under an operating agreement dated June 20, 1996. The lease expires on February 28, 2022. The lessee pays \$3,500 per month to the police jury, and is subject to certain other provisions of the lease agreement.

5. PENSION PLAN

Substantially all employees of the West Carroll Parish 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 distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the police jury are members of Plan A.

All permanent employees working at least twenty-eight hours per week who are paid wholly or in part from parish funds and all elected parish officials are eligible to participate in the System. Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 per cent 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 per cent of final average salary plus \$24 for each year of supplemental-plan-only service earned before January 1, 1980, plus 3 per cent of final-average 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.

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 (504) 928-1361.

West Carroll Parish Police Jury
 Oak Grove, Louisiana
 Notes to the Financial Statements (Continued)

Under Plan A, members are required by state statute to contribute 9.50 per cent of their annual covered salary and the West Carroll Parish Police Jury is required to contribute at an actuarially determined rate. The current rate is 12.75 per cent of annual covered payroll. Contributions to the system also include one-fourth of one per cent (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 West Carroll Parish Police Jury are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The West Carroll Parish Police Jury's contributions to the System under Plan A for the years ending December 31, 2006, 2005, and 2004, were \$111,589, \$120,684, and \$116,094, respectively, equal to the required contributions for each year.

6. DUE FROM/TO OTHER FUNDS

The following presents interfund balances due from and to other funds at December 31, 2006.

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$34,832	\$220
Special Revenue Funds:		
Criminal Court		34,832
Solid Waste	1,529	
Communications	220	
Drainage Maintenance		<u>1,529</u>
Total	<u>\$36,581</u>	<u>\$36,581</u>

7. BANK LOANS PAYABLE

During the year ended December 31, 2006, the police jury secured two bank loans to finance the purchase of a building. The amount of the first loan was \$100,000 with 0 per cent interest. The principal is due in annual installments of \$3,333 through 2021. The amount of the second loan was \$112,000 with 0 per cent interest. The principal is due in semi-annual installments of \$3,733 through 2021. Loan payments are made from the General Fund.

8. CAPITAL AND OPERATING LEASES

The police jury records items under capital leases as an asset and an obligation in the accompanying financial statements. Capital leases at December 31, 2006, are comprised of the following:

West Carroll Parish Police Jury
 Oak Grove, Louisiana
 Notes to the Financial Statements (Continued)

Solid Waste Tax special revenue fund - Lease-purchase agreement for the purchase of a 2001 GMC Sierra truck entered into on April 16, 2001, due in 60 monthly installments of \$551 through March, 2006, with an interest rate of 6.50 percent per annum. Lease-purchase agreement for the purchase of a Komatsu Dozer entered into on October 23, 2001, due in 60 monthly installments of \$3,045 through October, 2006, with an interest rate of 4.75 percent per annum. Lease-purchase agreement for the purchase of a 2002 GMC dump truck entered into on August 2, 2002, due in 60 monthly installments of \$1,655 through July, 2007, with an interest rate of 5.80 percent per annum. Lease-purchase agreement for the purchase of a 2005 Freightliner garbage truck entered into on October 8, 2004, due in 60 monthly installments of \$1,441 through October, 2009, with an interest rate of 3.98 percent per annum.

The following is a summary of future minimum lease payments and bank loans payable, together with the present value of the net minimum lease payments, as of December 31, 2006:

<u>Year</u>	<u>Payments</u>
2007	\$43,011
2008	31,424
2009	27,610
2010	14,133
2011	14,133
2012-2016	70,663
2017-2021	<u>70,674</u>
Total minimum lease payments	271,648
Less - amount representing interest	<u>(2,856)</u>
Present value of net minimum lease payments	<u>\$268,792</u>

9. CHANGES IN GENERAL LONG-TERM OBLIGATIONS

The following is a summary of long-term obligation transactions for the year ended December 31, 2006:

	<u>Capital Leases</u>	<u>Compensated Absences</u>	<u>Bank Loan</u>	<u>Landfill Closure/Post Closure Care</u>	<u>Total</u>
Long-term obligations at January 1, 2006	\$121,995	\$101,419	NONE	\$1,296,285	\$1,519,699
Additions:		31,638	\$212,000	60,944	304,582
Deductions:	(65,203)	(32,332)			(97,535)
Adjustment ¹		(5,224)			(5,224)
Long-term obligations at December 31, 2006	<u>\$56,792</u>	<u>\$95,501</u>	<u>\$212,000</u>	<u>\$1,357,229</u>	<u>\$1,721,522</u>

¹As discussed in note 1G, upon separation from employment, employees are paid for accumulated leave at their current rate of pay. The adjustment is for the purpose of adjusting amounts for annual leave resulting from the differences between beginning and ending rates of pay and to reflect the maximum accumulation of ninety days.

10. RISK MANAGEMENT

The police jury is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; liability; and injuries to employees and others. To handle risk of loss, the police jury maintains commercial insurance covering; automobile liability; general liability; public officials liability; and worker's compensation and employer's liability. No claims were paid on any of the policies during the past three years which exceeded the policies' coverage amounts.

11. FUND DEFICIT

At December 31, 2006, the Criminal Court Special Revenue Fund had a deficit fund balance of \$24,632. The deficit will be eliminated by reducing expenditures and making transfers from the General Fund.

12. LITIGATION AND CLAIMS

At December 31, 2006, the police jury is involved in several lawsuits. Although the total amount of potential liability cannot be determined at this time, any damages awarded would be covered under the police jury's insurance. In the event there is an unfavorable outcome, the police jury's maximum loss would be limited to the insurance deductible amount. No provision for the potential liability has been made in the accompanying financial statements.

13. CHANGES IN AGENCY FUNDS DEPOSITS DUE OTHERS

	Ambulance District	Fire District	Total
Balance, January 1, 2006	\$51	\$47	\$98
Additions	482,110	482,110	964,220
Reductions	<u>(482,161)</u>	<u>(482,157)</u>	<u>(964,318)</u>
Balance, December 31, 2006	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>

14. LANDFILL CLOSURE AND POST-CLOSURE CARE COSTS

State and federal laws and regulations require the police jury to place a final cover on its landfill when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although final closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the police jury reports a portion of those closure and postclosure care costs in long-term debt on Statement A, based on cumulative landfill capacity used as of December 31 of each year. The \$1,357,229 reported as landfill closure and postclosure care liability at December 31, 2006, represents 47.83 percent of the estimated capacity of the landfill. Of that amount, \$60,944 is attributable to operations of the current year. The police jury will recognize the remaining estimated cost of closure and postclosure care of \$1,480,613 as the remaining capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2006. The police jury expects to close the landfill in 2030. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. Actual closure costs will be incurred on an on-going basis. Final cover will be completed for cells as they reach total capacity. Therefore closure costs will be incurred as cells are filled and final closure costs will involve no more than five acres, which is the largest currently planned cell size.

To provide assurances that it will be financially able to pay all post closure care costs (financial assurance plan), the police jury, on April 3, 1998, entered into a Solid Waste Facility Trust Agreement. Under the terms of the agreement, the police jury transfers \$27,000 per year into an irrevocable trust. Transfers must continue until the total amount in the trust is \$810,000. It is currently estimated that the total amount in the trust at the date of final closure, plus interest earnings over the thirty year period of post closure care will provide sufficient funds to cover all post closure care costs. At December 31, 2006, the trust held \$318,369, and is reflected as a reserve for post closure care on Statement A.

Required Supplemental Information (Part II)

**West Carroll Parish Police Jury
Oak Grove, Louisiana**

**Required Supplementary Information
Budgetary Comparison Schedules for Major Funds
For the Year Ended December 31, 2006**

Preliminary budgets for the ensuing year are prepared by the secretary/treasurer prior to November of each year. During November, the finance committee reviews the proposed budgets and makes changes as they deem appropriate. The availability of the proposed budgets for public inspection and the date of the public hearing on the budgets are then advertised in the official journal. During its regular December meeting, the police jury holds a public hearing on the proposed budget in order to receive comments from residents. 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 is published in the official journal.

During the year, the police jury receives monthly budget comparison statements which are used as a tool to control the operations of the parish. The secretary/treasurer presents necessary budget amendments to the police jury during the year when, in his judgement, actual operations are differing materially from those anticipated in the original budget. The jury, during a regular meeting, reviews the proposed amendments, makes changes as they feel 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 function level. Unexpended appropriations lapse at year end and must be reappropriated in the next year's budget to be expended.

For the year ended December 31, 2006, modified accrual based budgets were adopted for the General Fund and all special revenue funds. Budgetary comparison schedules include the original budgets and all subsequent amendments.

There was no budget adopted for the Criminal Court Fund for the year ended 2006.

West Carroll Parish Police Jury
Oak Grove, Louisiana
Budgetary Comparison Schedule - General Fund
For the Year Ended December 31, 2006

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes:				
Ad valorem	\$200,000	\$200,000	\$312,894	\$112,894
Sales	375,000	455,000	482,110	27,110
Licenses and permits	37,500	54,200	54,518	318
Intergovernmental revenues:				
Federal funds		229,617	317,222	87,605
State funds:				
Severance taxes	8,000	8,000	9,676	1,676
Fire insurance rebate	36,000	41,556	41,556	
Rural development		20,415	20,415	
Other		68,490	39,802	(28,688)
Local funds	3,000	3,000	1,330	(1,670)
Fees, charges, and commissions for services	14,500	16,100	16,376	276
Use of money and property	5,000	27,000	33,826	6,826
Other revenue	42,825	47,325	42,450	(4,875)
Total revenues	<u>721,825</u>	<u>1,170,703</u>	<u>1,372,175</u>	<u>201,472</u>
Expenditures				
Current:				
General government:				
Legislative	57,450	55,950	54,981	969
Judicial	54,969	59,054	57,825	1,229
Elections	42,930	43,280	46,585	(3,305)
Finance and administrative	179,500	184,279	174,780	9,499
Other general government	246,000	236,706	220,408	16,298
Public safety	157,100	162,656	134,520	28,136
Public works	15,000	35,415	20,415	15,000
Health and welfare	44,338	45,338	67,180	(21,842)
Culture and recreation	1,600	1,600	527	1,073
Economic development and assistance	22,900	24,161	24,356	(195)
Transportation	7,000	39,577	102,678	(63,101)
Capital outlay		633,370	381,125	252,245
Total expenditures	<u>828,787</u>	<u>1,521,386</u>	<u>1,285,380</u>	<u>236,006</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(106,962)</u>	<u>(350,683)</u>	<u>86,795</u>	<u>437,478</u>
Other Financing Source (use)				
Operating transfers in		22,227	22,227	
Proceeds from bank loans	213,000	212,000	212,000	
Operating transfer out	(7,400)	(2,400)	(7,400)	(5,000)
Total other financing sources (use)	<u>205,600</u>	<u>231,827</u>	<u>226,827</u>	<u>(5,000)</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Use	<u>98,638</u>	<u>(118,856)</u>	<u>313,622</u>	<u>432,478</u>
Fund Balance - Beginning	<u>406,085</u>	<u>406,085</u>	<u>804,593</u>	<u>398,508</u>
Fund Balance - Ending	<u>\$504,723</u>	<u>\$287,229</u>	<u>\$1,118,215</u>	<u>\$830,986</u>

(Continued)

West Carroll Parish Police Jury
 Oak Grove, Louisiana
 Budgetary Comparison Schedule
 Parish Wide Road Tax and Solid Waste Funds
 For the Year Ended December 31, 2006

	Parish Wide Road Tax			Solid Waste		
	Budgeted Amounts Original	Actual	Variance With Final Budget Positive (Negative)	Budgeted Amounts Original	Actual	Variance With Final Budget Positive (Negative)
Revenues						
Taxes:						
Ad valorem	\$350,000	\$559,315	\$202,115	\$750,000	\$964,220	\$53,420
Sales	375,000	482,110	27,110			
Intergovernmental revenues -						
Federal funds						
State funds	140,000	193,587	25,587			
Fees, charges, and commissions						
for services	15,000	37,826	(4,574)	352,000	431,204	43,366
Use of money and property	20,000	57,224	25,974	18,509	53,593	7,484
Other	900,000	1,330,062	276,212	2,000	13,157	11,157
Total revenues				1,122,509	1,462,174	115,427
Expenditures						
Current - Public works	936,600	964,805	(266,329)	1,269,295	981,985	92,759
Debt service	100,000	81,879	18,121	69,500	69,263	237
Capital outlay	1,036,600	1,046,684	(248,208)		4,684	(4,684)
Total expenditures				1,338,795	1,055,932	88,312
Excess (Deficiency) of Revenues						
over Expenditures						
Fund Balance - Beginning	(136,600)	283,378	28,004	(216,286)	406,242	203,739
Fund Balance - Ending	722,840	1,243,553	520,513	799,286	1,380,541	581,255
Fund Balance - Ending	\$586,240	\$1,526,731	\$548,517	\$583,000	\$1,786,783	\$784,994

(Continued)

West Carroll Parish Police Jury
 Oak Grove, Louisiana
 Budgetary Comparison Schedule
 Drainage Maintenance and Section 8 Funds
 For the Year Ended December 31, 2006

	Drainage Maintenance			Section 8		
	Budgeted Amounts	Actual	Variance With Final Budget Positive (Negative)	Budget	Actual	Variance With Final Budget Positive (Negative)
	Original	Final				
Revenues						
Taxes - Ad valorem	\$50,000	\$50,000	\$77,520			\$27,520
Intergovernmental revenues - Federal funds				202,685	202,685	
State - State revenue sharing (net)	70,000	70,000	62,368			(7,632)
Use of money and property	10,000	25,000	24,285	307	307	(715)
Other	1,000	1,000	341	60	60	(659)
Total revenues	131,000	146,000	164,514	203,052	203,052	18,514
Expenditures						
Current						
Public works	178,250	204,017	157,522			46,495
Health and welfare				205,452	205,452	
Total expenditures	178,250	204,017	157,522	205,452	205,452	46,495
Excess (Deficiency) of Revenues over Expenditures	(47,250)	(58,017)	6,992	(2,400)	(2,400)	65,009
Other Financing Source						
Operating transfers in						
Total other financing source	NONE	NONE	NONE	2,400	2,400	NONE
Net Change In Fund Balances	(47,250)	(58,017)	6,992	NONE	NONE	65,009
Fund Balance - Beginning	745,668	745,668	843,771	NONE	NONE	98,103
Fund Balance - Ending	\$698,418	\$687,651	\$850,763	NONE	NONE	\$163,112

(Concluded)

Other Supplemental Schedules

WEST CARROLL PARISH POLICE JURY
Oak Grove , Louisiana
SUPPLEMENTAL INFORMATION SCHEDULES
As of and for the Year Ended December 31, 2006

NON MAJOR FUNDS

HEALTH UNIT MAINTENANCE FUND

The Health Unit Maintenance Fund accounts for the maintenance and operation of the parish health unit. Financing is provided for by a specific parishwide ad valorem tax authorized by Louisiana Revised Statute 33:1236.

MISCELLANEOUS EMERGENCY FUND

The Miscellaneous Emergency Fund was established to accumulate monies to be used in case of an emergency. Financing is provided by monthly lease payments from the rental of a hospital building.

HOSPITAL PROCEEDS FUND

The Hospital Proceeds Fund was established to accumulate monies received by the police jury due to the Hospital changing from a not for profit entity to a for profit entity. All monies held by the hospital must be paid to the police jury before it can become a for profit entity.

WITNESS FEE FUND

The Witness Fee Fund was established to pay off-duty law enforcement officers. Financing is provided by fines paid by defendants who are found guilty.

SUBSTANCE ABUSE FUND

The Substance Abuse Fund is funded by costs imposed by the district court on certain traffic violations and from the payment of fees by persons required to attend the drivers education course. The funding provided is used to pay expenses for administration of the program.

EMERGENCY PREPAREDNESS FUND

The Emergency Preparedness Fund accounts for a federal grant used to support the development and maintenance of an emergency management capability for dealing with large-scale disasters.

COMMUNICATIONS DISTRICT FUND

The Communications District Fund was established for the purpose of establishing, maintaining, and operating the 911 emergency telephone system for West Carroll Parish. Financing is provided by a 5 per cent service charge on local telephone service within the parish. The Fund also receives an eighty-five cent fee per subscriber per month for wireless services provided within the parish.

KELLY AIRPORT AUTHORITY FUND

The West Carroll Kelly Airport Authority Fund accounts for the general operating expenditures of the Kelly Airport Authority. Financing is provided by rental of hangers and other miscellaneous receipts.

WEST CARROLL INDUSTRIAL DEVELOPMENT FUND

The Industrial Development Fund accounts for the maintenance of the parish-owned industrial district. Financing is provided by a sale of land within the industrial district.

WEST CARROLL PARISH POLICE JURY
Oak Grove, Louisiana
NON MAJOR FUNDS

Combining Balance Sheet, December 31, 2006

	HEALTH UNIT	MISC EMERGENCY	HOSPITAL PROCEEDS	WITNESS FEE	SUBSTANCE ABUSE	EMERGENCY PREPAREDNESS	COMM DISTRICT	KELLY AIRPORT AUTHORITY	INDUST DEV	TOTAL
ASSETS										
Cash and cash equivalents	\$309,810	\$131,117	\$86	\$2,586	\$7,579	\$5,971	\$199,139	\$2,163	\$149,995	\$808,446
Receivables	52,453	7,000		200	350	735	12,645			73,383
Due from other funds							220			220
TOTAL ASSETS	\$362,263	\$138,117	\$86	\$2,786	\$7,929	\$6,706	\$212,004	\$2,163	\$149,995	\$882,049
LIABILITIES AND FUND EQUITY										
Liabilities:										
Accounts payable	\$2,274			\$200		\$4,468	\$77			\$7,019
Deferred revenue - protest taxes	9,048									9,048
Total liabilities	11,322	NONE	NONE	200	NONE	4,468	77	NONE	NONE	16,067
Fund Equity - fund balances										
- unreserved - undesignated	350,941	\$138,117	\$86	\$2,586	\$7,929	2,238	211,927	\$2,163	\$149,995	865,982
TOTAL LIABILITIES AND FUND EQUITY	\$362,263	\$138,117	\$86	\$2,786	\$7,929	\$6,706	\$212,004	\$2,163	\$149,995	\$882,049

WEST CARROLL PARISH POLICE JURY
 Oak Grove, Louisiana
 NON MAJOR FUNDS
 Combining Schedule of Revenues, Expenditures,
 and Changes in Fund Balances
 For the Year Ended December 31, 2006

	HEALTH UNIT	MISC EMERGENCY	HOSPITAL PROCEEDS	WITNESS FEE	SUBSTANCE ABUSE	EMERGENCY PREPAREDNESS	COMM DISTRICT	KELLY AIRPORT AUTHORITY	INDUST DEV	TOTAL
REVENUES										
Taxes - Ad valorem	\$57,592									\$57,592
Intergovernmental:										
Federal funds - grants					\$3,870	\$82,873	\$97,470	\$8,451		82,873
State funds				\$2,785						8,451
Fees, charges, and commissions for services										101,340
Fines and forfeitures				\$2,785						2,785
Use of money and property	9,636	\$46,995	\$11	2,534	324	715	6,710		\$3,988	70,913
Other revenues							2,085			2,085
Total revenues	67,228	46,995	11	5,319	4,194	83,588	106,265	8,451	3,988	326,039
EXPENDITURES										
Current:										
General government - Judicial				2,815						2,815
Public safety		4,818			2,940	98,402	39,809			143,029
Health and welfare	29,660								2,663	35,263
Transportation										10,790
Capital outlay										11,075
Total expenditures	29,660	4,818		2,815	2,940	6,225	4,850			202,972
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	37,568	42,177	11	2,504	1,254	(21,039)	61,606	(2,339)	1,325	123,067
OTHER FINANCING SOURCES (USE)										
Operating transfers in		500						5,000		5,500
Proceeds from sale of assets		(22,227)								(22,227)
Operating transfers out		(21,727)						(500)		(22,727)
Total other financing sources (use)								4,500		21,331
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USE	37,568	20,450	11	2,504	1,254	(21,039)	61,606	2,161	39,883	144,398
FUND BALANCES AT BEGINNING OF YEAR	313,373	117,667	75	82	6,675	23,277	150,321	2	110,112	721,584
FUND BALANCES AT END OF YEAR	\$350,941	\$138,117	\$86	\$2,586	\$7,929	\$2,238	\$211,927	\$2,163	\$149,995	\$865,982

WEST CARROLL PARISH POLICE JURY
Winnsboro , Louisiana
SUPPLEMENTAL INFORMATION SCHEDULES
As of and for the Year Ended December 31, 2006

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. The president receives \$700 per month, and the other jurors receive \$600 per month.

Schedule 4

WEST CARROLL PARISH POLICE JURY
Oak Grove, Louisiana

Schedule of Compensation Paid Police Jurors
For the Year Ended December 31, 2006

Eddie C. Russell	\$7,235
Eugene R. Crosby (President)	8,365
Don J. Harris	7,200
Richard T. Strong	7,200
John T. Kitchens	<u>7,200</u>
Total	<u>\$37,200</u>

WEST CARROLL PARISH POLICE JURY
Oak Grove, Louisiana
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2002

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR NAME/ PROGRAM TITLE	CFDA NUMBER	PASS-THROUGH GRANTOR'S NUMBER	FEDERAL EXPENDITURES
United States Department of Housing and Urban Development			
Direct program:			
Section 8 Housing Choice Voucher Program	14.871	LA233VO	\$202,685
Homeland Security	97.073	N/A	<u>72,505</u>
Total United States Department of Housing and Urban Development			<u>275,190</u>
United States Department of Transportation			
Passed through Louisiana Department of Transportation and Development - Airport Improvement Program			
	20.106	3-22-0041-08	12,025
Passed through Louisiana Department of Transportation and Development - Airport Improvement Program			
	20.106	3-22-0041-09	<u>305,197</u>
Total United States Department of Housing and Urban Development			<u>317,222</u>
Federal Emergency Management Agency			
Emergency Management Assistance (Civil Defense) Program	83.503	N/A	<u>10,368</u>
Total Federal Financial Assistance			<u><u>\$602,780</u></u>

NOTE:

- The accompanying schedule of expenditures of federal awards is prepared on the modified accrual basis of accounting.

Other Reports

**Independent Auditor's Reports on Compliance with
Laws, Regulations, Contracts, and Grants,
and Internal Control**

The following independent Auditor's reports on compliance with laws, regulations, contracts, and grants and internal control are presented in compliance with the requirements of *Government Auditing Standards*, issued by the Comptroller General of the United States; the U. S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; the *Single Audit Act Amendments of 1996*; and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.

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

West Carroll Parish Police Jury
Oak Grove, Louisiana

I have audited the basic financial statements of West Carroll Parish Police Jury as of and for the year ended December 31, 2006, and have issued my report there on dated June 14, 2007. I conducted my 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 my audit, I considered West Carroll Parish Police Jury's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the West Carroll Parish Police Jury's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the West Carroll Parish Police Jury's internal control over financial reporting.

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 West Carroll Parish Police Jury's financial statements that is more than inconsequential will not be prevented or detected by the West Carroll Parish Police Jury's internal control.

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 West Carroll Parish Police Jury's internal control.

West Carroll Parish Police Jury
Oak Grove, Louisiana
Independent Auditor's Report on Compliance
and Internal Control Over Financial Reporting, etc.
December 31, 2006

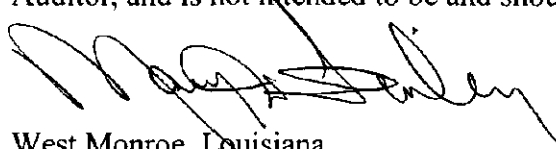
My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether West Carroll Parish Police Jury's basic financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and is included as finding 06-01 in the accompanying schedule of findings and questioned costs.

I noted another matter involving compliance that I have reported to the management of the West Carroll Parish Police Jury, in a separate letter dated June 14, 2007.

This report is intended solely for the information of the members of West Carroll Parish Police Jury, management of the police jury, federal awarding agencies and pass-through entities, and the Legislative Auditor, and is not intended to be and should not be used by anyone other than these specified parties.



West Monroe, Louisiana
June 14, 2007

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

West Carroll Parish Police Jury
Oak Grove, Louisiana

Compliance

I have audited the compliance of West 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 its major federal program for the year ended December 31, 2006. West Carroll Parish Police Jury's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of West Carroll Parish Police Jury's management. My responsibility is to express an opinion on West Carroll Parish Police Jury's compliance based on my audit.

I conducted my 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 I 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 West Carroll Parish Police Jury's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination on West Carroll Parish Police Jury's compliance with those requirements.

In my opinion, West Carroll Parish Police Jury complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 2006. The results of my auditing procedures disclosed no instances of noncompliance with those requirements that are required to be reported in accordance with OMB Circular A-133.

West Carroll Parish Police Jury
Oak Grove, Louisiana
Report on Compliance With Requirements
Applicable to Each Major Program and
Internal Control Over Compliance, etc.
December 31, 2006

Internal Control Over Compliance

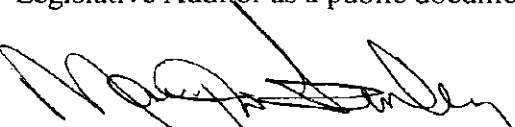
The management of West Carroll Parish Police Jury is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing my audit, I considered West Carroll Parish Police Jury's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of the West Carroll Parish Police Jury's internal control over compliance.

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 function, 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.

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.

My consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses, as defined above.

This report is intended for the information of the members of West Carroll Parish Police Jury, management of the police jury, federal awarding agencies and pass-through entities, and the Legislative Auditor, 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, it is issued by the Legislative Auditor as a public document.



West Monroe, Louisiana
June 14, 2007

WEST CARROLL PARISH POLICE JURY
Oak Grove, Louisiana

Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2006

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the primary government financial statements of the West Carroll Parish Police Jury.
2. No reportable conditions relating to the audit of the financial statements are reported in the Independent Auditor's Report on Compliance and Internal Control Over Financial Reporting.
3. One instance of noncompliance material to the financial statements of the West Carroll Parish Police Jury is reported in the Auditor's Report on Compliance and Internal Control Over Financial Reporting.
4. No reportable conditions relating to the audit of the major federal award programs are reported in the Auditor's Report on Compliance With Requirements Applicable to Major Programs and Internal Control Over Compliance.
5. The auditor's report on compliance for the major federal award programs for the West Carroll Parish Police Jury expresses an unqualified opinion.
6. No audit findings relative to the major federal award programs for the West Carroll Parish Police Jury are reported.
7. The Airport Improvement Program, CFDA number 20.106 was tested as a major program.
8. The threshold for distinguishing Type A and B programs was \$300,000.
9. The West Carroll Parish Police Jury was determined to be a low-risk auditee.

WEST CARROLL PARISH POLICE JURY
Oak Grove, Louisiana

Schedule of Findings and Questioned Costs (Continued)
For the Year Ended December 31, 2006

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

06-01 Need to Comply With Budget Act

Finding: The police jury did not comply with the Local Government Budget Act. LSA-R.S. 39:1310-1311 requires, among other things, that the police jury amend an individual fund's budget when actual revenues and other sources to date plus projected amounts to year-end are failing to meet budgeted amounts by five percent or more and/or when actual expenditures and other uses to date plus projected amounts to year-end are exceeding budgeted amounts by five percent or more. The Parishwide Road Tax fund actual expenditures and other uses exceeded budgeted amounts by approximately 17%. The Health Unit fund actual expenditures and other uses exceeded budgeted amounts by approximately 44%. The Witness Fee fund actual expenditures exceeded budgeted expenditures by approximately 39%. The West Kelly Airport Authority fund actual expenditures exceeded budgeted amounts by more than 100%. The West Carroll Industrial Development actual expenditures exceeded budgeted amounts by approximately 100%. Furthermore, the Emergency Preparedness fund budgeted revenues exceeded actual revenues by approximately 13%. There was no budget adopted for the Criminal Court Fund.

Recommendation: Both management and the finance committee must have monthly financial statements with which to monitor and control expenditures. Because the police jury as a body is ultimately responsible for compliance with laws and regulations, the finance committee should take an active role in reviewing and monitoring financial activity and any budget deficiencies should be corrected. A budget should be prepared and adopted for all Special Revenue Funds.

**C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL
AWARD PROGRAMS AUDIT**

None

WEST CARROLL PARISH POLICE JURY
Oak Grove, Louisiana

Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 2006

There were no findings reported in the audit report for the year ended December 31, 2005.

West Carroll Parish Police Jury

P. O. Drawer 630 • Oak Grove, Louisiana 71263

Telephone (318) 428-3390

Fax (318) 428-4835

DISTRICT A - JOHN KITCHENS
DISTRICT B - RICHARD STRONG
DISTRICT C - DON HARRIS

MARTHA STEPHENS
SECRETARY - TREASURER

DISTRICT D - EUGENE "Pop" CROSBY
DISTRICT E - EDDIE RUSSELL

June 15, 2007

Mr. Steve Therriott, CPA
Legislative Auditor
1600 Third Street
Baton Rouge, La. 70802

Dear Mr. Therriott;

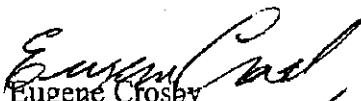
The Police Jury had our parish attorney request an attorney general opinion regarding the Maintenance of "parish roads". In response to this request we received attached AG Opinion No. 05-0362. According to our attorney, this opinion leaves the question of whether or not a parish road is considered a public road or private road up to the discretion of the police jury.

In response to the finding regarding a budget for the Criminal Court Fund the jury agrees to adopt a budget for this fund as soon as possible.

In response to the findings on the 5% variance on some of their funds budgets they agree to monitor more closely its expenditures on these funds.

Should you have any questions regarding this matter please don't hesitate to give me a call.

Sincerely,


Eugene Crosby
President

Member American
Institute of Certified
Public Accountants

MARY JO FINLEY, CPA, INC.

A PROFESSIONAL CORPORATION

116 Professional Drive - West Monroe, LA 71291

Phone (318) 329-8880 - Fax (318) 329-8883

Member Society of
Louisiana Certified
Public Accountants

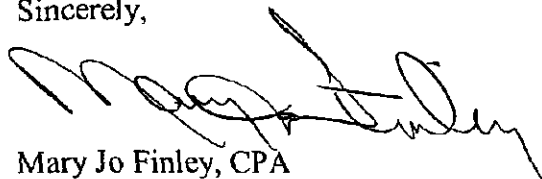
June 14, 2007

West Carroll Parish Police Jury
Oak Grove, Louisiana

In planning and performing my audit of the financial statements of the West Carroll Parish Police Jury for the year ended December 31, 2006, I considered the Police Jury's internal control in order to determine my auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on internal control. However, during my audit I became aware of certain matters that are opportunities for strengthening internal control and operating efficiency. The memorandum that accompanies this letter summarizes my comments and suggestions regarding this matter. I reported on the Parish's compliance and internal control over financial reporting in my report dated June 14, 2007. This letter does not affect my report dated June 14, 2007, on the financial statements of West Carroll Parish Police Jury.

I will review the status of these comments during my next audit engagement. I have already discussed these comments and suggestions with various administration representatives, and I will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

Sincerely,



Mary Jo Finley, CPA

West Carroll Parish Police Jury
Management Letter
June 14, 2007

**ML-06-01 Need to Comply with Article VII, Section 14
 of the Louisiana Constitution**

During course of the audit we examined various roads which are included in the parish's road infrastructure inventory. Several of the roads traversed one piece of property and appear to serve only the interest of the property owner.

Article VII, Section 14(A) of the Louisiana Constitution provides, in part, that "Except as otherwise provided by this constitution, the funds, credit, property, or things of value of the state or of any political subdivision shall not be loaned, pledged, or donated to or for any person, association, or corporation, public or private."

The Louisiana Attorney General has issued several opinions which acknowledged that it would be unlawful to expend public funds for a private purpose or one which is predominantly in the private rather than the public interest. I have included three of those opinions for your review.

In my opinion, maintenance of such roads as those described above does not serve a public purpose as contemplated by the opinions of the Attorney General.

I recommend that the police jury examine the roads in the parish road system and determine if there are any roads in the system the maintenance of which would not serve a public purpose. Where the public purpose is questionable, the police jury should document its reasons for considering such maintenance a public purpose.

La. Atty. Gen. Op. No. 78-188

*22311 La. Atty. Gen. Op. No. 78-188
Office of the Attorney General
State of Louisiana

Opinion No. 78-188
April 4, 1978

50--Highways--Roads

Police juries have full authority with respect to the making and repair of roads, bridges, streets and highways, but such work may be done only when in the best interests of the parish and the parish road system. Public funds may not be expended for a purely private purpose or one predominantly in the private rather than the public interest.

Mr. Roger J. Bourg
Secretary-Treasurer
Assumption Parish Police Jury
Box 518
Napoleonville, Louisiana

Dear Mr. Bourg:

Attorney General Guste has referred your letter of February 16, 1978, to this section for handling.

You advise that the Assumption Parish Police Jury has agreed to provide maintenance and repair of all partial streets leading to more than one family dwelling; further, that some of these streets have already been improved by the parish and are included in the parish road system.

You further advise that some of the streets which are not presently in the parish road system are simply dirt roads, unclaimed by anyone, which join the main road with a settlement of two or more houses.

You ask whether or not it would be legal for the Policy Jury to take these streets into the parish road system in order to further the best interests of the parish road system and to facilitate garbage collection services throughout the parish.

It is clear that the Parish Police Juries have full power and authority with respect to the making and repairing of roads and highways within the parish and to designate those which are to be included within the parish road system. See L.R.S. 33:1236(2); L.R.S.

48:471; L.R.S. 48:485; L.R.S. 33:106; and L.R.S. 33:3317.

Louisiana law requires that the making and repairing of roads, bridges, streets and highways be done only when 'such work will further the best interests of the parish and the parish road system'. Public funds may not be expended for such works when they facilitate a purely private purpose or a purpose, when balanced against the public interest, is predominantly in the private interest rather than the public interest.

A determination of such matters depends entirely upon the exact factual circumstances and if, in the opinion of the police jury, such work will further the best interests of the parish and the parish road system, it is authorized by law. This, of course, does not mean that the police jury is free to simply make a finding that work is in the interest of of the public and the parish road system, as such a finding must be supported by the facts.

It would seem reasonable that if a dirt road connecting two roads within the parish road system facilitates a cross-over of traffic between the two parish roads, it would further the best interests of the parish and the parish road system to provide maintenance and repair to the dirt road, even to the extent of hard-surfacing, even though the subject road might also pass private homes. However, if such a dirt road simply leads to one or two homes and does not serve the public at large, it would be legally inappropriate and unauthorized to expend labor and materials on the maintenance and repair of the road.

We hope this information is of benefit to you and should you have any further specifics or exact details which you would like to be reviewed, we would be pleased to evaluate them at any time.

Very truly yours,

Gary L. Keyser

Chief

Lands and Natural Resources Section

La. Atty. Gen. Op. No. 78-1643

*21219 La. Atty. Gen. Op. No. 78-1643
Office of the Attorney General
State of Louisiana

Opinion No. 78-1643
January 3, 1979

Police Juries have full authority with respect to the making and repairs of roads, bridges, streets, 925-4113 and high ways, but such work may be done only when in the best interests of the parish and the parish road system.

Public funds may not be expended for a purely private purpose or one predominantly in the private rather than the public interest.

Re: Resolution R-10-23-78-C

Mr. Clarence A. Richard, Jr.
Secretary
Catahoula Parish Police Jury
Post Office Box 258
Harrisonburg, Louisiana 71340

Dear Mr. Richard:

The referenced Resolution under date of October 23, 1978, was received by this office today.

You pose several questions regarding the proper uses of servitudes and public roads, as follows:

1. Under what conditions may a Police Jury grant servitudes and accept new roads within the public road system?
2. In any situation, does a road in question have to constitute a service to more than one person or family to be termed a public road?
3. Does a road that might provide entrance into land owned by several property owners qualify for granting a servitude?

It is difficult to answer your questions concerning servitudes, as we are unable to determine from the Resolution exactly what purposes might be served by the servitudes, how the Police Jury might be in a position to grant such servitudes across private property and what public purpose might be served

thereby.

With respect to the acceptance of roads into the public road system, it is clear that the Parish Police Juries have the authority to designate those roads which are to be included within the parish road system. See L.R.S. 33:1236 (2); L.R.S. 48:471; L.R.S. 48:485; L.R.S. 33:106; and L.R.S. 33:3317.

With respect to the making and repairing of roads, bridges, streets and highways, Louisiana law requires that such work be done only when it would further the best interests of the parish and the parish road system. Public funds may not be used for such works when the facilitate a purely private purpose, as distinguished from one which is in the public interest. That is, a road leading to one or even several residences, but not used by the public at large, it would not be legally appropriate to expend public labor, material or funds on the maintenance and repair of the road.

Consideration must be given to the entirety of the factual circumstances presented to determine whether or not the acceptance of a road into the public road system is in the public interest.

If you could provide us with the factual details of the matters under consideration which lead to this Resolution, we would be able to examine with a view toward render an opinion on the subject. I am enclosing our Opinion Number 78-188 addressed to Mr. Roger J. Bourg, Secretary-Treasurer of the Assumption Parish Police Jury, which examines into a particular fact situation and I hope that this opinion is of some benefit.

Very truly yours,

Gary L. Keyser

Chief

Lands and Natural Resources Section

La. Atty. Gen. Op. No. 97-459

*4918 La. Atty. Gen. Op. No. 97-459
Office of the Attorney General
State of Louisiana

Opinion No. 97-459
November 12, 1997

90-A-1 PUBLIC FUNDS & CONTRACTS

90 POLICE JURIES - Powers and functions

Art. VII, §14(A) of 1974 La. Const.; La. R.S.
33:1236(2)

Police juries have the authority to install culverts in drainage ditches for a public purpose and in the public's interest, as distinguished from a purely private purpose. Although a project may indirectly benefit a private landowner, it would not be prohibited solely on this basis, provided there is a public purpose for the work.

Annexation criteria for adoption of roads into parish road system attached.

Mr. Emmett R. Book
Parish Administrator
Franklin Parish Police Jury
6558 Main Street
Winnsboro, LA 71295

Dear Mr. Book:

This responds to your request for an opinion of this office reviewing the criteria set forth by the Franklin Parish Police Jury regarding the annexation of existing roads into the parish road system.

We have reviewed the criteria set forth and made suggestions for their refinement and improvement, keeping in mind that the expenditure of funds and resources by the police jury must be for a public purpose and in the public interest.

The requirement that the funds, credit, property or other things of value of the parish must be used for a public purpose derives from Art. VII, §14(A) of the Louisiana Constitution of 1974, which provides, in part, as follows:

Except as otherwise provided by this constitution, the funds, credit, property, or things of value of the state or of any political subdivision shall not be loaned, pledged, or donated to or for any person, association, or corporation, public or private.

Further, the revised statutes provide that funds and resources may be expended when necessary to "further the best interests of the parish and the parish road system". See La. R.S. 33:1236(2).

Therefore, for these reasons, the police jury would have authority to annex existing roads into the parish road system only for public purposes and when in the public interest.

We found the Police Jury discussion in the Special Session of September 15, 1997, very enlightening and a good discussion of the public policy considerations which have led to the enactment both of the constitutional and statutory provisions referred to above. The attached suggestions for criteria to be used by the police jury are provided to furnish a basis for further discussion to ensure that road annexations truly serve a public purpose and the public interest. There are no hard and fast rules prescribed by law other than the public purpose requirement, which generally resolves itself into a determination of what is fair, reasonable and lawful under a particular set of circumstances.

Therefore, in questionable cases, it is recommended that particular care be taken to get a legal opinion to serve as guidance under the circumstances.

We hope this opinion is of value to you, and if we may be of further assistance, please call upon us at any time.

Very truly yours,

Richard P. Ieyoub

Attorney General

By: Gary L. Keyser

Assistant Attorney General

Existing roads proposed to be annexed into the parish road system must meet the following criteria:

1) Any such road should serve a public purpose, as distinguished from a purely private purpose, and the jury shall make a finding as to the public purpose to be served by each road annexation.

i) Such roads must serve more than two (2) landowners and/or residences, and there must be an independent public purpose beyond furnishing a route of ingress and egress for a private landowner/residence.

ii) The jury must make a finding of public purpose in the case of roads serving two (2) or more landowner/residences.

iii) Roads maintained in the past by the police jury may be annexed into the parish road system if the jury determines that past maintenance and public purpose needs justify the annexation.

2) The existing roadway proposed to be annexed into the parish road system should meet existing requirements for road right-of-way, road width and surface construction.

3) In the case of roads not previously dedicated by reason of maintenance according to law, the Police Jury shall require a written grant of right-of-way by the landowner, to be recorded with the Clerk of Court and Ex-Officio Recorder of Mortgages for the parish.

4) In the case of roads sought to be annexed into the parish road system where the public purpose is questionable, the jury shall write the Legislative Auditor with an explanation of the circumstances or special circumstances and request advice or an opinion on the matter.