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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, 2005
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 7/5/06

MARY JO FINLEY, CPA, INC.
A PROFESSIONAL CORPORATION

**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, 2005
With Supplemental Information Schedules**

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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, 2005
(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, 2005. 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 17 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, 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 \$18,047,618. Of those net assets, \$14,483,606 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	2004	2005	
Cash and cash equivalents	\$3,940,471	\$3,976,294	
Deposits held in trust	242,715	278,454	
Receivables	966,926	1,208,220	
Prepays	3,168	3,096	
Capital assets (net)	<u>14,865,224</u>	<u>14,605,602</u>	
Total Assets	<u>\$20,018,504</u>	<u>\$20,071,666</u>	
Liabilities			
Cash overdrafts	\$11,124	\$12,241	
Accounts payable	186,707	351,945	
Payroll taxes payable		6,218	
Compensated absences payable	94,170	101,419	

Leases payable	\$194,651	\$121,995
Landfill closure/post closure payable	1,208,164	1,296,285
Deferred revenues:		
Protest taxes	45,291	75,769
Grant	55,083	58,176
Total Liabilities	<u>\$1,795,190</u>	<u>\$2,024,048</u>
Net Assets		
Invested in capital assets, net of related debt	\$14,670,573	\$14,483,606
Reserved for post closure	242,715	278,454
Unrestricted	<u>3,310,026</u>	<u>3,287,461</u>
Total Net Assets	<u>\$18,223,314</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, 2005, combined governmental fund balances of \$4,963,618 showed an increase of \$108,543 over December 31, 2004. The General Fund's balance of \$804,593 showed an increase of \$9,215 over the 2004 balance of \$795,378.

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 rural development and other state grants. Expenditures were higher in areas such as Economic Development and Public Safety.

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 Miscellaneous 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 Fees, Charges and Commissions and Use of Money and Property. Expenditures were higher in Public Works and Debt Service.

Differences in the Drainage Maintenance Fund between the original budgeted revenues and the final budgeted numbers were mainly due to an increase in Use of Money and Property. 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, 2005, amounts to \$14,483,606 (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 \$387,721. Reductions in capital assets for the year ended December 31, 2005 were \$16,859.

Long-Term Debt. At the end of the year, West Carroll Parish Police Jury had total long-term debt of \$1,519,699, which consisted of Capital Leases, Compensated Absences, and Landfill Closure/Post Closure Care. During 2005, approximately \$99,825 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 8, 2006

MARY JO FINLEY, CPA, INC.

A PROFESSIONAL CORPORATION

116 Professional Drive - West Monroe, LA 71291

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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, 2005, 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, 2005, 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, 2005, 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, 2005

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 35 through 38, which is supplementary information required by the Governmental Accounting Standards Board and the other supplementary information schedules on pages 42 through 43 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 8, 2006, 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 8, 2006

Basic Financial Statements

Statement A

West Carroll Parish Police Jury
Oak Grove, Louisiana
Governmental Activities
Statement of Net Assets
December 31, 2005

Assets

Cash and cash equivalents	\$3,976,294
Deposits held in trust	278,454
Receivables	1,208,220
Prepays	3,096
Capital assets (net)	<u>14,605,602</u>
Total Assets	<u>\$20,071,666</u>

Liabilities

Cash overdrafts	\$12,241
Accounts payable	351,945
Payroll taxes payable	6,218
Compensated absences payable	101,419
Leases payable	121,995
Landfill closure/post closure payable	1,296,285
Deferred revenues:	
Protest taxes	73,866
Federal grant	<u>58,176</u>
Total Liabilities	<u>\$2,022,145</u>

Net Assets

Invested in capital assets, net of related debt	\$14,483,606
Reserved for post closure	278,454
Unrestricted	<u>3,287,461</u>
Total Net Assets	<u>\$18,049,521</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, 2005

Functions:	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets	
		Charges for Services	Operating Grants and Contributions		Capital Grants and Contributions
Governmental Activities:					
General government	\$664,407	\$84,601		(\$579,806)	
Public safety	494,457	89,288	\$196,626	(208,543)	
Public works	3,719,428	411,501	152,793	(3,155,134)	
Health and welfare	313,956	2,808	198,748	(112,400)	
Culture and recreation	8,636			(8,636)	
Economic development and assistance	62,275		50,500	(11,775)	
Transportation	60,595		11,987	179,150	
Total governmental activities	<u>\$5,323,754</u>	<u>\$588,198</u>	<u>\$610,654</u>	<u>\$227,758</u>	<u>(3,897,144)</u>
General revenues:					
Taxes:					
Ad valorem taxes				710,140	
Sales taxes				1,711,117	
State revenue sharing				63,073	
Fire insurance rebate				36,740	
Severance taxes				9,245	
Grants and contributions not restricted to specific programs				16,682	
Licenses and permits				44,678	
Unrestricted investment earnings				139,774	
Gain on sale of assets				1,076	
Other				138,788	
Total general revenues				<u>2,871,313</u>	
Change in net assets				(1,025,831)	
Net assets at beginning of year				<u>19,075,352</u>	
Net assets at end of year				<u>\$18,049,521</u>	

See accompanying notes to basic financial statements.

Statement C

West Carroll Parish Police Jury
Oak Grove, Louisiana
Governmental Funds
Balance Sheet
December 31, 2005

	General	Parish Wide Road Tax	Solid Waste	Drainage Maintenance	Section 8	Other Governmental Funds	Total Governmental Funds
Assets							
Cash and equivalents	\$569,631	\$888,005	\$999,180	\$760,737	\$58,176	\$700,565	\$3,976,294
Deposits held in trust			278,454				278,454
Receivables	480,495	432,577	109,707	93,732		91,709	1,208,220
Due from other funds	34,832		1,529			220	36,581
Prepaid charges			3,096				3,096
Total Assets	<u>\$1,084,958</u>	<u>\$1,320,582</u>	<u>\$1,391,966</u>	<u>\$854,469</u>	<u>\$58,176</u>	<u>\$792,494</u>	<u>\$5,502,645</u>
Liabilities and Fund Balances							
Liabilities:							
Cash overdrafts						\$12,241	\$12,241
Accounts payable	\$252,377	\$38,240	\$11,425	\$3,048		46,855	351,945
Payroll taxes payable	6,218						6,218
Due to other funds	220			1,529		34,832	36,581
Deferred revenues:							
Federal grant					\$58,176		58,176
Protest taxes	21,550	38,989		6,121		7,206	73,866
Total Liabilities	<u>280,365</u>	<u>77,229</u>	<u>11,425</u>	<u>10,698</u>	<u>58,176</u>	<u>101,134</u>	<u>539,027</u>
Fund balances:							
Reserved for post closure			278,454				278,454
Unreserved - undesignated	804,593	1,243,353	1,102,087	843,771		691,360	4,685,164
Total fund balances	<u>804,593</u>	<u>1,243,353</u>	<u>1,380,541</u>	<u>843,771</u>	<u>NONE</u>	<u>691,360</u>	<u>4,963,618</u>
Total Liabilities and Fund Balances	<u>\$1,084,958</u>	<u>\$1,320,582</u>	<u>\$1,391,966</u>	<u>\$854,469</u>	<u>\$58,176</u>	<u>\$792,494</u>	<u>\$5,502,645</u>

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, 2005

Total Fund Balances at December 31, 2005- Governmental Funds (Statement C)		<u>\$4,963,618</u>
Cost of capital assets at December 31, 2005	\$49,158,140	
Less accumulated depreciation as of December 31, 2005	<u>(34,552,538)</u>	14,605,602
Elimination of interfund activities:		
Due from other funds	36,581	
Due to other funds	<u>(36,581)</u>	
Long-term liabilities at December 31, 2005:		
Compensated absences	101,419	
Leases payable	121,995	
Landfill closure/post closure payable	<u>1,296,285</u>	<u>(1,519,699)</u>
Net Assets at December 31, 2005 (Statement A)		<u>\$18,049,521</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, 2005

	General	Parish Wide Road Tax	Solid Waste	Drainage Maintenance	Section 8	Other Governmental Funds	Total Governmental Funds
REVENUES							
Taxes:							
Ad valorem	\$220,933	\$393,258		\$56,172		\$39,777	\$710,140
Sales	427,779	427,779	\$855,559				1,711,117
Licenses and permits	44,678						44,678
Intergovernmental revenues:							
Federal funds	227,804	84		12	\$198,748	173,583	600,231
State funds:							
Severance taxes	9,245						9,245
Fire insurance rebate	36,740						36,740
State revenue rebate				63,073			63,073
Parish transportation		152,793					152,793
Rural development grants	39,583						39,583
Other	62,487					27,534	62,487
Local funds							
Fees, charges, and commissions for services	14,670		411,501			92,096	518,267
Fines and forfeitures	13,322	23,847	26,285	17,125	267	84,601	84,601
Use of money and property	41,199	41,146	9,941	1,636	145	58,928	139,774
Other						2,517	96,584
Total revenues	<u>1,138,440</u>	<u>1,038,907</u>	<u>1,303,286</u>	<u>138,018</u>	<u>199,160</u>	<u>479,036</u>	<u>4,296,847</u>
EXPENDITURES							
Current:							
General government:							
Legislative	56,217						56,217
Judicial	42,374					96,637	139,011
Elections	26,430						26,430
Finance and administrative	178,343						178,343
Other general government	242,748					95	242,843

Public safety	191,940				189,082	381,022	
Public works	39,583					2,359,456	
Health and welfare	39,963	1,137,483	1,047,756	134,634	31,812	273,335	
Culture and recreation	3,636				201,560	3,636	
Economic development and assistance	62,275					62,275	
Transportation	6,077				7,478	13,555	
Debt service			80,316			80,316	
Capital outlay	240,719		4,500		142,502	387,721	
Total expenditures	1,130,305	1,137,483	1,132,572	134,634	467,606	4,204,160	
Excess (deficiency) of revenues over expenditures	8,135	(98,576)	170,714	3,384	11,430	92,687	
OTHER FINANCING SOURCES (Use)							
Operating transfers in					2,400	31,719	
Gain on sale of property	14,780	1,076				15,856	
Operating transfers out	(13,700)				(18,019)	(31,719)	
Total other financing sources (use)	1,080	1,076	NONE	NONE	2,400	15,856	
NET CHANGE IN FUND BALANCES	9,215	(97,500)	170,714	3,384	22,730	108,543	
FUND BALANCES - BEGINNING	795,378	1,340,853	1,209,827	840,387	668,630	4,855,075	
FUND BALANCES - ENDING	\$804,593	\$1,243,353	\$1,380,541	\$843,771	\$691,360	\$4,963,618	

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, 2005

Net change in fund balances - total governmental funds (Statement D)	\$108,543
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 outlays (\$387,721) exceeded depreciation (\$1,485,433) in the current period.	(1,097,712)
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).	(6,418)
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.	(14,780)
Repayment of lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.	72,657
The accrued liability for the landfill closure/post closure is reported in the Statement of Net Assets, but not in the governmental funds.	<u>(88,121)</u>
Change in net assets of governmental activities (Statement B)	<u><u>(\$1,025,831)</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, 2005

	<u>AMBULANCE DISTRICT</u>	<u>FIRE DISTRICT</u>	<u>TOTAL</u>
ASSETS			
Cash	\$51	\$47	\$98
Accounts Receivables	37,533	37,533	75,066
TOTAL ASSETS	<u>\$37,584</u>	<u>\$37,580</u>	<u>\$75,164</u>
LIABILITIES			
Accounts payable	\$37,533	\$37,533	\$75,066
Due to others	51	47	98
TOTAL LIABILITIES	<u>\$37,584</u>	<u>\$37,580</u>	<u>\$75,164</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, 2005

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, 2005.

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 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	5.45	Indefinite
Parishwide Road	8.00	9.74	2014
Health Unit	1.98	1.00	2010
Drainage	1.35	1.35	2013
Library	4.25	4.54	2007

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 2005 assessed valuation:

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

	2005	
	<u>Assessed Valuation</u>	<u>Percent of Total</u>
Trunkline Gas Company	\$15,624,270	27.38%
Entergy Louisiana, Inc.	1,649,410	2.89%
Centennial Pipeline LLC	1,544,750	2.71%
Southern Natural Gas	1,091,200	1.91%
BellSouth	1,079,520	1.89%
Regions Bank	962,520	1.69%
ANR Pipeline Company	907,900	1.59%
Northeast Louisiana Power Coop	875,280	1.53%
Louisiana Machinery Co., Inc.	829,390	1.45%
Ruffin Building Systems, Inc.	<u>812,250</u>	<u>1.42%</u>
Total	<u>\$25,376,490</u>	<u>44.46%</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 2005 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.

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

West Carroll Parish Police Jury
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Notes to the Financial Statements (Continued)

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, 2005, employees of the police jury had accumulated and vested \$101,419 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

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

renewed for a ten year period and expired on April 30, 2003. On October 5, 2003, 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 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.

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, 2005, the police jury has cash and cash equivalents (book balances) totaling 3,964,151 which includes bank overdrafts in the amount of \$12,241 as follows:

Demand deposits	\$620,101
Time deposits	3,344,000
Petty Cash	<u>50</u>
Total	<u><u>\$3,964,151</u></u>

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

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, 2005, are secured in total as follows:

Bank Balances	<u>\$4,104,275</u>
Federal deposit insurance	\$200,000
Pledged securities (uncollateralized)	<u>7,842,692</u>
Total	<u>\$8,042,692</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 \$1,283,286 at December 31, 2005, are as follows:

	General Fund	Special Revenue Funds	Agency Funds	Total
Taxes:				
Ad valorem	\$206,081	\$457,157		\$663,238
Sales	37,533	112,598	\$75,065	225,196
Fees, charges, and commissions		46,351		46,351
Fines and forfeitures		5,434		5,434
Licenses and permits	80			80
Grants - federal	\$217,981	\$20,163		\$238,144
Grants - state	13,322	68,525		81,847
Other	5,498	17,498		22,996
Total	<u>\$480,495</u>	<u>\$727,726</u>	<u>\$75,065</u>	<u>\$1,283,286</u>

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

4. CHANGES IN CAPITAL ASSETS

	Balance January 1,	Additions	Deletions	Balance December 31,
Police Jury:				
Capital assets not being depreciated:				
Land	\$994,480		(\$14,780)	\$979,700
Assets under capital lease	355,741			355,741
Construction in Progress	249,496	\$325,558	(204,008)	371,046
Total capital assets not being depreciated	<u>1,599,717</u>	<u>325,558</u>	<u>(218,788)</u>	<u>1,706,487</u>
Capital assets being depreciated:				
Infrastructure - roads and bridges	37,818,054			37,818,054
Buildings and improvements	3,704,676	206,604		3,911,280
Improvements other than buildings	1,622,886			1,622,886
Office furniture and equipment	175,360			175,360
Heavy equipment	1,620,143		(5,000)	1,615,143
Other equipment	518,979	55,067		574,046
Vehicles	1,742,243	4,500	(11,859)	1,734,884
Total capital assets being depreciated	<u>47,202,341</u>	<u>266,171</u>	<u>(16,859)</u>	<u>47,451,653</u>
Less accumulated depreciation for:				
Infrastructure - roads and bridges	(27,938,980)	(1,063,366)		(29,002,346)
Buildings and improvements	(2,100,034)	(85,846)		(2,185,880)
Improvements other than buildings	(354,547)	(40,572)		(395,119)
Office furniture and equipment	(146,064)	(9,783)		(155,847)
Heavy equipment	(1,060,438)	(122,249)	5,000	(1,177,687)
Other equipment	(317,736)	(36,256)		(353,992)
Vehicles	(1,166,165)	(127,361)	11,859	(1,281,667)
Total accumulated depreciation	<u>(33,083,964)</u>	<u>(1,485,433)</u>	<u>16,859</u>	<u>(34,552,538)</u>
Total capital assets being depreciated (net)	<u>14,118,377</u>	<u>(1,219,262)</u>	<u>NONE</u>	<u>12,899,115</u>
Total capital assets (net)	<u>\$15,718,094</u>	<u>(\$893,704)</u>	<u>(\$218,788)</u>	<u>\$14,605,602</u>

Beginning balances for the year ended December 31, 2004 have been restated due to bridges being omitted in prior year, and prior year construction in progress. Capital outlay does not agree to additions by \$204,008 due to a construction in progress project being completed.

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

	Amount
General government	\$20,543
Health and welfare	40,799
Public works (including depreciation on road and bridge infrastructure)	1,259,131
Public safety	112,920
Culture and recreation	5,000
Transportation	47,040
Total	<u>\$1,485,433</u>

5. 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, 2005, are comprised of the following:

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, together with the present value of the net minimum lease payments, as of December 31, 2005:

<u>Year</u>	<u>Payments</u>
2006	\$69,262
2007	28,879
2008	17,291
2009	13,478
Total minimum lease payments	<u>128,910</u>
Less - amount representing interest	<u>(6,915)</u>
Present value of net minimum lease payments	<u>\$121,995</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.

6. 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

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

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.

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 11.75 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, 2005, 2004, and 2003, were \$120,684, \$116,094, and \$70,087, respectively, equal to the required contributions for each year.

7. DUE FROM/TO OTHER FUNDS

The following presents interfund balances due from and to other funds at December 31, 2005.

	<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>

8. CHANGES IN GENERAL LONG-TERM OBLIGATIONS

The following is a summary of long-term obligation transactions for the year ended December 31, 2005:

	Capital Leases	Compensated Absences	Landfill Closure/Post Closure Care	Total
Long-term obligations at January 1, 2005	\$194,651	\$95,002	\$1,208,164	\$1,497,817
Additions:		34,988	88,121	123,109
Deductions:	(72,656)	(27,169)		(99,825)
Adjustment ¹		(1,402)		(1,402)
Long-term obligations at December 31, 2005	<u>\$121,995</u>	<u>\$101,419</u>	<u>\$1,296,285</u>	<u>\$1,519,699</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.

9. 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.

10. FUND DEFICIT

At December 31, 2005, the Criminal Court Special Revenue Fund had a deficit fund balance of \$30,224. The deficit will be eliminated by reducing expenditures and making transfers from the General Fund.

11. LITIGATION AND CLAIMS

At December 31, 2005, 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.

12. CHANGES IN AGENCY FUNDS DEPOSITS DUE OTHERS

	Ambulance District	Fire District	Total
Balance, January 1, 2005	\$48	\$45	\$93
Additions	427,781	427,781	855,562
Reductions	<u>(427,778)</u>	<u>(427,779)</u>	<u>(855,557)</u>
Balance, December 31, 2005	<u>\$51</u>	<u>\$47</u>	<u>\$98</u>

13. 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 \$1,296,285 reported as landfill closure and postclosure care liability at December 31, 2005, represents 47.83 percent of the estimated capacity of the landfill. Of that amount, \$88,121 is attributable to operations of the current year. The police jury will recognize the remaining estimated cost of closure and postclosure care of \$1,414,130 as the remaining capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2005. 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, 2005, the trust held \$278,454, 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, 2005**

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, 2005, 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.

West Carroll Parish Police Jury
Oak Grove, Louisiana
Budgetary Comparison Schedule - General Fund
For the Year Ended December 31, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive (Negative)</u>
Revenues				
Taxes:				
Ad valorem	\$190,000	\$190,000	\$220,933	\$30,933
Sales	375,000	375,000	427,779	52,779
Licenses and permits	31,800	42,400	44,678	2,278
Intergovernmental revenues:				
Federal funds	227,804	227,804	227,804	
State funds:				
Severance taxes	7,500	8,200	9,245	1,045
Fire insurance rebate	32,000	36,740	36,740	
Rural development		29,998	39,583	9,585
Other		56,711	62,487	5,776
Fees, charges, and commissions for services	13,500	14,000	14,670	670
Use of money and property	5,000	13,300	13,322	22
Other revenue	32,000	32,700	41,199	8,499
Total revenues	<u>914,604</u>	<u>1,026,853</u>	<u>1,138,440</u>	<u>111,587</u>
Expenditures				
Current:				
General government:				
Legislative	57,927	57,727	56,217	1,510
Judicial	46,841	46,361	42,374	3,987
Elections	42,780	31,080	26,430	4,650
Finance and administrative	164,250	183,312	178,343	4,969
Other general government	259,500	230,851	242,748	(11,897)
Public safety	168,275	221,247	191,940	29,307
Public works	15,000	44,998	39,583	5,415
Health and welfare	34,302	39,256	39,963	(707)
Culture and recreation		2,559	3,636	(1,077)
Economic development and assistance	12,975	67,839	62,275	5,564
Transportation	6,000	7,000	6,077	923
Capital outlay	240,316	240,316	240,719	(403)
Total expenditures	<u>1,048,166</u>	<u>1,172,546</u>	<u>1,130,305</u>	<u>42,241</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(133,562)</u>	<u>(145,693)</u>	<u>8,135</u>	<u>153,828</u>
Other Financing Source (use)				
Gain on sale of property			14,780	14,780
Operating transfer out	(7,400)	(13,700)	(13,700)	
Total other financing sources (use)	<u>(7,400)</u>	<u>(13,700)</u>	<u>1,080</u>	<u>14,780</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Use	<u>(140,962)</u>	<u>(159,393)</u>	<u>9,215</u>	<u>168,608</u>
Fund Balance - Beginning	<u>414,000</u>	<u>596,103</u>	<u>795,378</u>	<u>199,275</u>
Fund Balance - Ending	<u>\$273,038</u>	<u>\$436,710</u>	<u>\$804,593</u>	<u>\$367,883</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, 2005

	Parish Wide Road Tax			Solid Waste		
	Budgeted Amounts		Variance With	Budgeted Amounts		Variance With
	Original	Final	Final Budget Positive (Negative)	Original	Final	Final Budget Positive (Negative)
Revenues						
Taxes:						
Ad valorem	\$350,000	\$350,000	\$43,258			
Sales	375,000	375,000	52,779	\$750,000	\$750,000	\$105,559
Intergovernmental revenues -						
Federal funds			84			
State funds	140,000	140,000	12,793			
Fees, charges, and commissions for services						
Use of money and property	5,000	23,850	23,847	270,509	364,592	46,909
Other	5,000	36,198	41,146	5,000	20,300	5,985
Total revenues	875,000	925,048	1,038,907	2,000	2,000	7,941
				1,027,509	1,136,892	166,394
Expenditures						
Current - Public works	1,439,725	1,227,543	1,137,483	1,206,400	1,129,943	82,187
Debt service				63,040	80,640	324
Capital outlay						(4,500)
Total expenditures	1,439,725	1,227,543	1,137,483	1,269,440	1,210,583	78,011
Excess (Deficiency) of Revenues over Expenditures	(564,725)	(302,495)	(98,576)	(241,931)	(73,691)	244,405
Other Financing Sources (Use)						
Gain on sale of property		1,076	1,076			
Total other financing sources (use)	NONE	1,076	1,076	NONE	NONE	
Net Change In Fund Balances	(564,725)	(301,419)	(97,500)	(241,931)	(73,691)	244,405
Fund Balance - Beginning	865,000	1,024,259	1,340,853	849,000	872,977	336,850
Fund Balance - Ending	\$300,275	\$722,840	\$1,243,353	\$607,069	\$799,286	\$581,255

(Continued)

West Carroll Parish Police Jury
 Oak Grove, Louisiana
 Budgetary Comparison Schedule
 Drainage Maintenance and Section 8 Funds
 For the Year Ended December 31, 2005

	Drainage Maintenance				Section 8		Variance With Final Budget Positive (Negative)
	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)	Budget	Actual	
	Original	Final					
Revenues							
Taxes - Ad valorem	\$53,600	\$53,600	\$56,172	\$2,572			
Intergovernmental revenues - Federal funds			12	12	198,748	198,748	
State - State revenue sharing (net)	70,000	70,000	63,073	(6,927)			
Use of money and property	3,000	17,120	17,125	5	267	267	
Other			1,636	1,636	145	145	
Total revenues	126,600	140,720	138,018	(2,702)	199,160	199,160	
Expenditures							
Current							
Public works	120,740	149,915	134,634	15,281			
Health and welfare					201,560	201,560	
Total expenditures	120,740	149,915	134,634	15,281	201,560	201,560	
Excess (Deficiency) of Revenues over Expenditures	5,860	(9,195)	3,384	12,579	(2,400)	(2,400)	
Other Financing Source							
Operating transfers in					2,400	2,400	
Total other financing source					2,400	2,400	
Net Change In Fund Balances	5,860	(9,195)	3,384	12,579	NONE	NONE	
Fund Balance - Beginning	799,900	754,863	840,387	85,524	NONE	NONE	
Fund Balance - Ending	\$805,760	\$745,668	\$843,771	\$98,103	NONE	NONE	

(Concluded)

Other Supplemental Schedules

WEST CARROLL PARISH POLICE JURY
Oak Grove , Louisiana
SUPPLEMENTAL INFORMATION SCHEDULES
As of and for the Year Ended December 31, 2005

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.

CRIMINAL COURT FUND

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.

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, 2005

	HEALTH UNIT	CRIMINAL COURT	MISC EMERGENCY	HOSPITAL PROCEEDS	WITNESS FEE	SUBSTANCE ABUSE	EMERGENCY PREPAREDNESS	COMM DISTRICT	KELLY AIRPORT AUTHORITY	INDUST DEV	TOTAL
ASSETS											
Cash and cash equivalents	\$285,180		\$127,167	\$75		\$6,575	\$33,142	\$138,312	\$2	\$110,112	\$700,565
Receivables	37,813	\$18,224	3,500		\$110	100	20,163	11,799			91,709
Due from other funds								220			220
TOTAL ASSETS	\$322,993	\$18,224	\$130,667	\$75	\$110	\$6,675	\$53,305	\$150,331	\$2	\$110,112	\$792,494
LIABILITIES AND FUND EQUITY											
Liabilities:											
Cash overdraft	\$12,213				\$28						\$12,241
Accounts payable	\$2,414	1,403	\$13,000				\$30,028	\$10			46,855
Due to other funds		34,832									34,832
Deferred revenue - protest taxes	7,206										7,206
Total liabilities	9,620	48,448	13,000	NONE	28	NONE	30,028	10	NONE	NONE	101,134
Fund Equity - fund balances	313,373	(30,224)	\$117,667	\$75	\$82	\$6,675	23,277	150,321	\$2	\$110,112	691,360
- unreserved - undesignated											
TOTAL LIABILITIES AND FUND EQUITY	\$322,993	\$18,224	\$130,667	\$75	\$110	\$6,675	\$53,305	\$150,331	\$2	\$110,112	\$792,494

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, 2005

	HEALTH UNIT	CRIMINAL COURT	MISC EMERGENCY	HOSPITAL PROCEEDS	WITNESS FEE	SUBSTANCE ABUSE	EMERGENCY PREPAREDNESS	COMM DISTRICT	KELLY AIRPORT AUTHORITY	INDUST DEV	TOTAL
REVENUES											
Taxes - Ad valorem	\$39,777										\$39,777
Intergovernmental:											
Federal funds - grants	17						\$173,566				173,583
Local funds						\$2,808	27,534	\$89,288			27,534
Fees, charges, and commissions for services		\$81,986			\$2,615						92,096
Fines and forfeitures	8,326	13	\$44,563	56	153		570	2,495	\$1	\$2,751	84,601
Use of money and property		293		73				2,101	50		58,928
Other revenues	48,120	82,292	44,563	NONE	2,744	2,961	201,670	93,884	51	2,751	2,517
Total revenues											479,036
EXPENDITURES											
Current:											
General government		93,010			3,627						96,637
Judicial											95
Other general government			95					42,204			189,082
Public safety						3,022				\$499	31,812
Health and welfare	28,291										7,478
Transportation											142,502
Capital outlay	84,839						55,067				467,606
Total expenditures	113,130	93,010	95	0	3,627	3,022	201,945	42,204	10,074	499	467,606
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(65,010)	(10,718)	44,468	NONE	(883)	(61)	(275)	51,680	(10,023)	2,252	11,430
OTHER FINANCING SOURCES (USE)											
Operating transfers in		24,319							5,000		29,319
Operating transfers out			(13,000)		(5,019)						(18,019)
Total other financing sources (use)		24,319	(13,000)		(5,019)				5,000		11,300
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USE	(65,010)	13,601	31,468	NONE	(5,902)	(61)	(275)	51,680	(5,023)	2,252	22,730
FUND BALANCES AT BEGINNING OF YEAR	378,383	(43,825)	86,199	\$75	5,984	6,736	23,552	98,641	5,025	107,860	668,630
FUND BALANCES AT END OF YEAR	\$313,373	(\$30,224)	\$117,667	\$75	\$82	\$6,675	\$23,277	\$150,321	\$2	\$110,112	\$691,360

WEST CARROLL PARISH POLICE JURY
Winnsboro , Louisiana
SUPPLEMENTAL INFORMATION SCHEDULES
As of and for the Year Ended December 31, 2005

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, 2005**

Eddie C. Russell	\$7,200
Eugene R. Crosby (President)	8,400
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	\$198,748
Homeland Security	97.073	N/A	<u>157,043</u>
Total United States Department of Housing and Urban Development			<u>355,791</u>
United States Department of Interior			
Direct Program - Payment in Lieu of Taxes	15.000	N/A	<u>159</u>
United States Department of Transportation			
Passed through Louisiana Department of Transportation and Development - Airport Improvement Program			
	20.106	3-22-0041-08	21,885
Passed through Louisiana Department of Transportation and Development - Airport Improvement Program			
	20.106	3-22-0041-09	<u>205,873</u>
Total United States Department of Housing and Urban Development			<u>227,758</u>
Federal Emergency Management Agency			
Emergency Management Assistance (Civil Defense) Program	83.503	N/A	<u>16,523</u>
Total Federal Financial Assistance			<u><u>\$600,231</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 Compliance and Internal Control Over Financial
Reporting 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, 2005, and have issued my report there on dated June 8, 2006. 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.

Compliance

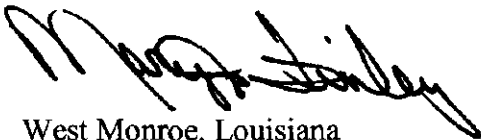
As part of obtaining reasonable assurance about whether West Carroll Parish Police Jury's basic financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct 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 no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, 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 8, 2006.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered West Carroll Parish Police Jury's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the basic financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the basic financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

West Carroll Parish Police Jury
Oak Grove, Louisiana
Independent Auditor's Report on Compliance
and Internal Control Over Financial Reporting, etc.
December 31, 2005

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 8, 2006

**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, 2005. 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, 2005. 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.

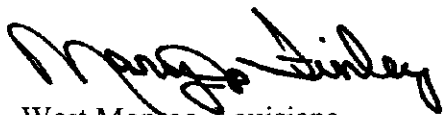
West Carroll Parish Police Jury
Oak Grove, Louisiana
Report on Compliance With Requirements
Applicable to Each Major Program and
Internal Control Over Compliance, etc.
December 31, 2005

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 and to test and report on internal control over compliance in accordance with OMB Circular A-133.

My consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over compliance and its operation that I consider to be material weaknesses.

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 8, 2006

WEST CARROLL PARISH POLICE JURY
Oak Grove, Louisiana

Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2005

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. No instances 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 Section 8 Housing Choice Voucher Program, CFDA number 14.871 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, 2005

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

None

**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, 2005

04-01 Failure to Comply With Public Bid Law

Condition: The police jury did not advertise or receive bids for the purchase of sand for the landfill cell.

Recommendation: In the future, the police jury should advertise for bids for any material or supplies exceeding \$20,000 as prescribed by state law.

Current Status: The finding has been corrected.

Member American
Institute of Certified
Public Accountants

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116 Professional Drive - West Monroe, LA 71291

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Member Society of
Louisiana Certified
Public Accountants

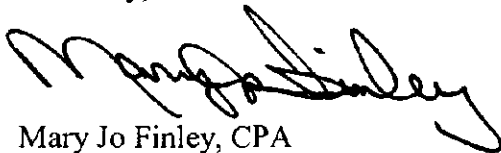
June 8, 2006

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, 2005, 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 8, 2006. This letter does not affect my report dated June 8, 2006, 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 8, 2006

**ML-05-01 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 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 they 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 rendering 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.

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 14, 2006

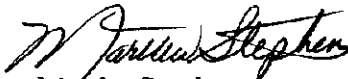
Mr. Steve Theriott, CPA
Legislative Auditor
1600 Third Street
Baton Rouge, La. 70802

Dear Mr. Theriott;

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 road is considered a public road or private road up to the discretion of the police jury.

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

Sincerely,



Martha Stephens
Secretary-Treasurer

MS/ms
Encls.

OFFICE OF THE



DISTRICT ATTORNEY

FIFTH JUDICIAL DISTRICT
FRANKLIN, RICHLAND, WEST CARROLL PARISHES

WILLIAM R. COENEN, JR.

DISTRICT ATTORNEY
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CHILD WELFARE AND JUVENILE:
TERRY A. DOUGHTY

CIVIL DIVISION:
DAVID P. DOUGHTY

VICTIM ASSISTANCE
CAROL MULHERN

April 24, 2006

VIA FACSIMILE 428-4835

Ms. Martha Stephens, Secretary-Treasurer

Re: AG Opinion

Dear Martha:

Enclosed please find a letter I just received from the Attorney General's Office regarding the opinion on maintaining roads. This should be helpful to the Police Jury. You may want to send a copy to the auditors office, because apparently they were the ones that were making the demand on the Police Jury to abandon certain roads. According to this opinion of the Attorney General's Office, that is something that is left to the discretion of the Police Jury.

Sincerely,

David P. Doughty
Assistant District Attorney, Civil Division



CHARLES C. FOTI, JR.
ATTORNEY GENERAL

State of Louisiana

DEPARTMENT OF JUSTICE

P.O. BOX 94005

BATON ROUGE

70804-9005

APR 20 2006

OPINION NO. 05-0362

Mr. David Doughty
Assistant District Attorney
Fifth Judicial District
Franklin, Richland, West Carroll Parishes
P.O. Box 857
Rayville, Louisiana 71269

50-HIGHWAYS
La. R.S. 33:1236
La. R.S. 48:701
La. R.S. 48:751
La. R.S. 48:753

Actions by police juries with respect to maintaining or abandoning parish roads are discretionary in nature and only subject to attack based on arbitrary or capricious action by the police jury. Additionally the acquirer of a road pursuant to La. R.S. 48:701 from a parish, due to revocation takes the abandoned road subject to all valid servitudes created on the public road by the parish.

Dear Mr. Doughty:

You have requested an opinion of this office as to whether the West Carroll Parish Police Jury may continue to maintain a road as a public road when it is no longer being used by school buses and there is only one property owner on the road. La. R.S. 33:1236 empowers police juries to regulate the making and repairing of roads when, in the opinion of the police jury, such work will further the best interests of the parish and the parish road system. To provide funding for the maintenance and repair of parish roadways, the state created the "Parish Transportation Fund." La. R.S. 48:751. La. R.S. 48:753 states:

A. The monies in the Parish Transportation Fund shall be used:

(1) To regulate the proportion and direction and the making and repairing of the roads, bridges, causeways, dykes, dams, levees, and highways when, in the opinion of the parish governing authority, such work will further the best interest of the parish and the parish road system.

Additionally, La. R.S. 48:701 provides:

The parish governing authorities and municipal corporations of the state, except the parish of Orleans, may revoke and set aside the dedication of all roads, streets, and alleyways laid out and dedicated to public use within the respective limits, when the roads, streets, and alleyways have been abandoned or are no longer needed for public purposes.

Upon such revocation, all of the soil covered by and embraced in the roads, streets, or alleyways up to the center line thereof, shall