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RICHLAND PARISH POLICE JURY
RAYVILLE, LOUISIANA

FINANCIAL REPORT

December 31, 1997

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Release Date ~~JUL 07 1998~~

HILL, INZINA & COMPANY

Certified Public Accountants • A Professional Corporation
701 East Madison Avenue • P.O. Box 631 • Bastrop, Louisiana 71221-0631
Telephone 318-281-4492 • Fax 318-281-4087

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**INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULES**

Police Jurors
Richland Parish Police Jury
Rayville, Louisiana

We have audited the accompanying general-purpose financial statements of Richland Parish Police Jury, primary government, as of and for the year ended December 31, 1997, as listed in the table of contents. These general-purpose financial statements are the responsibility of the management of Richland Parish Police Jury. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general-purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general-purpose financial statement preparation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, the general-purpose financial statements referred to in the first paragraph include the financial statements of the primary government and Fifth Judicial District Criminal Court. The general-purpose financial statements referred to in the first paragraph do not include financial data of the other component units, which should be included in order to conform with generally accepted accounting principles. The effect of the omission of these component units is unknown.

In our opinion, except for the effects on the general-purpose financial statements of the omission described in the preceding paragraph, the general-purpose financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of Richland Parish Police Jury, as of December 31, 1997, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 1, 1998 on our consideration of Richland Parish Police Jury's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was conducted for the purpose of forming an opinion on the general-purpose financial statements taken as a whole. The combining financial statements and financial information listed as supplementary schedules in the table of contents are presented for purposes of additional analysis and are not a required part of the general-purpose financial statements of Richland Parish Police Jury. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general-purpose financial statements taken as a whole.

May 1, 1998

Hill, Arzoo & Co.

GENERAL PURPOSE FINANCIAL STATEMENTS

(COMBINED STATEMENTS - OVERVIEW)

RICHLAND PARISH POLICE JURY
RAYVILLE, LOUISIANA

COMBINED BALANCE SHEET - ALL FUND TYPES, ACCOUNT GROUPS
AND DISCRETELY PRESENTED COMPONENT UNIT

December 31, 1997

With Comparative Totals for December 31, 1996

	<u>Governmental Fund Types</u>			
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
ASSETS AND OTHER DEBITS				
Assets:				
Cash	\$ 20,107	\$ 469,610	\$ 127,373	\$ 3,660
Receivables	228,975	434,328	-	-
Due from other funds	23,430	181,152	-	-
Restricted cash	7,467	-	-	-
Fixed assets	-	-	-	-
Other debits:				
Amount to be provided for retirement of general long-term debt	-----	-----	-----	-----
Total assets and other debits	<u>\$ 279,979</u>	<u>\$ 1,085,090</u>	<u>\$ 127,373</u>	<u>\$ 3,660</u>

Fiduciary Fund Type	Account Groups		Primary Government Totals - (Memorandum Only)	Component Unit	Reporting Entity Totals - (Memorandum Only)	
	General Fixed Assets	General Long-Term Debt			December 31, 1997	December 31, 1996
Agency						
\$ 145,309	\$ -	\$ -	\$ 766,059	\$ 2,131	\$ 768,190	\$ 727,799
19,693	-	-	682,996	8,468	691,464	606,531
-	-	-	204,582	-	204,582	183,881
-	-	-	7,467	-	7,467	7,293
-	5,997,529	-	5,997,529	-	5,997,529	6,068,051
<u>-</u>	<u>-</u>	<u>765,848</u>	<u>765,848</u>	<u>-</u>	<u>765,848</u>	<u>694,542</u>
<u>\$ 165,002</u>	<u>\$ 5,997,529</u>	<u>\$ 765,848</u>	<u>\$ 8,424,451</u>	<u>\$ 10,599</u>	<u>\$ 8,435,080</u>	<u>\$ 8,288,097</u>

(continued)

RICHLAND PARISH POLICE JURY
RAYVILLE, LOUISIANA

COMBINED BALANCE SHEET - ALL FUND TYPES, ACCOUNT GROUPS
AND DISCRETELY PRESENTED COMPONENT UNIT (Continued)

December 31, 1997

With Comparative Totals for December 31, 1996

	<u>Governmental Fund Types</u>			
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
LIABILITIES, EQUITY AND OTHER CREDITS				
Liabilities:				
Accounts payable	\$ 48,742	\$ 165,935	\$ -	\$ -
Payroll deductions payable	24,143	-	-	-
Due to other funds	23,903	5,927	-	3,660
Payable from restricted assets:				
Due to other funds	7,467	-	-	-
Capital leases payable	-	-	-	-
Revenue bonds payable	-	-	-	-
Compensated absences payable	-	-	-	-
Total liabilities	<u>\$ 104,255</u>	<u>\$ 171,862</u>	<u>\$ -</u>	<u>\$ 3,660</u>
Equity and other credits:				
Investment in general fixed assets	\$ -	\$ -	\$ -	\$ -
Fund balances:				
Reserved for Richland Parish Hospital Service Districts	-	-	127,373	-
Unreserved and undesignated	<u>175,724</u>	<u>913,228</u>	<u>-</u>	<u>-</u>
Total equity and other credits	<u>\$ 175,724</u>	<u>\$ 913,228</u>	<u>\$ 127,373</u>	<u>\$ -</u>
 Total liabilities, equity and other credits	 <u>\$ 279,979</u>	 <u>\$ 1,085,090</u>	 <u>\$ 127,373</u>	 <u>\$ 3,660</u>

See notes to financial statements.

Fiduciary Fund Type	Account Groups		Primary Government Totals - (Memorandum Only)	Component Unit	Reporting Entity Totals - (Memorandum Only)	
	General Fixed Assets	General Long-Term Debt			December 31, 1997	December 31, 1996
Agency						
\$ 1,377	\$ -	\$ -	\$ 216,054	\$ 4,474	\$ 220,528	\$ 164,954
-	-	-	24,143	-	24,143	27,147
163,625	-	-	197,115	-	197,115	176,589
-	-	-	7,467	-	7,467	7,293
-	-	717,371	717,371	-	717,371	642,451
-	-	26,733	26,733	-	26,733	30,719
-	-	21,744	21,744	-	21,744	21,372
<u>\$ 165,002</u>	<u>\$ -</u>	<u>\$ 765,848</u>	<u>\$ 1,210,627</u>	<u>\$ 4,474</u>	<u>\$ 1,215,101</u>	<u>\$ 1,070,525</u>
\$ -	\$5,997,529	\$ -	\$ 5,997,529	\$ -	\$ 5,997,529	\$ 6,068,051
-	-	-	127,373	-	127,373	126,749
-	-	-	1,088,952	6,125	1,095,077	1,022,772
<u>\$ -</u>	<u>\$5,997,529</u>	<u>\$ -</u>	<u>\$ 7,213,854</u>	<u>\$ 6,125</u>	<u>\$ 7,219,979</u>	<u>\$ 7,217,572</u>
<u>\$ 165,002</u>	<u>\$5,997,529</u>	<u>\$ 765,848</u>	<u>\$ 8,424,481</u>	<u>\$ 10,599</u>	<u>\$ 8,435,080</u>	<u>\$ 8,288,097</u>

RICHLAND PARISH POLICE JURY
RAYVILLE, LOUISIANA

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES
AND DISCRETELY PRESENTED COMPONENT UNIT

Year Ended December 31, 1997

With Comparative Totals for Year Ended December 31, 1996

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>
Revenues:			
Taxes	\$ 196,464	\$ 2,527,700	\$ 624
Licenses and permits	60,550	-	-
Intergovernmental	178,290	543,336	-
Fees, charges and commissions for services	22,881	2,603	-
Fines and forfeitures	4,216	1,251	-
Interest and miscellaneous	<u>16,696</u>	<u>39,598</u>	<u>-</u>
	<u>\$ 479,097</u>	<u>\$ 3,114,488</u>	<u>\$ 624</u>
Expenditures:			
Current:			
General government:			
Legislative	\$ 86,692	\$ -	\$ -
Judicial	29,729	3,337	-
Executive	15,072	-	-
Elections	15,919	-	-
Finance and administrative	10,476	-	-
Other	154,960	-	-
Public safety	165,868	-	-
Public works	-	3,060,401	-
Health and welfare	40,033	43,813	-
Culture and recreation	-	343,077	-
Economic development and assistance	15,428	-	-
Debt service	<u>8,703</u>	<u>-</u>	<u>-</u>
	<u>\$ 542,880</u>	<u>\$ 3,450,628</u>	<u>\$ -</u>

Primary Government Totals - (Memorandum Only)	Component Unit	Reporting Entity Totals - (Memorandum Only) December 31,	
		1997	1996
\$ 2,724,788	\$ -	\$ 2,724,788	\$ 2,715,871
60,550	-	60,550	75,803
721,626	-	721,626	502,031
25,484	-	25,484	24,356
5,467	103,353	108,820	141,399
<u>56,294</u>	<u>2,739</u>	<u>59,033</u>	<u>53,652</u>
<u>\$ 3,594,209</u>	<u>\$ 106,092</u>	<u>\$ 3,700,301</u>	<u>\$ 3,513,112</u>

\$ 86,692	\$ -	\$ 86,692	\$ 80,683
33,066	110,751	143,817	159,916
15,072	-	15,072	15,189
15,919	-	15,919	23,170
10,476	-	10,476	9,472
154,960	-	154,960	136,130
165,868	-	165,868	146,793
3,060,401	-	3,060,401	2,795,481
83,846	-	83,846	82,719
343,077	-	343,077	319,658
15,428	-	15,428	13,199
<u>8,703</u>	<u>-</u>	<u>8,703</u>	<u>5,431</u>
<u>\$ 3,993,508</u>	<u>\$ 110,751</u>	<u>\$ 4,104,259</u>	<u>\$ 3,787,841</u>

(continued)

RICHLAND PARISH POLICE JURY
RAYVILLE, LOUISIANA

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES
AND DISCRETELY PRESENTED COMPONENT UNIT (Continued)

Year Ended December 31, 1997

With Comparative Totals for Year Ended December 31, 1996

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>
Excess (deficiency) of revenues over expenditures	\$(63,783)	\$(336,140)	\$ 624
Other financing sources (uses):			
Proceeds of capital leases	-	415,407	-
Sale of fixed assets	-	61,480	-
Operating transfers in (out)	<u>82,787</u>	<u>(82,787)</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	\$ 19,004	\$ 57,960	\$ 624
Fund balances - beginning	<u>156,720</u>	<u>855,268</u>	<u>126,749</u>
Fund balances - ending	<u>\$ 175,724</u>	<u>\$ 913,228</u>	<u>\$ 127,373</u>

See notes to financial statements.

Primary Government Totals - (Memorandum Only)	Component Unit	Reporting Entity Totals - (Memorandum Only) December 31.	
		1997	1996
\$(399,299)	\$(4,659)	\$(403,958)	\$(274,729)
415,407	-	415,407	114,628
61,480	-	61,480	11,096
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
\$ 77,588	\$(4,659)	\$ 72,929	\$(149,005)
<u>1,138,737</u>	<u>10,784</u>	<u>1,149,521</u>	<u>1,298,526</u>
<u>\$ 1,216,325</u>	<u>\$ 6,125</u>	<u>\$ 1,222,450</u>	<u>\$ 1,149,521</u>

RICHLAND PARISH POLICE JURY
RAYVILLE, LOUISIANA

COMBINED STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET (CASH BASIS) AND ACTUAL - GENERAL FUND, SPECIAL REVENUE FUNDS
AND DISCRETELY PRESENTED COMPONENT UNIT
Year Ended December 31, 1997

	Budget	General Actual	Variance - Favorable (Unfavorable)
Revenues:			
Taxes	\$ 182,557	\$ 188,519	\$ 5,962
Licenses and permits	69,463	69,473	10
Intergovernmental	170,879	170,881	2
Fees, charges and commissions for services	20,896	21,945	1,049
Fines and forfeitures	4,670	4,670	-
Interest and miscellaneous	<u>70,666</u>	<u>10,537</u>	<u>(53,829)</u>
	<u>\$ 519,131</u>	<u>\$ 472,325</u>	<u>\$ (46,806)</u>
Expenditures:			
Current:			
General government:			
Legislative	\$ 85,742	\$ 85,692	\$ 50
Judicial	30,727	29,727	1,000
Executive	15,257	15,053	204
Elections	22,123	18,923	3,200
Finance and administrative	14,798	10,941	3,857
Other	155,734	158,053	(2,319)
Public safety	171,539	167,345	4,194
Public works	-	-	-
Health and welfare	40,495	40,566	(71)
Culture and recreation	-	-	-
Economic development and assistance	15,458	14,958	500
Debt service	<u>8,703</u>	<u>8,703</u>	<u>-</u>
	<u>\$ 560,576</u>	<u>\$ 549,961</u>	<u>\$ 10,615</u>

<u>Special Revenue</u>			<u>Component Unit</u>		
<u>Budget</u>	<u>Actual</u>	Variance - Favorable <u>(Unfavorable)</u>	<u>Budget</u>	<u>Actual</u>	Variance - Favorable <u>(Unfavorable)</u>
\$ 2,484,098	\$ 2,505,077	\$ 20,979	\$ -	\$ -	\$ -
-	-	-	-	-	-
473,141	484,955	11,814	-	-	-
-	2,603	2,603	-	-	-
-	1,251	1,251	130,834	106,197	(24,637)
<u>31,138</u>	<u>39,598</u>	<u>8,460</u>	<u>800</u>	<u>2,739</u>	<u>1,939</u>
<u>\$ 2,988,377</u>	<u>\$ 3,033,484</u>	<u>\$ 45,107</u>	<u>\$ 131,634</u>	<u>\$ 108,936</u>	<u>\$ (22,698)</u>

\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
13,425	3,537	9,888	135,554	110,759	24,795
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
2,551,050	2,587,833	(36,783)	-	-	-
71,600	39,760	31,840	-	-	-
386,932	341,430	45,502	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 3,023,007</u>	<u>\$ 2,972,560</u>	<u>\$ 50,447</u>	<u>\$ 135,554</u>	<u>\$ 110,759</u>	<u>\$ 24,795</u>

(continued)

RICHLAND PARISH POLICE JURY
RAYVILLE, LOUISIANA

COMBINED STATEMENT OF REVENUES AND EXPENDITURES - BUDGET
(CASH BASIS) AND ACTUAL - GENERAL FUND, SPECIAL REVENUE FUNDS
AND DISCRETELY PRESENTED COMPONENT UNIT (Continued)
Year Ended December 31, 1997

	Budget	<u>General</u> Actual	Variance - Favorable (Unfavorable)
Excess (deficiency) of revenues over expenditures	\$(41,445)	\$(77,636)	\$(36,191)
Other financing sources (uses):			
Sale of fixed assets	-	-	-
Operating transfers in (out)	<u>-</u>	<u>82,787</u>	<u>82,787</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	\$(41,445)	\$ 5,151	\$ 46,596
Fund balances - beginning (cash basis)	<u>156,720</u>	<u>156,720</u>	<u>-</u>
Fund balances - ending (cash basis)	<u>\$ 115,275</u>	\$ 161,871	<u>\$ 46,596</u>
Adjustments to generally accepted accounting principles:			
Revenue accruals		6,774	
Due from other funds accruals		-	
Expenditure accruals		<u>7,079</u>	
Fund balances - ending (GAAP basis)		<u>\$ 175,724</u>	

See notes to financial statements.

Special Revenue			Component Unit		
Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
\$(34,630)	\$ 60,924	\$ 95,554	\$(3,920)	\$(1,823)	\$ 2,097
-	61,480	61,480	-	-	-
(54,585)	(82,787)	(28,202)	(4,800)	-	4,800
\$(89,215)	\$ 39,617	\$ 128,832	\$(8,720)	\$(1,823)	\$ 6,897
855,268	855,268	-	10,784	10,784	-
<u>\$ 766,053</u>	\$ 894,885	<u>\$ 128,832</u>	<u>\$ 2,064</u>	\$ 8,961	<u>\$ 6,897</u>
	69,540			(2,844)	
	11,246			-	
	(62,443)			8	
	<u>\$ 913,228</u>			<u>\$ 6,125</u>	

RICHLAND PARISH POLICE JURY
RAYVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
(PRIMARY GOVERNMENT)

As of and for the Year Ended December 31, 1997

Note 1. Organization and Summary of Significant Accounting Policies

Richland Parish Police Jury (the "Jury") is the governing authority for Richland Parish and is a political subdivision of State of Louisiana. The Jury is governed by nine compensated jurors representing, by election, the various districts within the parish. The jurors serve four-year terms that will expire on December 31, 1999.

Louisiana Revised Statute 33:1236 gives the Jury various powers in regulating and directing the affairs of the parish and its inhabitants. The more notable of these are the powers to make regulations for its own government; to regulate the construction and maintenance of roads, bridges and drainage systems; to regulate the sale of alcoholic beverages and to provide for the health and welfare of the poor, disadvantaged and unemployed in the parish. Funding to accomplish these tasks is provided by ad valorem taxes, sales taxes, beer and alcoholic beverage permits, state revenue sharing and various other state and federal grants.

The parish is located in northeast Louisiana and its population is approximately 20,400. Approximately 575 miles of roads are maintained by the parish. The Jury employs approximately 100 people.

In accomplishing its objectives, the Jury also has the authority to create special districts (component units) within the parish. The districts perform specialized functions, such as fire protection, water distribution, sewerage collection and disposal, and health care facilities.

Basis of Presentation:

Except as described in the financial reporting entity definition, the accompanying financial statements of the Jury have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Government Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

NOTES TO FINANCIAL STATEMENTS
(PRIMARY GOVERNMENT)

Financial Reporting Entity:

As the governing authority of the parish, for reporting purposes, Richland Parish Police Jury is the financial reporting entity for Richland Parish. The financial reporting entity consists of (a) the primary government (Jury), (b) organizations for which the primary government is financially accountable and (c) other organizations for which 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 Richland 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 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 Jury.
2. Organizations for which the Jury does not appoint a voting majority but are fiscally dependent on the 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 Jury has determined that the following component units are part of the reporting entity:

NOTES TO FINANCIAL STATEMENTS
(PRIMARY GOVERNMENT)

<u>Component Unit</u>	<u>Fiscal Year End</u>	<u>Criteria Used</u>
Fifth Judicial District Criminal Court	12-31	3
Fifth Judicial District Attorney	12-31	2 and 3
Fifth Judicial District Judges	12-31	2 and 3
Northside Utility District No. 2	12-31	1
Richland Parish Hospital Service Districts No. 1, 1A and 1B	9-30	1 and 2
Start-Girard Fire Protection District	12-31	1
Archibald-Alto Fire Protection District	12-31	1
Holly Ridge Fire Protection District	12-31	1
Mangham Fire Protection District	12-31	1
Richland Parish Communications District	12-31	1
Richland Parish Sales and Use Tax Commission	6-30	2

The Jury has chosen to issue financial statements of the primary government (Jury) and one discretely presented component unit (Fifth Judicial District Criminal Court) only; therefore, none of the other previously listed component units are included in the accompanying financial statements. The financial impact on the financial statements of the omission of these component units is unknown.

GASB Statement No. 14 provides for the issuance of primary government financial statements that are separate from those of the reporting entity. However, the primary government's (Jury) financial statements are not a substitute for the reporting entity's financial statements. The accompanying reporting entity financial statements have been prepared in conformity with generally accepted accounting principles as applied to governmental units. These financial statements are not intended to and do not report on the entire reporting entity but rather are intended to reflect only the financial statements of the primary government (Jury) and the one component unit.

Considered in the determination of component units of the reporting entity were Richland Parish Sheriff, Richland Parish Clerk of Court, Richland Parish Tax Assessor, Richland Parish School Board and the various municipalities and nonprofit entities in the parish. It was determined that these governmental and nonprofit entities are not component units of Richland Parish Police Jury reporting entity because they have separately elected governing bodies, are legally separate and are fiscally independent of the Jury. They are considered by the Jury to be separate autonomous entities and issue financial statements separate from those of Richland Parish Police Jury reporting entity.

NOTES TO FINANCIAL STATEMENTS
(PRIMARY GOVERNMENT)

Fund Accounting:

The Jury uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds of the Jury are classified into two categories: governmental and fiduciary. In turn, each category is divided into separate fund types. The fund classifications and a description of each existing fund type follow:

Governmental funds:

Governmental funds are used to account for all or most of the Jury's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets and the servicing of general long-term debt. Governmental funds include:

General Fund - the general operating fund of the Jury and accounts for all financial resources, except those required to be accounted for in other funds.

Special Revenue Funds - account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Debt Service Fund - accounts for transactions relating to resources retained and used for the payment of principal and interest on those long-term obligations recorded in the General Long-Term Debt Account Group.

Capital Projects Fund - accounts for financial resources received and used for the acquisition, construction or improvement of capital facilities not reported in the other governmental funds.

NOTES TO FINANCIAL STATEMENTS
(PRIMARY GOVERNMENT)

Fiduciary fund:

The fiduciary fund is used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the Jury. The fiduciary fund is:

Agency Fund - accounts for assets that the Jury holds on behalf of other funds as their agent. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Basis of Accounting:

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds and the fiduciary fund are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used by all governmental and fiduciary funds. The modified accrual basis of accounting recognizes revenues when both "measurable" and "available. Measurable means the amount can be determined and available means collectible within the current period or soon enough thereafter to pay current liabilities. Also, under the modified accrual basis of accounting, expenditures are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported as expenditures in the year due.

Transfers between funds that are not expected to be repaid (and any other financing source/use) are accounted for as other financing sources (uses) and are recorded when the transaction occurs.

Those major revenues susceptible to accrual are ad valorem taxes, sales taxes and intergovernmental revenues. Licenses and permits, fees, charges and commissions for services, fines and forfeitures are deemed to be susceptible to accrual if they are collected by the Jury within sixty days after year end. Other revenues are not susceptible to accrual because generally they are not measurable until received in cash.

NOTES TO FINANCIAL STATEMENTS
(PRIMARY GOVERNMENT)

Budgets and Budgetary Accounting:

Preliminary budgets for the ensuing year are prepared by the Secretary-Treasurer during October of each year. During November, the finance committee reviews the proposed budgets and makes changes as it deems appropriate. Notice of the location and the availability of the proposed budgets for public inspection and the date of the public hearing to be conducted on the budgets are then advertised in the official journal. Prior to its regular December meeting, the Jury conducts a public hearing on the proposed budgets in order to receive comments from residents. Changes are made to the proposed budgets based on the public hearing and the desires of the Jury as a whole. The budgets are then adopted during the Jury's regular December meeting and notice of adoption, which includes budget summaries, is published in the official journal.

The Jury adopted annual budgets for the General Fund, Special Revenue Funds and component unit on December 17, 1996. The annual budgets were prepared in accordance with the cash basis of accounting. All budget amendments were approved by the Jury. Budgets were amended at various times throughout the year approving additional revenues and expenditures for the funds with the final amendments being approved on December 16, 1997, which amendments are reflected in the budget comparisons. All annual appropriations lapse at fiscal year end.

Encumbrances:

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the Jury.

Cash:

Cash includes amounts in demand deposits and interest-bearing demand deposits. Under state law, the Jury may deposit funds in demand deposits, interest-bearing demand deposits or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

Uncollectible Allowance:

The statements contain no provision for uncollectible accounts. The Jury is of the opinion that such allowance would be immaterial in relation to the financial statements taken as a whole.

NOTES TO FINANCIAL STATEMENTS
(PRIMARY GOVERNMENT)

Short-term Interfund Receivables/Payables:

During the course of operations, numerous transactions occur between individual funds for goods or services rendered. These receivables and payables are classified as due from other funds or due to other funds on the balance sheet.

Fixed Assets:

Fixed assets of governmental funds are recorded as expenditures at the time purchased or constructed, and the related assets are capitalized (reported) in the General Fixed Assets Account Group. Public domain or infrastructures are not capitalized. These assets are immovable and of value only to the Jury. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost or if donated, at their estimated market value on the date donated.

Accumulated Compensated Absences:

Full-time employees of the Jury earn from five to ten days of both annual and sick leave each anniversary year of employment, depending on length of service. Employees may accumulate annual leave up to a maximum of 20 days and sick leave up to a maximum of 60 days. Upon resignation, retirement or excess accumulation, employees are compensated for accumulated annual leave at the employee's current rate of pay. Employees are not compensated for nonvesting accumulated sick leave upon termination of employment.

Employees of the Library earn from ten to 20 days of annual leave each anniversary year of employment, depending upon professional status. Up to 10 days of annual leave may be accumulated, depending upon professional status. Upon termination of employment, employees may be paid for accumulated annual leave at their current rate of pay. Employees earn 12 days of sick leave each year and may accumulate up to 30 days. Employees are not paid for nonvesting accumulated sick leave upon termination of employment.

In governmental funds, the cost of annual leave is recognized as a current year expenditure within the various funds when annual leave is actually taken or when employees are paid for accrued annual leave upon resignation, retirement or excess accumulation, while the cost of annual leave privileges not requiring current resources is recorded in the General Long-Term Debt Account Group.

NOTES TO FINANCIAL STATEMENTS
(PRIMARY GOVERNMENT)

Long-Term Obligations:

Long-term obligations expected to be financed from governmental funds are reported in the General Long-Term Debt Account Group. Expenditures for principal and interest payments for long-term obligations are recognized in the governmental funds when due.

Fund Equity - Reserved:

Reserves represent those portions of fund equity not appropriate for expenditure or legally segregated for a specific future use.

Interfund Transactions:

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

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

Revenue Recognition - Ad Valorem and Sales Taxes:

Ad valorem taxes attach as an enforceable lien on property as of the date the tax rolls are filed with the recorder of mortgages which, by law, must be on or before November 15 of each year. Billed taxes become delinquent on January 1 of the following year. Richland Parish Sheriff bills and collects the Jury's property taxes using the assessed values determined by Richland Parish Tax Assessor. Revenues from ad valorem taxes are recognized when levied.

Sales/use taxes collected and held by other governments at year end on behalf of the Jury and those collected by other governments and remitted to the Jury within 60 days after December 31 for preceding months are recognized as revenue. The sales/use taxes are collected by Richland Parish Sales and Use Tax Commission and remitted to the Jury.

NOTES TO FINANCIAL STATEMENTS
(PRIMARY GOVERNMENT)

Total Columns on Combined Statements - Overview:

Total columns on the combined statements are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or cash flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

Comparative Data:

Comparative totals for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the Jury's financial position and operations. However, presentation of prior year totals by fund type have not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

Note 2. Budget (Cash Basis)

The budget comparison statements included in the accompanying financial statements include the original adopted budgets (cash basis) and all subsequent amendments. The following reconciles the excess (deficiency) of revenues and other financing sources over expenditures and other financing uses as shown in the combined statement of revenues, expenditures and changes in fund balances to the combined statement of revenues and expenditures - budget (cash basis) and actual.

	<u>General</u>	<u>Special Revenue</u>
Excess of revenues and other financing sources over expenditures and other financing uses - GAAP basis	\$ 19,004	\$ 57,960
Adjustments:		
Receivables	(6,774)	(69,540)
Due from other funds	-	(11,246)
Payables	<u>(7,079)</u>	<u>62,443</u>
Excess of revenues and other financing sources over expenditures and other financing uses - budgetary basis	<u>\$ 5,151</u>	<u>\$ 39,617</u>

NOTES TO FINANCIAL STATEMENTS
(PRIMARY GOVERNMENT)

Note 3. Deposits with Financial Institutions

At December 31, 1997, the Jury and the component unit had cash (bank balances) as follows:

Demand deposits - Jury	\$ 131,033
Interest-bearing demand deposits - Jury	642,323
Interest-bearing demand deposits - component unit	2,131
Petty cash - Jury	<u>170</u>
	<u>\$ 775,657</u>

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

At December 31, 1997, the Jury and the component unit had \$794,822 in deposits (collected bank balances). These deposits were secured from risk by \$200,000 of federal deposit insurance and \$594,822 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

The deposits of the component unit are included in this analysis as the fiscal agent bank considers these deposits to be a part of the Jury for pledging purposes in that the Jury has check writing authority of the deposit account.

There were no repurchase or reverse repurchase agreements at December 31, 1997.

NOTES TO FINANCIAL STATEMENTS
(PRIMARY GOVERNMENT)

Note 4. Receivables

A summary of receivables at December 31, 1997, is as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Agency</u>	<u>Totals</u>
Taxes:				
Ad valorem	\$ 191,528	\$ 375,947	\$ -	\$ 567,475
Beer	1,866	-	-	1,866
Sales	-	-	19,693	19,693
Gross receipts	1,417	-	-	1,417
Licenses and permits	2,795	-	-	2,795
Intergovernmental:				
Severance taxes	10,075	-	-	10,075
Parish transportation	-	58,381	-	58,381
Food stamps	4,811	-	-	4,811
Driver's license fees	2,534	-	-	2,534
Video poker	3,546	-	-	3,546
Civil defense	9,264	-	-	9,264
Other	1	-	-	1
Fees, charges and com- missions for services	875	-	-	875
Fines and forfeitures	<u>263</u>	<u>-</u>	<u>-</u>	<u>263</u>
	<u>\$ 228,975</u>	<u>\$ 434,328</u>	<u>\$ 19,693</u>	<u>\$ 682,996</u>

Note 5. Taxes

The following is a summary of authorized and levied ad valorem taxes for the year:

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
General corporate purposes	7.31	7.31	Perpetual
Health unit	1.17	1.17	April 29, 1998
Library	6.67	6.67	April 11, 1998

NOTES TO FINANCIAL STATEMENTS
(PRIMARY GOVERNMENT)

The following are the principal ad valorem taxpayers for the parish:

<u>Taxpayer</u>	<u>Assessed Valuation</u>	<u>Approximate Percentage of Total Assessed Valuation</u>
Entergy Louisiana, Inc.	\$ 2,457,700	3.67%
ANR Pipeline Co.	2,276,470	3.40%
Bellsouth Telecommunications, Inc.	2,208,150	3.29%
Noram Gas Transmission Company	2,148,020	3.20%
Tifton Aluminum Co., Inc.	1,705,890	2.54%
Richland State Bank	1,330,070	1.98%
Thermo-Black Clawson Co., Inc.	915,190	1.36%
Rayville Compress & Warehouse	799,750	1.19%
Columbia Gulf Transmission Co.	775,290	1.16%
First Republic Bank	743,580	1.11%

Total ad valorem taxes levied were \$571,378. As of December 31, 1997, no amounts were due from prior year tax levies.

During the year ended December 31, 1997, sales taxes of 1½% were levied as follows:

<u>Rate</u>	<u>Purpose</u>	<u>Expiration Date</u>
1%	constructing, overlaying, improving, repairing, and maintaining public roads and bridges and purchase and maintenance of equipment used in connection therewith	December 31, 2004
½%	constructing, improving and maintaining public drains and drainage facilities and purchase and maintenance of equipment used in correction therewith	December 31, 2004

NOTES TO FINANCIAL STATEMENTS
(PRIMARY GOVERNMENT)

Note 6. Due From/To Other Funds

A summary of amounts due from/to other funds at December 31, 1997, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Road Maintenance	\$ 11,634
Agency	General	34
Agency	Road Maintenance	109,061
Agency	Drainage Maintenance	54,530
Drainage Maintenance	Road Maintenance	5,927
General	Capital Projects	3,660
General	Payroll	15,287
Payroll	General	<u>4,449</u>
		<u>\$ 204,582</u>

Note 7. Changes in Fixed Assets

A summary of changes in the General Fixed Assets Account Group is as follows:

	Balance January 1, <u>1997</u>	<u>Additions</u>	<u>Retirements</u>	Balance December 31, <u>1997</u>
Land	\$ 273,340	\$ -	\$ -	\$ 273,340
Buildings	1,398,942	-	-	1,398,942
Equipment and furniture	2,663,335	15,805	150,217	2,528,923
Under capital lease	1,257,790	415,405	386,505	1,286,690
Library books, etc.	<u>474,644</u>	<u>45,280</u>	<u>10,290</u>	<u>509,634</u>
Totals	<u>\$ 6,068,051</u>	<u>\$ 476,490</u>	<u>\$ 547,012</u>	<u>\$ 5,997,529</u>

NOTES TO FINANCIAL STATEMENTS
(PRIMARY GOVERNMENT)

Note 8. Changes in General Long-Term Debt

The following is a summary of long-term obligation transactions for the year ended December 31, 1997:

	Capital Leases	Revenue Bonds	Compensated Absences	Totals
Balance - January 1, 1997	\$ 642,451	\$ 30,719	\$ 21,372	\$ 694,542
Additions	415,405	-	372	415,777
Retirements	<u>340,485</u>	<u>3,986</u>	<u>-</u>	<u>344,471</u>
Balance - December 31, 1997	<u>\$ 717,371</u>	<u>\$ 26,733</u>	<u>\$ 21,744</u>	<u>\$ 765,848</u>

The Jury records items under capital lease as fixed assets and the related obligation in the General Long-Term Debt Account Group. At December 31, 1997, the Jury had 17 equipment capital leases in effect with original recorded amounts of \$1,286,690. The following is a schedule of future minimum lease payments together with the present value of the net minimum lease payments as of December 31, 1997:

Year Ending December 31,	
1998	\$ 326,463
1999	162,263
2000	89,878
2001	78,379
2002	78,379
Thereafter	<u>76,382</u>
Total minimum lease payments	\$ 811,744
Less amounts representing interest	<u>94,373</u>
Present value of net minimum lease payments	<u>\$ 717,371</u>

NOTES TO FINANCIAL STATEMENTS
(PRIMARY GOVERNMENT)

Revenue bonds payable at December 31, 1997, are comprised of the following individual issue:

\$60,000 1982-B General Obligation Bonds - due in annual installments ranging from \$1,013 to \$6,411 through June 15, 2002. Interest at 10.60% to 10.70% is payable June 15 and December 15 of each year. Principal payments due June 15 of each year are as follows:

1998	\$4,377	2001	\$5,784
1999	4,846	2002	6,411
2000	5,315		

The annual requirements to amortize bonded debt outstanding as of December 31, 1997, including interest payments of \$7,686 are as follows:

<u>Year Ending</u> <u>December 31,</u>	
1998	\$ 7,003
1999	6,979
2000	6,904
2001	6,779
2002	<u>6,754</u>
	<u>\$ 34,419</u>

At December 31, 1997, employees of the Jury had accumulated and vested \$21,744 of employee leave benefits, which was computed in accordance with GASB Codification Section C60. This amount is recorded within the General Long-Term Debt Account Group.

Note 9. Pension Plan and Other Pension Liabilities

Plan Description:

Substantially all employees of Richland Parish Police Jury are members of Parochial Employees' Retirement System of Louisiana (the "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 Jury are members of Plan A.

NOTES TO FINANCIAL STATEMENTS
(PRIMARY GOVERNMENT)

All permanent employees, working at least 28 hours per week who are paid wholly or in part from parish funds, and all elected parish officials are eligible to participate in the System. Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to three percent of their final-average salary for each year of creditable service. However, for those employees who were members of the supplemental plan only before January 1, 1980, the benefit is equal to one percent of final-average salary plus \$24 for each year of supplemental-plan-only service earned before January 1, 1980, plus three percent of final-average salary for each 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 produces 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 benefit 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 financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to Parochial Employees' Retirement System, Post Office Box 14619, Baton Rouge, Louisiana 70898-4619, or by calling (504)928-1361.

Funding Policy:

Under Plan A, members are required by state statute to contribute 9.5 percent of their annual covered salary and the Jury is required to contribute at an actuarially determined rate. The current rate is 7.75 percent of annual covered payroll. Contributions to the System also include one-fourth of one percent (except Orleans and East Baton Rouge Parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the 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 Jury's contributions to the System under Plan A for the years ended December 31, 1997, 1996 and 1995 were \$75,873, \$71,311 and \$81,181, respectively, equal to the required contributions for each year.

NOTES TO FINANCIAL STATEMENTS
(PRIMARY GOVERNMENT)

Other Pension Liabilities:

The Jury pays a portion of the salaries for employees of the registrar of voters and these employees are also covered by a multiple-employer public employees retirement system. The contributions are considered immaterial with respect to the Jury and the benefit system as a whole.

Note 10. Fund Balance Reservation

The general obligation bond ordinance requires that the excess assets over liabilities in the Debt Service Fund be restricted for such debt service requirements. As the general obligation bonds were paid off during 1993, the ordinance states that this excess must now be used by the Richland Parish Hospital Service Districts for maintenance, improvements, etc.

Note 11. Food Stamp Program

The Food Stamp Program is operated by the Jury under an agreement with Louisiana Department of Social Services. Under this program, the Jury is responsible for the issuance of food coupons to eligible participants in the parish. The value of food stamps on hand, received and issued is not recorded in the accompanying statements. Activity for the year follows:

Balance at January 1, 1997	\$ 1,156,311
Received	2,204,000
Transferred	3,470
Issued	<u>(3,287,543)</u>
 Balance at December 31, 1997	 <u>\$ 76,238</u>

As of January, 1998, the Electronic Benefit Transfer Program was implemented in the parish which resulted in the closing of the local office.

Note 12. Contingencies and Risk Management

The Jury is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees, and natural disasters. The Jury carries commercial insurance for all risks of loss, including worker's compensation and employee health and accident insurance. Settlements have not exceeded insurance coverage for the current year or the three prior years.

NOTES TO FINANCIAL STATEMENTS
(PRIMARY GOVERNMENT)

The Jury has been named as the defendant in six lawsuits which are pending as of the date of this report. The lawsuits have arisen principally in the normal course of operations and all relate to risks which are commercially insured. The Jury's legal counsel does not know if there is any exposure to the Jury over and above its policy limits in three of the cases, feels that there is no loss exposure in two of the cases and is of the opinion that the loss will not exceed the policy limit in the final case. The financial statements contain no provision for any losses that may result from these litigations.

The Jury participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the Jury has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectibility of any related receivable at December 31, 1997, may be impaired. In the opinion of the Jury's management, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

RICHLAND PARISH POLICE JURY
RAYVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
(ADDITIONAL DISCLOSURES FOR COMPONENT UNIT)

Note 13. Compensated Absences

Management of the Criminal Court has not established formal annual and sick leave policies.

Note 14. Budget (Cash Basis)

Excess (deficiency) of revenues over expenditures - GAAP basis	\$ (4,659)
Adjustments:	
Receivables	2,844
Payables	<u>(8)</u>
Excess (deficiency) of revenues over expenditures - budgetary basis	<u>\$ (1,823)</u>

Note 15. Deposits with Financial Institutions
(See Note 3).

Note 16. Receivables

Receivables at December 31, 1997, consist of fines and forfeitures in the amount of \$8,468.

Note 17. Pension Plan

The Jury pays a portion of the salaries for some employees of Fifth Judicial Criminal Court and these employees are covered by a multiple-employer public employees retirement system. The contributions are considered immaterial with respect to the Jury and the benefit system as a whole.

Note 18. Criminal Court Fund Balance

Louisiana Revised Statute 15:571.11 requires that one-half of any balance remaining in the Criminal Court Fund at year end be transferred to the General Fund. However, because of constraints related to funding the Criminal Court Fund, the Jury has elected not to transfer any amounts due from Fifth Judicial District Criminal Court.

NOTES TO FINANCIAL STATEMENTS
(ADDITIONAL DISCLOSURES FOR COMPONENT UNIT)

As of January, 1996, the Criminal Court Fund began paying salaries and related costs of District Attorneys in lieu of the General Fund transferring amounts on a monthly basis to cover these costs. The remaining balance at year end in the Criminal Court Fund since the transfers have ceased being made have not been material in relation to the financial statements as a whole.

COMBINING FINANCIAL STATEMENTS

RICHLAND PARISH POLICE JURY
RAYVILLE, LOUISIANA

SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
December 31, 1997

	Road <u>Maintenance</u>	Drainage <u>Maintenance</u>	<u>Health Unit</u>
ASSETS			
Cash	\$ 93,907	\$ 46,557	\$ 233,264
Receivables	58,381	-	56,104
Due from other funds	<u>126,622</u>	<u>54,530</u>	<u>-</u>
 Total assets	 <u>\$ 278,910</u>	 <u>\$ 101,087</u>	 <u>\$ 289,368</u>
LIABILITIES AND EQUITY			
Liabilities:			
Account payables	\$ 88,658	\$ 50,307	\$ 6,594
Due to other funds	<u>-</u>	<u>5,927</u>	<u>-</u>
Total liabilities	\$ 88,658	\$ 56,234	\$ 6,594
Equity:			
Fund balances - unreserved and undesignated	<u>190,252</u>	<u>44,853</u>	<u>282,774</u>
 Total liabilities and equity	 <u>\$ 278,910</u>	 <u>\$ 101,087</u>	 <u>\$ 289,368</u>

Off-Duty Officers	Library	Totals
\$ 9,494	\$ 86,388	\$ 469,610
-	319,843	434,328
<u>-</u>	<u>-</u>	<u>181,152</u>
<u>\$ 9,494</u>	<u>\$ 406,231</u>	<u>\$ 1,085,090</u>

\$ 25	\$ 20,351	\$ 165,935
<u>-</u>	<u>-</u>	<u>5,927</u>
\$ 25	\$ 20,351	\$ 171,862

<u>9,469</u>	<u>385,880</u>	<u>913,228</u>
<u>\$ 9,494</u>	<u>\$ 406,231</u>	<u>\$ 1,085,090</u>

RICHLAND PARISH POLICE JURY
RAYVILLE, LOUISIANA

SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
Year Ended December 31, 1997

	<u>Road Maintenance</u>	<u>Drainage Maintenance</u>	<u>Health Unit</u>
Revenues:			
Taxes	\$ 1,437,493	\$ 718,747	\$ 56,000
Intergovernmental	457,855	-	17,512
Fees, charges and commissions for services	-	-	-
Fines and forfeitures	-	-	-
Interest and miscellaneous	<u>12,090</u>	<u>5,204</u>	<u>9,621</u>
	<u>\$ 1,907,438</u>	<u>\$ 723,951</u>	<u>\$ 83,133</u>
Expenditures:			
Current:			
General government:			
Judicial	\$ -	\$ -	\$ -
Public works	1,968,021	1,092,380	-
Health and welfare	-	-	43,813
Culture and recreation	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 1,968,021</u>	<u>\$ 1,092,380</u>	<u>\$ 43,813</u>
Excess (deficiency) of revenues over expenditures	\$(60,583)	\$(368,429)	\$ 39,320
Other financing sources (uses):			
Proceeds of capital leases	80,802	334,605	-
Sale of fixed assets	61,480	-	-
Operating transfers in (out)	<u>(40,000)</u>	<u>(28,227)</u>	<u>(2,560)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	\$ 41,699	\$(62,051)	\$ 36,760
Fund balances - beginning	<u>148,553</u>	<u>106,904</u>	<u>246,014</u>
Fund balances - ending	<u>\$ 190,252</u>	<u>\$ 44,853</u>	<u>\$ 282,774</u>

Off-Duty Officers	Library	Totals
\$ -	\$ 315,460	\$ 2,527,700
-	67,969	543,336
-	2,603	2,603
-	1,251	1,251
<u>426</u>	<u>12,257</u>	<u>39,598</u>
<u>\$ 426</u>	<u>\$ 399,540</u>	<u>\$ 3,114,488</u>

\$ 3,337	\$ -	\$ 3,337
-	-	3,060,401
-	-	43,813
-	<u>343,077</u>	<u>343,077</u>
<u>\$ 3,337</u>	<u>\$ 343,077</u>	<u>\$ 3,450,628</u>

\$ (2,911)	\$ 56,463	\$ (336,140)
-	-	415,407
-	-	61,480
<u>-</u>	<u>(12,000)</u>	<u>(82,787)</u>

\$ (2,911)	\$ 44,463	\$ 57,960
<u>12,380</u>	<u>341,417</u>	<u>855,268</u>
<u>\$ 9,469</u>	<u>\$ 385,880</u>	<u>\$ 913,228</u>

SUPPLEMENTARY SCHEDULES

RICHLAND PARISH POLICE JURY
RAYVILLE, LOUISIANA

SCHEDULE OF JURORS' COMPENSATION
Year Ended December 31, 1997

The schedule of compensation paid to jurors is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Compensation of the jurors is included in the legislative expenditures of the General Fund. In accordance with Louisiana Revised Statute 33:1233, the Jury has elected the monthly payment method of compensation. Under this method, the jurors receive \$600 per month each as follows:

Lynn Robertson	\$ 7,200
Jesse Washington	7,200
Andre Lawson	7,200
Joe Lively	7,200
Ernest Greer, Jr.	7,200
Kenneth McKay	7,200
Jimmy Boughton	7,200
Ronald Gilley	7,200
Althan Smith	<u>7,200</u>
 Total jurors' compensation	 <u>\$ 64,800</u>

RICHLAND PARISH POLICE JURY
RAYVILLE, LOUISIANA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 1997

Federal Grantor/Pass Through <u>Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Expenditures</u>
United States Department of Agriculture: Passed through Louisiana Department of Social Services: Food Stamp Program	10.551	\$ 3,287,543
State Administrative Funding for the Food Stamp Program	10.561	<u>18,076</u>
Totals		<u>\$ 3,305,619</u>

See note to Schedule of Expenditures of Federal Awards.

RICHLAND PARISH POLICE JURY
RAYVILLE, LOUISIANA

NOTE TO SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS

- Note 1. The Schedule of Expenditures of Federal Awards includes the federal grant activity of Richland Parish Police Jury with the Food Stamp Program being presented on the cash basis of accounting and the State Administrative Funding for the Food Stamp Program being presented on the modified accrual basis. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the presentation of, the general-purpose financial statements.

HILL, INZINA & COMPANY

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Police Jurors
Richland Parish Police Jury
Rayville, Louisiana

We have audited the general-purpose financial statements of Richland Parish Police Jury, as of and for the year ended December 31, 1997, and have issued our report thereon dated May 1, 1998. We conducted our audit in accordance with generally accepted auditing standards 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 the Jury's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Jury's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Jury's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable conditions are described in the accompanying Schedule of Findings as items 97-1, 97-2 and 97-3.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, we consider item 97-1 to be a material weakness.

This report is intended for the information of management, the Jury and federal awarding agencies. However, this report is a matter of public record and its distribution is not limited.

May 1, 1998

Hill, Arzoo & Co.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Police Jurors
Richland Parish Police Jury
Rayville, Louisiana

Compliance

We have audited the compliance of Richland 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, 1997. Richland Parish Police Jury's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the Jury's management. Our responsibility is to express an opinion on the Jury's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Jury's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Jury's compliance with those requirements.

In our opinion, Richland 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, 1997.

Internal Control Over Compliance

The management of Richland Parish Police Jury is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Jury's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

We noted a certain matter involving the internal control over compliance and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect the Jury's ability to administer a major federal program in accordance with the applicable requirements of laws, regulations, contracts and grants. The reportable condition is described in the accompanying Schedule of Findings as item 97-1.

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 the 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. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we consider the reportable condition disclosed above to be a material weakness.

This report is intended for the information of the management, the Jury and federal awarding agencies. However, this report is a matter of public record and its distribution is not limited.

May 1, 1998

Hill, Arzoo & Co.

RICHLAND PARISH POLICE JURY
RAYVILLE, LOUISIANA

SCHEDULE OF FINDINGS
For the Year Ended December 31, 1997

We have audited the financial statements of Richland Parish Police Jury as of and for the year ended December 31, 1997, and have issued our report thereon dated May 1, 1998. We conducted our audit in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the provisions of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Our audit of the financial statements as of December 31, 1997, resulted in an unqualified opinion.

Section I - Summary of Auditor's Reports

a. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses Yes No Reportable Conditions Yes No

Compliance

Compliance Material to Financial Statements Yes No

b. Federal Awards

Internal Control

Material Weaknesses Yes No Reportable Conditions Yes No

Type of Opinion On Compliance
For Major Programs

Unqualified Qualified
Disclaimer Adverse

Are there findings required to be reported in accordance with Circular A-133, Section .510(a)?

Yes No

c. Identification of Major Program:

CFDA Number 10.551

Food Stamp Program

1. Dollar threshold used to distinguish between Type A and Type B Programs \$300,000
2. Is the auditee a 'low-risk' auditee, as defined by OMB Circular A-133? Yes No

Section II- Financial Statement Findings

1997-1 Inadequate Segregation of Duties
(See 1997-1 in Section III)

1997-2 Purchase Orders (finding was cited in first audit conducted by our firm as of and for the two years ended December 31, 1992)

Criteria: Purchase orders should be timely prepared for all approved requisitions of all funds. The purchase orders should be detailed as to the actual items to be purchased, signed by the proper authority and issued before the actual purchase.

Condition: Purchase orders are not being signed by the proper authority and are being issued subsequent to the actual purchase as noted by a comparison of the invoice and purchase order dates.

Context: Six applicable purchase orders (totaling \$4,112) were noted as being issued or incorrectly issued out of a total of 14 individual transactions (totaling \$29,237) for which purchase orders should have been issued.

Cause: Jury employees have not accepted the value of such documentation.

Effect: Documentation for affected expenditures is inadequate.

Recommendation: We recommend that the Jury promptly address this matter in a memorandum to all Jury employees.

Management's
response and
planned cor-
rective action:

We concur in the finding and Ronald Gilley, Jury President, and Bonnie Payne, Secretary/Treasurer will address this matter immediately in a memorandum to all Jury employees.

1997-3 Evidence of Receipt (finding was cited in first audit conducted by our firm as of and for the two years ended December 31, 1992)

Criteria: Employees responsible for receiving goods/services should sign the supporting document as evidence that the goods/services were actually received.

Condition: Supporting documentation is not being signed by the employee responsible for receiving the goods/services.

Context: Inadequate documentation of the receipt of goods/services was noted in ten (totaling \$6,429) of 60 (totaling \$55,910) individual purchases examined.

Cause: Jury employees have not accepted the value of such documentation.

Effect: Documentation for affected expenditures is inadequate.

Recommendation: We recommend that the Jury promptly address this matter in a memorandum to all Jury employees.

Management's response and planned corrective action:

We concur in the finding and Ronald Gilley, Jury President, and Bonnie Payne, Secretary/Treasurer will address this matter immediately in a memorandum to all Jury employees.

Section III- Federal Award Findings and Questioned Costs

1997-1 Inadequate Segregation of Duties (finding was cited in first audit conducted by our firm as of and for the two years ended December 31, 1992)

Programs: Food Stamp Program and State Administrative Funding for the Food Stamp Program

Criteria: Adequate segregation of duties is essential to a proper internal control structure.

Condition: The segregation of duties is inadequate to provide effective internal control.

Effect: Not determined.

Cause: The condition is due to economic and space limitations.

Recommendation: No action is recommended.

Management's
response and
planned cor-
rective action:

We concur in the finding, but it is not economically feasible nor does space allow for corrective action to be taken.

RICHLAND PARISH POLICE JURY
RAYVILLE, LOUISIANA

SCHEDULE OF PRIOR YEAR FINDINGS
For the Year Ended December 31, 1997

Section I - Internal Control and Compliance Material to Financial Statements

1996-1 Purchase Orders

Purchase orders should be timely prepared for all approved requisitions of all funds. The purchase orders should be detailed as to the actual items purchased, signed by the proper authority and issued before the actual purchase.

Unresolved - 1997-2.

1996-2 Inadequate Segregation of Duties

Adequate segregation of duties is essential to proper internal control.

Unresolved - 1997-1.

Section II - Internal Control and Compliance Material to Federal Awards

1996-2 Inadequate Segregation of Duties

Adequate segregation of duties is essential to proper internal control.

Unresolved - 1997-1.

Section III - Management Letter

None issued.