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**JACKSON PARISH POLICE JURY
JONESBORO, LOUISIANA
PRIMARY GOVERNMENT FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 1998
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 audited, or reviewed, 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 7-28-99

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**JACKSON PARISH POLICE JURY
JONESBORO, LOUISIANA
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FOR THE YEAR ENDED DECEMBER 31, 1998**

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INDEPENDENT AUDITORS' REPORT

The Members of the
Jackson Parish Police Jury
Jonesboro, Louisiana

We have audited the accompanying primary government financial statements of the Jackson Parish Police Jury as of and for the year ended December 31, 1998. These primary government financial statements are the responsibility of the Jackson Parish Police Jury's management. Our responsibility is to express an opinion on these primary government 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 financial statements are free of material misstatements. 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. We believe that our audit provides a reasonable basis for our opinion.

A primary government is a legal entity or body politic and includes all funds, organizations, institutions, agencies, departments and offices that are not legally separate. Such legally separate entities are referred to as component units. In our opinion, the primary government financial statements present fairly, in all material respects, the financial position of the primary government of the Jackson Parish Police Jury, as of December 31, 1998, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

However, the primary government financial statements, because they do not include the financial data of component units of the Jackson Parish Police Jury do not purport to, and do not, present fairly the financial position of the Jackson Parish Police Jury, as of December 31, 1998, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In our opinion, the general purpose financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the Jackson Parish Police Jury, as of December 31, 1998, 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 June 11, 1999, on our consideration of the Jackson Parish Police Jury's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements of the Jackson Parish Police Jury taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments and Non-Profit Organizations, and is not a required part of the general purpose financial statements. 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 stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

Kenneth D. Folden & Co.

Kenneth D. Folden & Co., CPAs
Jonesboro, Louisiana

June 11, 1999

**JACKSON PARISH POLICE JURY
 JONESBORO, LOUISIANA
 ALL FUND TYPES AND ACCOUNT GROUPS
 COMBINED BALANCE SHEET, DECEMBER 31, 1998**

Governmental Fund Type	
General Fund	Special Revenue Funds

Assets and other debits

Assets:

Cash	\$ 37,602	\$ 49,487
Investments, at cost	950,000	3,183,361
Receivables	406,709	1,077,995
Fixed assets		

Other Debits:

Amount available in landfill closure special revenue fund

Total assets and other debits	\$ 1,394,311	\$ 4,310,843
--------------------------------------	---------------------	---------------------

Liabilities, equity and other credits

Liabilities:

Accounts payable	\$ 19,521	\$ 106,183
Deferred revenues		
Capital lease payable		
Compensated absences payable		
Estimated liability for landfill closure costs		

Total liabilities	19,521	106,183
--------------------------	---------------	----------------

Fund equity and other credits:

Investment in general fixed assets

Fund balances:

Reserved for general long-term obligation

Unreserved - undesignated	1,374,790	4,204,660
---------------------------	-----------	-----------

Total equity and other credits	1,374,790	4,204,660
---------------------------------------	------------------	------------------

Total liabilities, equity and other credits	\$ 1,394,311	\$ 4,310,843
--	---------------------	---------------------

Capital Projects Funds	Account Groups		Total (Memorandum Only)
	General Fixed Assets	General Long-Term Obligations	
\$ 4,345	\$	\$	\$ 91,434
283,000			4,416,361
	6,103,820		1,484,704
		379,362	6,103,820
			379,362
<u>\$ 287,345</u>	<u>\$ 6,103,820</u>	<u>\$ 379,362</u>	<u>\$ 12,475,681</u>
\$ 3,418	\$	\$	\$ 125,704
			3,418
		26,562	26,562
		100,521	100,521
		99,118	99,118
<u>3,418</u>	<u>NONE</u>	<u>226,201</u>	<u>355,323</u>
	6,103,820		6,103,820
			0
		153,161	153,161
<u>283,927</u>			<u>5,863,377</u>
<u>283,927</u>	<u>6,103,820</u>	<u>153,161</u>	<u>12,120,358</u>
<u>\$ 287,345</u>	<u>\$ 6,103,820</u>	<u>\$ 379,362</u>	<u>\$ 12,475,681</u>

The accompanying notes are an integral part of these financial statements.

**JACKSON PARISH POLICE JURY
JONESBORO, LOUISIANA
GOVERNMENTAL FUNDS**

Statement B

**COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 1998**

	General Fund	Special Revenue Funds	Capital Projects Funds	Total (Memorandum Only)
Revenues				
Taxes:				
Ad valorem	\$ 228,518	\$1,744,929	\$	\$ 1,973,447
Sales tax	8,604	529,850		538,454
Other taxes, penalties and interest, etc.	45,715			45,715
Licenses and permits	3,413			3,413
Intergovernmental revenues:				
State funds:				
Severance tax	827,982			827,982
Parish transportation funds		321,854		321,854
State revenue sharing (net)	22,931	84,764		107,695
State aid grants	131,005	13,933		144,938
Federal grants	6,264		15,269	21,533
Fees, charges and commissions	25,927			25,927
Fines and forfeitures		16,374		16,374
Miscellaneous revenues	2,475	53,682		56,157
Use of money and property	49,937	158,407	14,183	222,527
Total revenues	1,352,771	2,923,793	29,452	4,306,016
Expenditures				
General government:				
Legislative	64,873			64,873
Judicial	48,643			48,643
Elections	19,901			19,901
Financial and administrative	175,315			175,315
Other general government	134,481	79,351		213,832
Public safety	171,875	113,138		285,013
Public works	7,500	1,375,965		1,383,465
Health and welfare	15,220	14,978		30,198
Culture and recreation	22,298	266,848		289,146
Capital outlay	107,571	152,891	15,269	275,731
Debt service:				
Principal retirement		19,509		19,509
Interest		2,832		2,832
Total expenditures	767,677	2,025,512	15,269	2,808,458

JACKSON PARISH POLICE JURY
 JONESBORO, LOUISIANA
 GOVERNMENTAL FUNDS
 COMBINED STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES (Continued)
 FOR THE YEAR ENDED DECEMBER 31, 1998

	General Fund	Special Revenue Funds	Capital Projects Funds	Total (Memorandum Only)
Excess (deficiency) of revenues over (under) expenditures	585,094	898,281	14,183	1,497,558
Other financing sources (uses):				
Operating transfers in		400,000		400,000
Operating transfers out	(200,000)	(200,000)		(400,000)
Transfers out to other governmental units		(127,845)		(127,845)
Total other financing sources (uses)	(200,000)	72,155	NONE	(127,845)
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	385,094	970,436	14,183	1,369,713
Fund balances at beginning of year	989,696	3,234,224	269,744	4,493,664
Fund balances at end of year	\$ 1,374,790	\$ 4,204,660	\$ 283,927	\$ 5,863,377

The accompanying notes are an integral part of these financial statements.

**JACKSON PARISH POLICE JURY
JONESBORO, LOUISIANA
GOVERNMENTAL FUNDS - GENERAL AND SPECIAL REVENUE FUNDS
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 1998**

General Fund		
Budget	Actual	Variance Favorable (Unfavorable)

Revenues

Taxes:

Ad valorem

\$228,250 \$228,518 \$ 268

Sales tax

3,600 8,604 5,004

Other taxes, penalties and interest, etc.

39,500 45,715 6,215

Licenses and permits

4,100 3,413 (687)

Intergovernmental revenues:

State funds:

Severance tax

550,000 827,982 277,982

Parish transportation fund

23,000 22,931 (69)

State revenue sharing (net)

232,000 131,005 (100,995)

State aid grant

6,100 6,264 164

Federal grants

21,000 25,927 4,927

Fees, charges and commissions for services

Fines and forfeitures

Miscellaneous revenues

500 2,475 1,975

Use of money and property

22,200 49,937 27,737

Total revenues

1,130,250 1,352,771 222,521

Expenditures

General government:

Legislative

115,000 64,873 50,127

Judicial

64,000 48,643 15,357

Elections

28,400 19,901 8,499

Finance and administrative

196,250 175,315 20,935

Other general government

173,550 134,481 39,069

Public safety

199,900 171,875 28,025

Public works

7,500 7,500

Health and welfare

15,700 15,220 480

Culture and recreation

29,500 22,298 7,202

Capital outlay

212,650 107,571 105,079

Debt service:

Principal retirement

Interest

Total expenditures

1,042,450 767,677 274,773

Special Revenue Funds		
Budget	Actual	Variance Favorable (Unfavorable)

\$ 946,025	\$ 1,744,929	\$ 798,904
1,250,000	529,850	(720,150)

330,000	321,854	(8,146)
89,100	84,764	(4,336)
11,000	13,933	2,933

50,000		(50,000)
11,800	16,374	4,574
26,300	53,682	27,382
86,800	158,407	71,607

<u>2,801,025</u>	<u>2,923,793</u>	<u>122,768</u>
------------------	------------------	----------------

79,650	79,351	299
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	113,138	(113,138)
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3,021,100	1,375,965	1,645,135
-----------	-----------	-----------

32,600	14,978	17,622
--------	--------	--------

290,500	266,848	23,652
---------	---------	--------

212,700	152,891	59,809
---------	---------	--------

23,000	19,509	3,491
--------	--------	-------

	2,832	(2,832)
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<u>3,659,550</u>	<u>2,025,512</u>	<u>1,634,038</u>
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The accompanying notes are an integral part of these financial statements.

**JACKSON PARISH POLICE JURY
 JONESBORO, LOUISIANA
 GOVERNMENTAL FUNDS - GENERAL AND SPECIAL REVENUE FUNDS
 COMBINED STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 BUDGET (GAAP BASIS) AND ACTUAL
 FOR THE YEAR ENDED DECEMBER 31, 1998**

	General Fund		
			Variance Favorable (Unfavorable)
	Budget	Actual	
Excess (deficiency) of revenues over (under) expenditures	<u>87,800</u>	<u>585,094</u>	<u>497,294</u>
Other financing sources (uses):			
Operating transfers in			
Operating transfers out	(200,000)	(200,000)	
Transfers out to other governmental units			
Total other financing sources(uses)	<u>(200,000)</u>	<u>(200,000)</u>	
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(112,200)	385,094	497,294
Fund balances at beginning of year	<u>600,000</u>	<u>989,696</u>	<u>389,696</u>
Fund balances at end of year	<u>\$ 487,800</u>	<u>\$ 1,374,790</u>	<u>\$ 886,990</u>

Special Revenue Funds		
Budget	Actual	Variance Favorable (Unfavorable)
(858,525)	898,281	1,756,806
400,000	400,000	
(200,000)	(200,000)	
(128,100)	(127,845)	255
71,900	72,155	255
(786,625)	970,436	1,757,061
2,134,700	3,234,224	1,099,524
<u>\$ 1,348,075</u>	<u>\$ 4,204,660</u>	<u>\$ 2,856,585</u>

The accompanying notes are an integral part of these financial statements.

**JACKSON PARISH POLICE JURY
JONESBORO, LOUISIANA
GOVERNMENTAL FUNDS - CAPITAL PROJECT FUNDS
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 1998**

	Capital Project Funds		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Federal grants	\$ 18,700	\$ 15,269	\$ (3,431)
Use of money and property	12,000	14,183	2,183
Miscellaneous			
Total revenues	30,700	29,452	(1,248)
Expenditures			
General government:			
Capital outlay	240,300	15,269	225,031
Total expenditures	240,300	15,269	225,031
Excess (deficiency) of revenues over (under) expenditures	(209,600)	14,183	223,783
Fund balances at beginning of year	268,000	269,744	1,744
Fund balances at end of year	\$ 58,400	\$ 283,927	\$ 225,527

The accompanying notes are an integral part of these financial statements.

**JACKSON PARISH POLICE JURY
JONESBORO, LOUISIANA
NOTES TO THE PRIMARY GOVERNMENT FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 1998**

INTRODUCTION

The Jackson Parish Police Jury is the governing authority for Jackson Parish and is a political subdivision of the State of Louisiana. The police jury is governed by seven jurors representing the various districts within the parish. The jurors serve four-year terms that expire in January, 2000.

Louisiana Revised Statute 33:1236 gives the police jury various powers in regulating and directing the affairs of the parish and its inhabitants. The most notable of those powers are the authority to regulate 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, beer and alcoholic beverage permits, state revenue sharing and various other state and federal grants.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

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

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

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

**JACKSON PARISH POLICE JURY
JONESBORO, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (Continued)
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 1998**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. REPORTING ENTITY (Continued)

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>
Jackson Parish Library	December 31, 1998	1a
Jackson Parish Hospital Service District No. 1	September 30, 1998	1a
Jackson Parish Recreation District	December 31, 1998	1a
Ward 2 Fire Protection District	December 31, 1998	1a
Ward 3 Fire Protection District	December 31, 1998	1a
Ward 4 Fire Protection District	December 31, 1998	1a
Quitman Fire Protection District No.1	December 31, 1998	1a
Jonesboro Fire Protection District No. 1	June 30, 1998	1a
Jackson Parish Ambulance Service District	December 31, 1998	1a

The primary government (Jackson Parish Police Jury) financial statements include all funds and account groups, and organizations for which the police jury maintains the accounting records. The organizations for which the police jury maintains the accounting records are considered part of the Jackson Parish Police Jury and include the following Special Revenue Fund - Jackson Parish Public Library.

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 (police jury) 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. These financial statements are not intended to and do not report on the reporting entity but rather are intended to reflect only the financial statements of the primary government (police jury).

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

B. FUND ACCOUNTING

The Jackson Parish Police 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 financial resources.

Funds of the Jackson Parish Police Jury are classified as one category, governmental. This category is divided into separate fund types. The fund classification and a description of each existing fund type follow:

**JACKSON PARISH POLICE JURY
JONESBORO, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (Continued)
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 1998**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. FUND ACCOUNTING (Continued)

Governmental Funds

Governmental funds account for all or most of the police 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 obligations. Governmental funds of the Jackson Parish Police Jury include:

1. **General Fund--the general operating fund of the police jury accounting for all financial resources, except those required to be accounted for in other funds.**
2. **Special revenue funds--account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.**
3. **Capital project funds--account for financial resources received and used for the acquisition, construction or improvement of capital facilities not reported in the other governmental funds.**
4. **Debt service funds--account 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 obligations account group. The Jackson Parish Police Jury has no debt service fund, for the year ended December 31, 1998.**

C. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds 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 funds. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

Ad valorem taxes (which are based on assessments of business property and homesteads in the parish) and the related state revenue sharing are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis, become due on November 15 of each year, and become delinquent on December 31. The taxes are generally collected in December, January and February of the fiscal year. Based on prior experience, the uncollectible ad valorem tax net of proceeds from the sheriff's sale of property is immaterial, thus no provision has been made for such a loss.

Federal reimbursement grant revenues are recognized in the period that the related expenditures are incurred.

**JACKSON PARISH POLICE JURY
JONESBORO, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (Continued)
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 1998**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. BASIS OF ACCOUNTING (Continued)

Revenues from fines, forfeitures, licenses and permits are not susceptible to accrual because they are not generally measurable until received in cash.

Interest income on time deposits is recorded upon maturity, when the income is available.

Substantially all other revenues are recorded when received.

Expenditures

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

Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid (or any other types, such as capital lease transactions, sales of fixed assets, debt extinguishments, long-term debt proceeds, et cetera) are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying events occur.

D. BUDGETARY BASIS OF ACCOUNTING

The Jackson Parish Police Jury uses the following budget practices:

The Jackson Parish Police Jury adopts budgets annually. Public notice of the proposed budgets was published on November 13, 1997, and the proposed budgets were made available for public inspection at that time. A public hearing on the proposed budgets was held December 8, 1997, and they were adopted by the Jackson Parish Police Jury on December 15, 1997. Amended budgets were adopted as necessary.

Budgets were prepared on the GAAP basis of accounting.

Formal budgetary integration is employed as a management control device during the year for all budgeted funds. The Police Jury approves total budget appropriations only. The Secretary-Treasurer of the Police Jury is authorized to transfer budget line item amounts between departments within any fund; however, any revisions that alter the total appropriations of any departments within a fund must be approved by the Police Jury. Therefore, the level of budgetary responsibility is by total appropriations; however, for report purposes, this level has been expanded to a functional basis.

At year end, all appropriations lapse. Budgeted amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments.

E. ENCUMBRANCES

Encumbrances represent commitments related to unperformed contracts for goods and services. Encumbrance accounting - under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation - is not utilized by the Jackson Parish Police Jury.

**JACKSON PARISH POLICE JURY
JONESBORO, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (Continued)
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 1998**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. CASH AND INVESTMENTS

Cash and investments include demand deposits, certificates of deposit and a passbook savings account. Under state law, the Jackson Parish 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 their principal offices in Louisiana. The Jackson Parish Police Jury has deposits in three financial institutions as of December 31, 1998.

Under State law, the jury may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days. However, if the original maturities are 90 days or less, they are classified as cash equivalents. The Jackson Parish Police Jury has investments of \$4,416,361 at December 31, 1998.

G. FIXED ASSETS

Fixed assets of governmental funds are recorded as expenditures at the time they are purchased or constructed, and the related assets are capitalized (reported) in the general fixed assets account group. Public domain or infrastructures are not capitalized. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost.

H. COMPENSATED ABSENCES

The Jackson Parish Police Jury has the following policy relating to vacation and sick leave:

Police Jury

All full-time employees earn from 10 to 20 days of annual leave each year, depending upon length of service. Effective January 1, 1998, employees shall not accrue more than 20 days of annual leave. Employees are paid for annual leave upon retirement or separation of service. All full-time employees earn 5 days of sick leave each year. Sick leave may be accumulated without limitation. Upon retirement, unused sick leave of up to 25 days is paid to employees. Employees that are separated from service prior to retirement are paid a maximum of 20 days of unused sick leave.

Library

Full-time employees of the library earn from 10 to 20 days of annual leave depending upon length of service. Part-time employees working twenty hours or more per week earn one-half of the full-time employee annual leave. Effective January 1, 1998, employees shall not accrue more than 25 days of annual leave. Employees are paid for a maximum of 25 days upon retirement or separation of service. All full-time employees earn 12 days of sick leave each year. Sick leave may be accumulated to a maximum of 60 days. Upon retirement, unused sick leave of up to 25 days is paid to employees. Employees that are separated from service, prior to retirement, forfeit unused sick leave.

The cost of current leave privileges, computed in accordance with GASB Codification Section C60, is recognized as a current-year expenditure in the governmental funds when leave is actually taken. The cost of leave privileges not requiring current resources is recorded in the general long-term obligations account group.

**JACKSON PARISH POLICE JURY
JONESBORO, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (Continued)
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 1998**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. LONG-TERM OBLIGATIONS

Long-term obligations expected to be financed from governmental funds are reported in the general long-term obligations account group. Expenditures for principal and interest payments for long-term obligations are recognized in the governmental funds when due.

J. TOTAL COLUMNS ON COMBINED STATEMENTS

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 changes in financial position, 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.

2. LEVIED TAXES

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

	Authorized Millage -----	Levied Millage -----	Expiration Date -----
Parish-Wide Taxes:			
General Fund	5.21	5.01	-
Road Fund	5.06	5.01	1999
Library Fund	6.73	6.66	1999
Asphalt Fund	4.40	4.36	1999
Health Unit Fund	1.93	1.91	1998
Ambulance Service Fund	2.89	2.87	1998
Forest Protection Tax	8 cents/acre	8 cents/acre	-

A six-tenths of one percent sales and use tax became effective on August 1, 1986. The proceeds of the tax, after collection cost, are used for waste management expenditures and debt reductions. This tax was renewed for 10 years on April 20, 1996.

A four-tenths of one percent sales and use tax became effective on July 1, 1996. The proceeds of the tax, after collection cost, are used for blacktopping and sealing roads.

No tax renewal proposition for the Health Unit has been presented to the Jackson Parish voters.

Two 10 year tax propositions, 2.89 mills and 2.0 mills, were approved by the Jackson Parish voters on November 11, 1998, for the Jackson Parish Ambulance Service District.

A renewal 10 year (10 mill) proposition for the Jackson Parish Library was approved by the Jackson Parish voters on October 3, 1998.

**JACKSON PARISH POLICE JURY
JONESBORO, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (Continued)
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 1998**

3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

At December 31, 1998, the jury has cash and investments totaling \$4,507,795, as follows:

Demand deposits including interest-bearing	\$ 91,434	
Investments	<u>4,416,361</u>	
Total	<u><u>\$ 4,507,795</u></u>	

These deposits and investments are stated at cost, which approximates market. Under state law, these deposits and investments (or the resulting bank balances) must be secured by federal deposit insurance (FDIC) 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. At December 31, 1998, the jury has \$195,101 in deposits and \$4,416,360, in investments (collected bank balances). These deposits are secured from risk by \$307,495 of federal deposit insurance and \$4,836,766 of pledged securities held by the custodial bank in the name of the fiscal bank (GASB Category 3).

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

4. RECEIVABLES

The receivables as of December 31, 1998, are composed as follows:

	General Fund	Special Revenue Funds	Total
CLASS OF RECEIVABLES			
Taxes:			
Ad valorem	\$ 205,211	\$ 852,386	\$ 1,057,597
Sales and use	506	88,800	89,306
Other	175,089		175,089
Intergovernmental -			
State	22,931	136,379	159,310
Local	2,957		2,957
Fees, charges and commissions	<u>15</u>	<u>430</u>	<u>445</u>
TOTAL	<u><u>\$ 406,709</u></u>	<u><u>\$ 1,077,995</u></u>	<u><u>\$ 1,484,704</u></u>

**JACKSON PARISH POLICE JURY
JONESBORO, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (Continued)
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 1998**

5. FIXED ASSETS

The changes in general fixed assets follow:

	Balance at January 1, 1998	Additions	Deletions	Balance at December 31, 1998
Land and buildings	\$ 3,287,364	\$ 114,931	\$ 93,851	\$ 3,308,444
Machinery and equipment	2,049,500	89,037	7,288	2,131,249
Library circulation materials	591,925	38,408	1,182	629,151
Construction in progress	6,490	34,976	6,490	34,976
Total	<u>\$ 5,935,279</u>	<u>\$ 277,352</u>	<u>\$ 108,811</u>	<u>\$ 6,103,820</u>

Current year additions are composed of capital outlay, construction in progress and one asset not shown in the prior year balance. Current year additions do not include the \$15,269 capital outlay to infrastructures.

6. PENSION PLANS

Plan Description. Substantially all employees of the Jackson Parish Police Jury are members of the Parochial Employees Retirement System of Louisiana (System), a multiple-employer (cost-sharing), public employee retirement system (PERS), controlled and 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 district are members of Plan A.

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 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.

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 benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established 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 the 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 Jackson Parish Police Jury is required to contribute at an actuarially determined rate. The current rate is 7.75 percent of annual covered payroll. Contributions to the System also include one-fourth of one percent (except Orleans and East Baton Rouge Parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Jackson 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 for the prior fiscal year. The Jackson Parish Police Jury's contributions to the System under Plan A for the years ending December 31, 1998, 1997, and 1996, were \$57,033, \$62,380 and \$61,433, respectively, equal to the required contributions for each year.

**JACKSON PARISH POLICE JURY
JONESBORO, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (Continued)
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 1998**

7. COMPENSATED ABSENCES

Employees of the Police Jury had accumulated and vested \$100,521 of employee leave benefits at December 31, 1998, computed in accordance with GASB Codification, Section C60. This amount has been recorded as a general long-term obligation.

8. LEASES

In March, 1995, the police jury entered into a capital lease for a gradall with attachments. This equipment is used by the Road Department and the monthly lease payments are paid out of the Road Fund. The terms of the lease include a \$50,000 down payment and \$1,862 payment each month, for a period of 60 months ending March, 2000.

This leased asset and the related obligations are accounted for in the General Fixed Assets Account Group and the General Long-Term Obligations Account Group, respectively. The leased gradall is valued at \$142,500 in the accompanying financial statements. The following is a schedule of future minimum lease payments under the capital lease and the present value of the net minimum lease payments as of December 31, 1998:

Fiscal Year	
1999	\$ 22,341
2000	<u>5,586</u>
Total minimum lease payments	27,927
Less - amount representing interest	<u>1,365</u>
Present value of minimum lease	<u><u>\$ 26,562</u></u>

The Jackson Parish Police Jury had two (2) cancelable operating leases at December 31, 1998, for equipment. Equipment provided by each lease is one Caterpillar motor grader and attachments. This equipment is used by the Road Department and the monthly lease payments are paid out of the Road Fund. The terms of each lease are \$1,450 payable each month, for a period of 36 months ending June 25, 2000.

9. CHANGES IN GENERAL LONG-TERM OBLIGATIONS

The following is a schedule of changes in the general long-term obligations:

	Balance at January 1, 1998	Additions	Deletions	Balance at December 31, 1998
Compensated absences payable	\$ 77,453	\$ 23,068	\$	\$ 100,521
Capital lease payable	46,071		19,509	26,562
Estimated liability for landfill closure	79,295	19,823		99,118
Total	<u><u>\$ 202,819</u></u>	<u><u>\$ 42,891</u></u>	<u><u>\$ 19,509</u></u>	<u><u>\$ 226,201</u></u>

**JACKSON PARISH POLICE JURY
JONESBORO, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (Continued)
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 1998**

10. CAPITAL LEASE

The capital lease payable at December 31, 1998, represents the remaining lease payments for road equipment. These lease payments expire in 2000 (as detailed below) and pay an interest rate of 7.5 per cent per annum. At December 31, 1998, there were outstanding interest requirements of \$1,365 (as detailed below).

	Principal	Interest	Total
1999	\$ 21,046	\$ 1,295	\$ 22,341
2000	5,516	70	5,586
Total	<u>\$ 26,562</u>	<u>\$ 1,365</u>	<u>\$ 27,927</u>

11. CRIMINAL COURT FUND

Louisiana Revised Statute 15:571.11 requires that one-half of any balance remaining in the Criminal Court Fund at year end be transferred to the parish General Fund. The Second Judicial District Criminal Court Fund is composed of the parishes of Bienville, Claiborne and Jackson. The records of the Second Judicial District Criminal Court Fund are maintained by the Claiborne Parish Police Jury. For the year ended December 31, 1998, no accrual was recognized by the Jackson Parish Police Jury for transfer to the parish General Fund.

12. LITIGATION AND CLAIMS

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

The government is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the government attorney the resolution of these matters will not have a material adverse effect on the financial condition of the government.

13. FOOD STAMP PROGRAM

The Food Stamp Program was operated by the police jury under an agreement with the Louisiana Department of Social Services. Under this program, the police jury was responsible for the issuance of food stamps to eligible participants in the parish. The Food Stamp Program was terminated in January, 1998; no food stamps were issued to the public in 1998. The value of food stamps that were either destroyed or transferred to another office by officials of the Louisiana Department of Social Services are as follows:

Balance at January 1, 1998	\$ 84,560
Destroyed	13,310
Transferred to other parish	<u>71,250</u>
Balance at December 31, 1998	<u>NONE</u>

**JACKSON PARISH POLICE JURY
JONESBORO, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (Continued)
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 1998**

14. SOLID WASTE LANDFILL COSTS

State and federal laws and regulations require the Jackson Parish Police Jury to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure.

The Jackson Parish Landfill is a Type III facility that accepts only construction and demolition debris. The Jackson Parish Landfill has an estimated final closing during year 2010.

The estimated liability for landfill closure and post closure care costs has a balance of \$99,118 as of December 31, 1998, which is based on 29.41 per cent usage of the landfill. It is estimated that an additional \$237,882 will be recognized as closure and post closure care expenses between the date of the balance sheet and the date the landfill is expected to be filled to capacity (2010).

The estimated total cost of the landfill closure and post closure care is \$337,000. This is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfill were acquired as of December 31, 1998. However, the actual cost of closure and post closure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations.

The Jackson Parish Police Jury has established a special revenue fund to account for the contributions to finance closure costs and post closure care. The Jackson Parish Police Jury is anticipating making annual contributions towards the estimated total cost of closure and post closure care.

15. Year 2000 Compliance

The worldwide challenge facing organizations, commonly referred to as the Year 2000 (Y2K) issue, is the result of problems that may be encountered with date-related transactions on systems that have historically recognized years using two digits vs. four digits, e.g. 98 versus 1998. These systems will potentially recognize the "00" as the year 1900 instead of 2000.

On the surface, the Y2K problem sounds simple enough; however, the implications of this problem are far reaching and could impact a full range of business services and activities.

The Jackson Parish Police Jury has conducted a study of its own systems and operations. Based on this study, the Jackson Parish Police Jury has initiated a project to take all necessary and reasonable steps to get the mission critical systems and operations Y2K compliant in a timely manner.

The total costs of the Y2K efforts are immaterial and as of December 31, 1998, it has not been necessary for the Jackson Parish Police Jury to expend any funds toward making its systems year 2000 compliant.

The assessment of the costs of the Y2K compliance effort, and the timetable for the planned completion of the internal Y2K modifications, are management's estimates. The estimates were based on numerous assumptions as to future events. There can be no guarantee that these estimates will prove accurate, and actual results could differ from those estimated if these assumptions prove inaccurate. Additionally, there can be no absolute guarantee that significant third parties will successfully and timely convert their systems.

**JACKSON PARISH POLICE JURY
JONESBORO, LOUISIANA
SUPPLEMENTAL INFORMATION SCHEDULES
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 1998**

SPECIAL REVENUE FUNDS

The Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditures for a particular purpose.

Road Fund

The Road Fund accounts for maintenance of parish highways, streets, and bridges. Funding is provided by a parish-wide ad valorem tax, state revenue sharing funds, parish transportation funds, state aid grants, operating transfers from the General Fund, interest earned on investments, and miscellaneous revenues.

Library Fund

The Library Fund accounts for maintenance and operation of the parish library. Funding is provided by a parish-wide ad valorem tax, state revenue sharing funds, State Library of Louisiana funds, interest earned on investments and fine and program revenues.

Solid Waste Fund

The Solid Waste Fund accounts for the construction, maintenance and operation of the solid waste system. Funding is provided by a parish-wide sales tax, interest on investments and other miscellaneous revenues.

Asphalt Fund

The Asphalt Fund accounts for asphaltting parish roads. Financing is provided by a parish-wide ad valorem tax, state revenue sharing funds and interest earned on investments.

Health Unit Fund

The Health Unit Fund accounts for a portion of the maintenance and operation of the parish health unit. Financing is provided by a parish-wide ad valorem tax, state revenue funds and interest earned on investments.

Ambulance Service Fund

The Ambulance Service Fund accounts for the proceeds of a parish-wide ad valorem tax and the related state revenue sharing funds. All proceeds from the ad valorem tax and state revenue sharing funds are transferred to the Jackson Parish Ambulance Service District, operator of the parish ambulance service.

**JACKSON PARISH POLICE JURY
JONESBORO, LOUISIANA
SUPPLEMENTAL INFORMATION SCHEDULES
(Continued)**

Lake Commission Fund

The Lake Commission Fund accounts for the regulation and usage of Caney Lake and the usage of the surrounding land up to one mile from the shore line. Financing is provided by tournament fees, duck blind rentals and interest earned on investments.

Landfill Closure Fund

The Landfill Closure Fund accounts for estimated closure cost and post-closure care expenses of the parish landfill site. Financing is provided by contributions and interest earned on investments.

Road Sales Tax Fund

The Road Sales Tax Fund accounts for the blacktopping and sealing of parish roads. Financing is provided by a parish-wide sales tax and interest earned on investments.

**JACKSON PARISH POLICE JURY
 JONESBORO, LOUISIANA
 SPECIAL REVENUE FUNDS
 COMBINING BALANCE SHEET
 DECEMBER 31, 1998**

	Road	Library	Solid Waste	Asphalt
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Assets

Cash	\$ 4,265	\$ 8,512	\$ 23,033	\$ 4,516
Investments	120,000	276,361	490,000	175,000
Receivables	279,953	303,280	53,283	198,360
Total assets	\$ 404,218	\$ 588,153	\$ 566,316	\$ 377,876

Liabilities and fund equity

Liabilities:

Accounts payable	\$ 13,202	\$ 16,400	\$ 25,750	\$ 6,662
Total liabilities	13,202	16,400	25,750	6,662

Fund equity:

Fund balances:

Unreserved - undesignated	391,016	571,753	540,566	371,214
Total fund equity	391,016	571,753	540,566	371,214
Total liabilities and fund equity	\$ 404,218	\$ 588,153	\$ 566,316	\$ 377,876

Health Unit	Ambulance	Lake Commission	Landfill Closure	Road Sales Tax	Total
\$ 2,963	\$	\$ 888	\$ 1,362	\$ 3,948	\$ 49,487
345,000		156,000	378,000	1,243,000	3,183,361
86,106	121,493			35,520	1,077,995
<u>434,069</u>	<u>121,493</u>	<u>156,888</u>	<u>379,362</u>	<u>1,282,468</u>	<u>4,310,843</u>
3,436	4,385	24,004		12,344	106,183
<u>3,436</u>	<u>4,385</u>	<u>24,004</u>	<u>NONE</u>	<u>12,344</u>	<u>106,183</u>
430,633	117,108	132,884	379,362	1,270,124	4,204,660
<u>430,633</u>	<u>117,108</u>	<u>132,884</u>	<u>379,362</u>	<u>1,270,124</u>	<u>4,204,660</u>
<u>\$ 434,069</u>	<u>\$ 121,493</u>	<u>\$ 156,888</u>	<u>\$ 379,362</u>	<u>\$1,282,468</u>	<u>\$ 4,310,843</u>

**JACKSON PARISH POLICE JURY
JONESBORO, LOUISIANA
SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 1998**

	Road	Library	Solid Waste	Asphalt
Revenues:				
Taxes:				
Ad valorem	\$ 228,522	\$ 303,781	\$795,725	\$ 198,873
Sales tax				
Intergovernmental revenues:				
State funds:				
Parish transportation funds	321,854			
State aid grants		13,667		
State revenue sharing (net)	22,701	30,482		19,772
Fines and forfeitures		16,374		
Miscellaneous revenues	10,920	19,517	20,755	
Use of money and property	12,480	20,790	20,600	10,939
Total revenues	\$ 596,477	\$ 404,611	\$837,080	\$ 229,584
Expenditures:				
General government -				
Other general government	19,104	25,395		16,625
Public works	742,861		583,410	
Public safety				113,138
Health and welfare				
Culture and recreation		266,848		
Capital outlay	21,948	99,645	31,298	
Debt service:				
Principal retirement	19,509			
Interest	2,832			
Total expenditures	\$ 806,254	\$ 391,888	\$614,708	\$ 129,763
Excess (deficiency) of revenues over (under) expenditures	\$(209,777)	\$ 12,723	\$222,372	\$ 99,821
Other financing sources (uses):				
Operating transfers in	200,000			
Operating transfers out			(200,000)	
Transfers out to other governmental units				
Total other financing sources (uses)	200,000	NONE	(200,000)	NONE

Health Unit	Ambulance	Lake Commission	Landfill Closure	Road Sales Tax	Total
\$ 87,120	\$ 130,908	\$	\$	\$	\$ 1,744,929
				529,850	529,850
					321,854
	266				13,933
7,872	3,937				84,764
					16,374
		2,490			53,682
17,298	165	7,956	18,579	49,600	158,407
<u>\$ 112,290</u>	<u>\$ 135,276</u>	<u>\$ 10,446</u>	<u>\$ 18,579</u>	<u>\$ 579,450</u>	<u>\$ 2,923,793</u>
\$ 7,283	\$ 10,944	\$	\$	\$	\$ 79,351
		30,841		18,853	1,375,965
					113,138
14,978					14,978
					266,848
					152,891
					19,509
					2,832
<u>\$ 22,261</u>	<u>\$ 10,944</u>	<u>\$ 30,841</u>	<u>NONE</u>	<u>\$ 18,853</u>	<u>\$ 2,025,512</u>
\$ 90,029	\$ 124,332	\$ (20,395)	\$ 18,579	\$ 560,597	\$ 898,281
			200,000		400,000
					(200,000)
	(127,845)				(127,845)
<u>NONE</u>	<u>(127,845)</u>	<u>NONE</u>	<u>200,000</u>	<u>NONE</u>	<u>72,155</u>

**JACKSON PARISH POLICE JURY
 JONESBORO, LOUISIANA
 SPECIAL REVENUE FUNDS
 COMBINING SCHEDULE OF REVENUES,
 EXPENDITURES AND CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED DECEMBER 31, 1998**

	Road	Library	Solid Waste	Asphalt
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(9,777)	12,723	22,372	99,821
Fund balances at beginning of year	400,793	559,030	518,194	271,393
Fund balances at end of year	<u>\$ 391,016</u>	<u>\$ 571,753</u>	<u>\$ 540,566</u>	<u>\$ 371,214</u>

Schedule 2
(Continued)

Health Unit	Ambulance	Lake Commission	Landfill Closure	Road Sales Tax	Total
90,029	(3,513)	(20,395)	218,579	560,597	970,436
340,604	120,621	153,279	160,783	709,527	3,234,224
<u>\$ 430,633</u>	<u>\$ 117,108</u>	<u>\$ 132,884</u>	<u>\$ 379,362</u>	<u>\$1,270,124</u>	<u>\$ 4,204,660</u>

**JACKSON PARISH POLICE JURY
JONESBORO, LOUISIANA
SUPPLEMENTAL INFORMATION SCHEDULES
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 1998**

CAPITAL PROJECTS FUNDS

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

Capital Projects Fund

The Capital Projects Fund accounts for the accumulation of resources for and the expenditures of various capital projects. There was no capital projects being performed during the audit period.

Community Development Block Grant

The objectives of the Community Development Block Grant (CDBG) are the development of viable communities, decent housing and a suitable living environment, and expanded economic opportunities, to be achieved through the undertaking of eligible activities that fulfill one or more of three broad national objectives: (1) benefitting low and moderate-income persons; (2) aiding in the prevention or elimination of slums and blight; (3) meeting other communities' development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health and welfare of the community and other resources are not available to meet such needs.

**JACKSON PARISH POLICE JURY
JONESBORO, LOUISIANA
CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 1998**

	Capital Projects	Community Development Block Grant	Total
Assets			
Cash	\$ 927	\$ 3,418	\$ 4,345
Investments	283,000		283,000
Total assets	<u>\$ 283,927</u>	<u>\$ 3,418</u>	<u>\$ 287,345</u>
Liabilities and fund equity			
Liabilities -			
Deferred revenues	\$	\$ 3,418	\$ 3,418
Total liabilities	<u>NONE</u>	<u>3,418</u>	<u>3,418</u>
Fund equity:			
Fund balances -			
Unreserved - undesignated	283,927		283,927
Total fund equity	<u>283,927</u>	<u>NONE</u>	<u>283,927</u>
Total liabilities and fund equity	<u>\$ 283,927</u>	<u>\$ 3,418</u>	<u>\$ 287,345</u>

**JACKSON PARISH POLICE JURY
 JONESBORO, LOUISIANA
 CAPITAL PROJECTS FUNDS
 COMBINING SCHEDULE OF REVENUES,
 EXPENDITURES AND CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED DECEMBER 31, 1998**

Schedule 4

	Capital Projects	Community Development Block Grant	Total
Revenues:			
Intergovernmental revenues -			
Federal grants	\$	\$ 15,269	\$ 15,269
Use of money and property	14,183		14,183
Total revenues	14,183	15,269	29,452
Expenditures:			
Capital outlay			
Total expenditures	NONE	15,269	15,269
Excess (deficiency) of revenues over (under) expenditures	14,183	NONE	14,183
Fund balances at beginning of year	269,744	NONE	269,744
Fund balances at end of year	\$ 283,927	NONE	\$ 283,927

**JACKSON PARISH POLICE JURY
JONESBORO, LOUISIANA
SUPPLEMENTAL INFORMATION SCHEDULES
FOR THE YEAR ENDED DECEMBER 31, 1998**

GENERAL

Compensation Paid Police Jurors

The schedule of compensation paid to the Jackson Parish Police Jury members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Compensation of the Jackson Parish Police Jury members is included in the general administrative expenditures of the General Fund. Members of the governing board receive compensation pursuant to Louisiana Revised Statute 33:1233.

**JACKSON PARISH POLICE JURY
JONESBORO, LOUISIANA
SCHEDULE OF COMPENSATION PAID POLICE JURORS
FOR THE YEAR ENDED
DECEMBER 31, 1998**

Police Jurors:	Amount:
Ernest Conn	\$ 8,400
James Freeman	5,600
Dr. Charles Garrett	8,400
David McManus, President	8,400
Charles Pyles	2,450
Troy Smith	8,400
Leslie Thompson	8,400
Nathaniel Zeno, Jr.	8,400
Total	<u>\$ 58,450</u>

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

To the Members of the
Jackson Parish Police Jury
Jonesboro, LA

We have audited the general purpose financial statements of the Jackson Parish Police Jury, as of and for the year ended December 31, 1998, and have issued our report thereon dated June 11, 1999. We conducted our audit in accordance with generally accepted auditing 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 Jackson Parish Police 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 instance of noncompliance that is required to be reported under Government Auditing Standards which is described in the accompanying schedule of findings and questioned costs. However, we noted certain immaterial instances of noncompliance, which we reported to management of the Jackson Parish Police Jury in a separate letter dated June 11, 1999.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Jackson Parish Police 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. Our 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 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. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

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


KENNETH D. FOLDEN & CO., CPAs

Jonesboro, Louisiana
June 11, 1999

**JACKSON PARISH POLICE JURY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 1998**

A. SUMMARY OF AUDIT RESULTS

- 1. The auditors' report expresses an unqualified opinion on the (primary government) financial statements of the Jackson Parish Police Jury.**
- 2. No reportable conditions relating to the audit of the financial statement are reported in the REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS.**
- 3. No instance of noncompliance material to the financial statements of the Jackson Parish Police Jury was disclosed during the audit.**
- 4. The Jackson Parish Police Jury had no major federal award programs.**

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

None.

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

The Jackson Parish Police Jury had no major federal programs.

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The Members of the
Jackson Parish Police Jury
Jonesboro, LA

In planning and performing our audit of the general purpose financial statements of the Jackson Parish Police Jury, as of and for the year ended December 31, 1998, and to obtain reasonable assurance about whether the financial statements are free of material misstatement, we considered the following:

- (1) The internal control structure 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 structure; and,
- (2) As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Jackson Parish Police Jury's compliance with certain provisions of laws, regulations, and contracts. The objective of our audit was not to provide an opinion on overall compliance with such provisions. Accordingly, we did not express such an opinion.

During our audit, we became aware of certain matters involving immaterial noncompliance with laws and matters disclosed in the audit report, as of and for the year ended December 31, 1998, involving the internal control structure that were opportunities for strengthening internal controls and compliance requirements. The memorandum that accompanies this letter summarizes our comments regarding those matters. (We previously reported on the Jackson Parish Police Jury's internal control structure in our report dated June 11, 1999.) This letter does not affect our report dated June 11, 1999, on the general purpose financial statements of the Jackson Parish Police Jury.

Sincerely,



Kenneth D. Folden & Co, CPAs
June 11, 1999

Budgets

(1) Budget- For the year ended December 31, 1999, the Jackson Parish Police Jury failed to adequately amend the budgeted expenditures of its Lake Commission Special Revenue Fund. Failure to adequately amend the budgeted expenditures resulted in actual expenditures exceeding the budgeted expenditures by more than five percent. Louisiana Revised Statute 39:1310 requires that amendments shall be made whenever actual expenditures are exceeding budgeted expenditures by five percent or more.

We recommend that the Jackson Parish Police Jury comply with Louisiana Revised Statute 39:1310.

In a letter dated June 28, 1999, the Jackson Parish Police Jury responded by stating that a component unit, the Jackson Parish Watershed District, oversees the Caney Creek Lake area. The Police Jury maintains the accounting records for the District which includes its budget. The District authorized expenditures without notifying the Police Jury of its actions. The Police Jury will notify its component units that they must notify the Police Jury when the component unit authorize expenditures that exceed their budgeted amounts.

(2) Code of Ethics- During the fiscal year ended December 31, 1998, the Jackson Parish Police Jury requested and received a ruling from the Louisiana Board of Ethics concerning the appointment of police jurors to the Jackson Parish Hospital Service District No. 1:

Opinion No. 98-009 stated that four Jackson Parish Police Jurors each violated the Ethics Code by voting, as police jurors, to appoint themselves as members of the Board of Commissioners for the Jackson Parish Hospital Service District No. 1. The hospital service district is under the supervision and jurisdiction of the police jury. The four police jurors have resigned from the Board of Commissioners for the Jackson Parish Hospital Service District No. 1 to comply with the Louisiana Board of Ethics' opinion.

In a letter dated June 28, 1999, the Jackson Parish Police Jury responded by stating that this finding was cleared when the jurors resigned.

(3) Parish Transportation Act- Louisiana Revised Statute (LRS) 48:754 contains seven (7) provisions that composed the Parish Transportation Act. Two of the provisions relate to approval of the governing authority of all expenditures and the establishment of a selective maintenance program. LRS 48:754 requires approval of the governing authority for any expenditures made from the road funds and also states that work should be performed in accordance with the weekly work schedule prepared by the parish road manager, except in emergency situations. Based on observations during our audit, interviews with agency personnel, and review of agency records, it is our opinion that the Jackson Parish Police Jury has violated both cited provisions of LRS 48:754; as illustrated by the following instances:

- a) We compared the daily work orders to the weekly work schedules for the two weeks of March 2, 1998 through March 6, 1998 and December 7, 1998 through December 11, 1998, and noted numerous instances where unscheduled routine work was performed. Per interviews with agency personnel, we were informed that unscheduled work was often performed based on jurors instructions. Visual observation and documentation discovered during our fieldwork in February, 1999 indicated that unscheduled work was performed at a local school. On February 15, 1999 work was performed on the driveway at Weston School's ballpark. Documentation indicates that this work was performed on verbal orders from one juror. The work was performed prior to being discussed at the February 22, 1999 road committee meeting. The police jury, as a whole, did not approve the work until their March 1, 1999 meeting.

- b) During our fieldwork in February 1999, we became aware that a private contractor was engaged to help grade the parish roads, in conjunction with the parish graders. We were informed that following several days of inclement weather, two jurors met with the Jackson Parish Police Jury's Public Works Director and a private contractor to discuss hiring the contractor. On February 2, 1999, the public works director issued a purchase order authorizing the use of two graders from the contractor. Each grader was scheduled for 30 hours at a rate of \$50 per hour, which totals \$3,000 for both graders. The contractor provided the blading services from February 3, 1999 through February 6, 1999. At the completion of the 30 hours, the parish road manager instructed the contractor to stop grading. We were informed that a juror allegedly instructed the contractor to continue grading the parish roads, without the knowledge of either the public works director or the parish road manager. After being notified that the contractor was continuing, a second purchase order was issued on February 9, 1999 for an additional 30 hours at the same hourly rate. Our review of the contractor's invoices revealed that the final cost submitted was 148 hours at \$50 per hour totaling \$7,400. The original cost on the two purchase orders were 120 hours at \$50 per hour totaling \$6,000; the purchase orders were changed to reflect the invoiced amount. The grading work was performed prior to being discussed at the February 22, 1999 road committee meeting. The police jury, as a whole, did not approve the work until their March 1, 1999 meeting.
- c) Through observation and conversations with various agency personnel, it was ascertained in February 1999, that a juror brought his personal equipment and personally worked for two days in an attempt to remove the parish's grade-all stuck in the mud at Weston. The grade-all was finally pulled free by a private contractor. In our opinion, not only should the juror not be furnishing equipment and labor, his actions could have resulted in putting the parish at risk had an accident occurred.

We recommend that the Jackson Parish Police Jury comply with all seven (7) provisions of Louisiana Revised Statute 48:754.

In a letter dated June 28, 1999, the Jackson Parish Police Jury responded to the three (3) cited areas as follows:

- a) No unscheduled work will be performed by the Public Works Department of the Jackson Parish Police Jury unless it is an bona fide emergency. In a special meeting held on June 28, 1999, the Jackson Parish Police Jury adopted a resolution that no employee shall accept, take, receive or obey any order, command or direction given to that employee by a Jackson Parish Police Juror. Any employee given any order, command or direction by a Jackson Parish Police Juror, is required to report this situation to either their supervisor or the Secretary-Treasurer of the Police Jury. Such a report shall be reported to the entire Police Jury at its next meeting. A copy of this resolution is to be distributed to each employee immediately.
- b) The Police Jury Public Works Department will not authorize payment for any work ordered by an individual juror. Purchase orders will not be changed and/or increased for work ordered by an individual juror. If the Superintendent discovers that a juror has ordered work performed, he will immediately report this to the Secretary-Treasurer, who will report the occurrence to the entire Police Jury.
- c) The Police Jury Public Works Department will not allow any juror to perform work on any Police Jury project. Jurors will be instructed that they are not allowed to work or assist on any Police Jury project.

(4) Policy Manual - The Jackson Parish Police Jury has a written policy manual which includes policies and procedures for the day-to-day operations of the agency. In our opinion, the Jackson Parish Policy Jury has violated its policy manual on the following :

- a) One policy and procedures included is the employment procedures for both the road department and the solid waste department. The written policy states that the appropriate superintendent should interview applicants for employment and make recommendations to the Personnel Committee. The Personnel Committee then makes its recommendations to the Jackson Parish Police Jury, as a whole. In our interviews with both past and current superintendents, we were informed of 3 specific employees hired in 1998 that the superintendents were either not given the opportunity to interview applicants or were not allowed to present their recommendation to the Personnel Committee after interviewing applicants. Two of the employees were hired for the solid waste department and the other employee was hired in the road department. Our review of the 1998 Minutes for both the Personnel Committee and the Jackson Parish Police Jury did not reveal that the appropriate superintendent had an opportunity to make a recommendation concerning the employment of these 3 applicants. We were verbally informed that jurors allegedly informed the superintendents to hire these 3 applicants.
- b) The policy manual states that the road superintendent and solid waste superintendent is responsible for preparing the work schedules. We were verbally informed that a juror has instructed the superintendents on which employee should be performing certain tasks. Additionally, we were verbally informed by one superintendent that a juror called him at home, after work, and verbally chastised him for not scheduling an employee's hours as the juror wanted.
- c) Review of the Jackson Parish Policy Jury's 1998 Minutes and conversations with employees revealed that consistent treatment has not been applied in two areas. The two areas are leave practices and established procedures to follow after an employee is involved in an accident. Our conversations with numerous employees revealed that employees did not have a clear understanding of the policies because the policies have been repeatedly changed.

We recommend that the Jackson Parish Police Jury comply with its policy manual in allowing the superintendents to interview applicants and make a recommendation; to allow the superintendents to prepare the work schedules without intervention from jurors; and to establish and maintain clear policies concerning leave practices and procedures to follow after an employees is involved in an accident. We also recommend that any changes to the policy manual should be distributed to the employees and clearly explained to them.

In a letter dated June 28, 1999, the Jackson Parish Police Jury stated that they have a revised policy manual ready for distribution to their employees. The Police Jury has this matter on its July 7, 1999 agenda for final approval before copies are distributed to employees. The letter also responded to the three (3) cited areas as follows:

- a) When hiring new employees, the Police Jury will abide by its policy manual.
- b) The appropriate superintendent will prepare the work schedule for their departments. Any interference or directive by a juror will be reported to the Secretary-Treasurer, who will report the occurrence to the entire Police Jury.
- c) The Police Jury will review the procedures for employees involved in accidents and all future employee accidents will be handled in accordance with the policy manual. The procedure for accidents involving employees will be clearly detailed in the policy manual.

Prior Year's Findings

None.