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ALLEN PARISH POLICE JURY
Oberlin, Louisiana
PRIMARY GOVERNMENT FINANCIAL STATEMENTS

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 July 9, 1999

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Mires & Company
A Professional Corporation
Certified Public Accountants

Members of
American Institute of Certified Public Accountants
Society of Louisiana Certified Public Accountants
Private Company Practice Section AICPA

INDEPENDENT AUDITORS' REPORT

Allen Parish Police Jury
Oberlin, Louisiana

We have audited the accompanying primary government financial statements of the Allen Parish Police Jury, as of and for the year ended December 31, 1998, as listed in the table of contents. These financial statements are the responsibility of the Allen Parish Police Jury, management. Our responsibility is to express an opinion on these 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 misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. 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 Allen 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 Allen Parish Police Jury, do not purport to, and do not, present fairly the financial position of the Allen 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 18, 1999 on our consideration of the Allen 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 conducted for the purpose of forming an opinion on the primary government financial statements taken as a whole. The supplemental information schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the primary government financial statements of the Allen Parish Police Jury. Such information, except for that portion marked "unaudited" on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the primary government financial statements; and, in our opinion, the information is fairly presented, in all material respects in relation to the primary government financial statements taken as a whole.

Mires & Company, CPAs, APC
Mires & Company, CPAs, APC
June 18, 1999

PRIMARY GOVERNMENT FINANCIAL STATEMENTS

ALLEN PARISH POLICE JURY
 PRIMARY GOVERNMENT
 Oberlin, Louisiana
 Combined Balance Sheet - All Fund Types and Account Groups
 December 31, 1998

	GOVERNMENTAL FUND TYPES		
	General	Special Revenue	Debt Service
ASSETS			
Cash	\$ 133,199	\$ 1,327,303	\$ 29,436
Receivables	340,579	1,629,304	-
Restricted assets:			
Cash	-	-	-
Fixed assets	-	-	-
Amount available in debt service funds	-	-	-
Amount to be provided for retirement of general long-term debt	-	-	-
TOTAL ASSETS	<u>\$ 473,778</u>	<u>\$ 2,956,607</u>	<u>\$ 29,436</u>
LIABILITIES AND FUND EQUITY			
Liabilities:			
Accounts payable	\$ 30,411	\$ 253,903	-
Capital lease payable	-	-	-
Compensated absences payable	-	-	-
General obligation bonds payable	-	-	-
Total Liabilities	<u>30,411</u>	<u>253,903</u>	<u>-</u>
Fund Equity:			
Investment in general fixed assets	-	-	-
Fund Balances:			
Reserved for special purposes	-	-	-
Reserved for debt service	-	-	29,436
Unreserved - undesignated	443,367	2,702,704	-
Total Fund Equity	<u>443,367</u>	<u>2,702,704</u>	<u>29,436</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 473,778</u>	<u>\$ 2,956,607</u>	<u>\$ 29,436</u>

See accompanying notes.

GOVERNMENTAL FUND TYPES		ACCOUNT GROUPS		TOTALS (Memorandum Only)	
Capital Projects	Fiduciary Fund Type Agency	General Fixed Assets	General Long-Term Debt	1998	1997
\$ 584,057	\$ 539,578	\$ -	\$ -	\$ 2,613,573	\$ 1,752,180
-	-	-	-	1,969,883	2,055,337
-	-	-	-	-	239,524
-	-	4,594,829	-	4,594,829	4,097,830
-	-	-	29,436	29,436	130,361
-	-	-	1,063,123	1,063,123	1,199,491
\$ 584,057	\$ 539,578	\$ 4,594,829	\$ 1,092,559	\$10,270,844	\$ 9,474,723
\$ 5,862	-	\$ -	\$ -	\$ 290,176	\$ 337,117
-	-	-	-	-	24,428
-	-	-	30,559	30,559	19,424
-	-	-	1,062,000	1,062,000	1,286,000
5,862	-	-	1,092,559	1,382,735	1,666,969
-	-	4,594,829	-	4,594,829	4,097,830
-	539,578	-	-	539,578	-
-	-	-	-	29,436	130,361
578,195	-	-	-	3,724,266	3,579,563
578,195	539,578	4,594,829	-	8,888,109	7,807,754
\$ 584,057	\$ 539,578	\$ 4,594,829	\$ 1,092,559	\$10,270,844	\$9,474,723

ALLEN PARISH POLICE JURY
 PRIMARY GOVERNMENT
 Governmental Fund Type
 Combined Statement of Revenues, Expenditures,
 and Changes in Fund Balances
 For the Year Ended December 31, 1998

	General Fund	Special Revenue Funds
Revenues:		
Taxes:		
Ad valorem.....	\$ 156,491	\$ 1,387,437
Sales and use.....	-	1,184,611
Other taxes, penalties, and interest.....	13,682	-
Licenses and permits.....	41,815	-
Intergovernmental revenues:		
Federal funds - federal grants.....	-	-
State funds:		
Parish transportation funds	-	412,400
State revenue sharing (net)	17,863	154,064
Severance taxes	588,159	-
Other state funds	50,788	-
Grants	54,102	12,864
Fees, charges, and commissions for services.....	5,022	-
Fines and forfeitures.....	4,771	320,028
Gaming revenues.....	22,873	1,470,497
Joint service agreement.....	7,560	-
Use of money and property.....	11,204	68,379
Other revenues.....	34,805	4,808
TOTAL REVENUES	<u>1,009,135</u>	<u>5,015,088</u>
Expenditures:		
Current:		
General government:		
Legislative.....	144,064	-
Judicial.....	158,212	321,084
Executive.....	63,057	-
Elections.....	21,919	-
Financial and administrative.....	34,317	-
Other general government.....	212,553	139,568
Public safety.....	152,007	-
Public works.....	-	3,746,911
Health and welfare.....	5,303	-
Intergovernmental.....	23,410	4,600
Culture and recreation.....	100	-
Economic development and assistance.....	36,916	-
Debt service.....	-	24,429
Capital outlay.....	101,498	494,348
TOTAL EXPENDITURES	<u>953,356</u>	<u>4,730,940</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>55,779</u>	<u>284,148</u>
Other financing sources (uses):		
Proceeds from bond issues.....	-	-
Sales of assets.....	-	34,433
Operating transfers in.....	197,626	211,770
Operating transfers out.....	(415,070)	(141,117)
Intergovernmental transfer.....	-	(239,524)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(217,444)</u>	<u>(134,438)</u>

See accompanying notes.

Debt Service Funds	Capital Projects Funds	TOTALS (Memorandum Only)	
		1998	1997
\$ -	\$ -	\$ 1,543,928	\$ 1,515,036
-	-	1,184,611	1,081,467
-	-	13,682	20,585
-	-	41,815	40,141
-	-	-	14,135
-	-	412,400	429,157
-	-	171,927	138,166
-	-	588,159	745,744
-	495,340	546,128	243,839
-	-	66,966	1,850
-	-	5,022	95,782
-	-	324,799	297,208
-	100,000	1,593,370	1,075,255
-	-	7,560	7,560
2,867	20,572	103,022	95,013
-	-	39,613	17,608
<u>2,867</u>	<u>615,912</u>	<u>6,643,002</u>	<u>5,818,546</u>
-	-	144,064	112,989
-	-	479,296	461,762
-	-	63,057	59,168
-	-	21,919	21,585
-	-	34,317	30,088
64,096	-	416,217	432,774
-	-	152,007	136,938
-	-	3,746,911	2,864,772
-	-	5,303	29,657
-	-	28,010	10,502
-	-	100	13
-	-	36,916	27,754
224,000	-	248,429	272,059
-	421,741	1,017,587	595,305
<u>288,096</u>	<u>421,741</u>	<u>6,394,133</u>	<u>5,055,366</u>
(285,229)	194,171	248,869	763,180
-	-	-	-
-	-	34,433	2,782
184,329	160,113	753,838	539,627
(25)	(197,626)	(753,838)	(539,627)
-	-	(239,524)	(221,709)
<u>184,304</u>	<u>(37,513)</u>	<u>(205,091)</u>	<u>(218,927)</u>

ALLEN PARISH POLICE JURY
 PRIMARY GOVERNMENT
 Governmental Fund Type
 Combined Statement of Revenues, Expenditures,
 and Changes in Fund Balances
 For the Year Ended December 31, 1998

	<u>General Fund</u>	<u>Special Revenue Funds</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES.....	\$ (161,665)	\$ 149,710
FUND BALANCE, BEGINNING.....	<u>605,032</u>	<u>2,552,994</u>
FUND BALANCE, ENDING	\$ <u>443,367</u>	\$ <u>2,702,704</u>

See accompanying notes.

<u>Debt Service Funds</u>	<u>Capital Projects Funds</u>	<u>TOTALS (Memorandum Only)</u>	
		<u>1988</u>	<u>1997</u>
\$ (100,925)	\$ 156,658	\$ 43,778	\$ 544,253
<u>130,361</u>	<u>421,537</u>	<u>3,709,924</u>	<u>3,165,671</u>
\$ 29,436	\$ 578,195	\$ 3,753,702	\$ 3,709,924

ALLEN PARISH POLICE JURY
 PRIMARY GOVERNMENT
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND
 ACTUAL-GENERAL, SPECIAL REVENUE, CAPITAL PROJECTS, AND DEBT SERVICE FUNDS
 Year Ended December 31, 1998

	GENERAL FUND		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues:			
Taxes:			
Ad valorem	\$ 164,000	\$ 156,491	\$ (7,509)
Sales and use	-	-	-
Other taxes, penalties, and interest	13,400	13,682	282
Licenses and permits	42,000	41,815	(185)
Intergovernmental:			
Federal funds - federal grants	-	-	-
State funds:			
Parish transportation funds	-	-	-
State revenue sharing (net)	21,000	17,863	(3,137)
Severance taxes	665,000	588,159	(76,841)
Other state funds	224,523	50,788	(173,735)
Grants	75,100	54,102	(20,998)
Fees, charges and commissions for services	5,000	5,022	22
Fines and forfeitures	5,000	4,771	(229)
Gaming revenues	23,000	22,873	(127)
Joint service agreement	7,560	7,560	-
Use of money and property	10,000	11,204	1,204
Other revenues	47,165	34,805	(12,360)
TOTAL REVENUES	<u>1,302,748</u>	<u>1,009,135</u>	<u>(293,613)</u>
Expenditures:			
Current:			
General government:			
Legislative	143,072	144,064	(992)
Judicial	217,259	158,212	59,047
Executive	88,899	63,057	25,842
Elections	35,754	21,919	13,835
Financial and administrative	34,209	34,317	(108)
Other general government	269,955	212,553	57,402
Public safety	120,252	152,007	(31,755)
Public works	-	-	-
Health and welfare	5,426	5,303	123
Intergovernmental	55,348	23,410	31,938
Culture and recreation	1,000	100	900
Economic development and assistance	43,731	36,916	6,815
Debt service	-	-	-
Capital outlay	248,431	101,498	146,933
TOTAL EXPENDITURES	<u>1,263,336</u>	<u>953,356</u>	<u>309,980</u>

See accompanying notes.

SPECIAL REVENUE FUNDS			CAPITAL PROJECTS FUNDS		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
\$ 1,369,500	\$ 1,387,437	\$ 17,937	\$ -	\$ -	\$ -
1,175,000	1,184,611	9,611	240,000	240,000	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
432,000	412,400	(19,600)	-	-	-
116,400	154,064	37,664	-	-	-
-	-	-	-	-	-
-	-	-	319,000	255,340	(63,660)
4,600	12,864	8,264	-	-	-
-	-	-	-	-	-
321,000	320,028	(972)	-	-	-
1,477,100	1,470,497	(6,603)	100,000	100,000	-
-	-	-	-	-	-
103,435	68,379	(35,056)	18,900	20,572	1,672
-	4,808	4,808	-	-	-
<u>4,999,035</u>	<u>5,015,088</u>	<u>16,053</u>	<u>677,900</u>	<u>615,912</u>	<u>(61,988)</u>
-	-	-	-	-	-
332,073	321,084	10,989	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
178,827	139,568	39,259	-	-	-
-	-	-	-	-	-
5,586,486	3,746,911	1,839,575	-	-	-
-	-	-	-	-	-
4,600	4,600	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
26,323	24,429	1,894	-	-	-
50,800	494,348	(443,548)	1,227,287	421,741	805,546
<u>6,179,109</u>	<u>4,730,940</u>	<u>1,448,169</u>	<u>1,227,287</u>	<u>421,741</u>	<u>805,546</u>

ALLEN PARISH POLICE JURY
 PRIMARY GOVERNMENT
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND
 ACTUAL-GENERAL, SPECIAL REVENUE, CAPITAL PROJECTS, AND DEBT SERVICE FUNDS
 Year Ended December 31, 1998

	GENERAL FUND		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 39,412	\$ 55,779	\$ 16,367
Other financing sources (uses):			
Proceeds from bond issues	-	-	-
Sales of assets	-	-	-
Operating transfers in	-	197,626	197,626
Operating transfers out	(244,168)	(415,070)	(170,902)
Intergovernmental transfer	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(244,168)	(217,444)	26,724
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(204,756)	(161,665)	43,091
FUND BALANCE, BEGINNING	605,032	605,032	-
FUND BALANCE, ENDING	\$ 400,276	\$ 443,367	\$ 43,091

See accompanying notes.

SPECIAL REVENUE FUNDS			CAPITAL PROJECTS FUNDS		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
\$ (1,180,074)	\$ 284,148	\$ 1,464,222	\$ (549,387)	\$ 194,171	\$ 743,558
-	-	-	-	-	-
-	34,433	34,433	-	-	-
258,341	211,770	(46,571)	165,000	160,113	(4,887)
(102,932)	(141,117)	(38,185)	-	(197,626)	(197,626)
-	(239,524)	(239,524)	-	-	-
155,409	(134,438)	(289,847)	165,000	(37,513)	(202,513)
(1,024,665)	149,710	1,174,375	(384,387)	156,658	541,045
2,552,994	2,552,994	-	421,537	421,537	-
\$ 1,528,329	\$ 2,702,704	\$ 1,174,375	\$ 37,150	\$ 578,195	\$ 541,045

ALLEN PARISH POLICE JURY
 PRIMARY GOVERNMENT
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND
 ACTUAL-GENERAL, SPECIAL REVENUE, CAPITAL PROJECTS, AND DEBT SERVICE FUNDS
 Year Ended December 31, 1998

	DEBT SERVICE FUNDS		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues:			
Taxes:			
Ad valorem	\$ -	\$ -	\$ -
Sales and use	-	-	-
Other taxes, penalties, and interest	-	-	-
Licenses and permits	-	-	-
Intergovernmental:			
Federal funds - federal grants	-	-	-
State funds:			
Parish transportation funds	-	-	-
State revenue sharing (net)	-	-	-
Severance taxes	-	-	-
Other state funds	-	-	-
Grants	-	-	-
Fees, charges and commissions for services	-	-	-
Fines and forfeitures	-	-	-
Gaming revenues	-	-	-
Joint service agreement	-	-	-
Use of money and property	3,200	2,867	(333)
Other revenues	-	-	-
TOTAL REVENUES	<u>3,200</u>	<u>2,867</u>	<u>(333)</u>
Expenditures:			
Current:			
General government:			
Legislative	-	-	-
Judicial	-	-	-
Executive	-	-	-
Elections	-	-	-
Financial and administrative	-	-	-
Other general government	-	64,096	(64,096)
Public safety	-	-	-
Public works	-	-	-
Health and welfare	-	-	-
Intergovernmental	-	-	-
Culture and recreation	-	-	-
Economic development and assistance	-	-	-
Debt service	315,592	224,000	(91,592)
Capital outlay	-	-	-
TOTAL EXPENDITURES	<u>315,592</u>	<u>288,096</u>	<u>27,496</u>

See accompanying notes.

ALLEN PARISH POLICE JURY
 PRIMARY GOVERNMENT
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND
 ACTUAL-GENERAL, SPECIAL REVENUE, CAPITAL PROJECTS, AND DEBT SERVICE FUNDS
 Year Ended December 31, 1998

	DEBT SERVICE FUNDS		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (312,392)	\$ (285,229)	\$ 27,163
Other financing sources (uses):			
Proceeds from bond issues	-	-	-
Sales of assets	-	-	-
Operating transfers in	186,000	184,329	(1,671)
Operating transfers out	-	(25)	(25)
Intergovernmental transfer	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>186,000</u>	<u>184,304</u>	<u>(1,696)</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(126,392)	(100,925)	25,467
FUND BALANCE, BEGINNING	<u>130,361</u>	<u>130,361</u>	-
FUND BALANCE, ENDING	<u>\$ 3,969</u>	<u>\$ 29,436</u>	<u>\$ 25,467</u>

See accompanying notes.

ALLEN PARISH POLICE JURY
PRIMARY GOVERNMENT
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 1998

INTRODUCTION

The Allen Parish Police Jury is the governing authority for Allen 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 on January 1, 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 more notable of those are the power 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, gaming revenues, and various other state and federal grants.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

The accompanying financial statements of the Allen Parish Police Jury have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial principles.

B. Reporting Entity

As the governing authority of the parish, for reporting purposes, the Allen Parish Police Jury is the financial reporting entity for Allen 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 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 the Allen Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is 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.

ALLEN PARISH POLICE JURY
 PRIMARY GOVERNMENT
 NOTES TO THE FINANCIAL STATEMENTS
 For the Year Ended December 31, 1998

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

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

<u>Component Unit</u>	<u>Fiscal Year End</u>	<u>Criteria Used</u>
Allen Action Agency, Inc.	June 30	1
Ambulance Service Dist. No. 1	December 31	1 and 3
Bayou Blue Gravity Drainage District No. 1	December 31	1 and 3
East Ward V Allen Parish Drainage District	December 31	1 and 3
Fire District No. 2 of Allen Parish	December 31	1 and 3
Fire District No. 1 of Allen Parish	December 31	1 and 3
Fire District No. 3 of Allen Parish	December 31	1 and 3
Fire District No. 4 of Allen Parish	December 31	1 and 3
Recreation District No. 4 of Allen Parish	December 31	1 and 3
Recreation District No. 5 of Allen Parish	December 31	1 and 3
Allen Parish Library	December 31	1 and 3
Fire Protection District No. 5 of Allen Parish	December 31	1 and 3
Gravity Drainage District No. 1	December 31	1 and 3
Kinder Drainage District No. 2	December 31	1 and 3
Gravity Drainage District No. 2	December 31	1 and 3
Hospital Service District No. 2	December 31	1 and 3
Hospital Service District No. 3	December 31	1 and 3
Oakdale Recreation District No. 1	December 31	1 and 3
Recreation District No. 2 of Allen Parish	December 31	1 and 3
Elizabeth Recreation District No. 3	December 31	1 and 3
Sewerage District No. 2	December 31	1 and 3
Sewerage District No. 3	December 31	1 and 3
Waterworks District No. 1	December 31	1 and 3
East Allen Parish Waterworks District	December 31	1 and 3
Southwest Allen Parish Waterworks District	December 31	1 and 3
West Allen Parish Waterworks District	December 31	1 and 3
Thirty-Third Judicial District Criminal Court	December 31	2 and 3
Allen Parish Tax Assessor	December 31	2 and 3
Allen Parish Clerk of Court	June 30	2 and 3
Allen Parish Sheriff	June 30	2 and 3
Fire Protection Dist. No. 6 of Allen Parish	December 31	1 and 3

The police jury has chosen to issue financial statements of the primary government (police jury) only; therefore, none of the previously listed component units, except as discussed in the following paragraph, are included in the accompanying financial statements.

ALLEN PARISH POLICE JURY
PRIMARY GOVERNMENT
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 1998

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These primary government (police jury) financial statements include all funds, account groups, and organizations for which the police jury maintains the accounting records. The police jury maintained the accounting records of the Criminal Court Fund for the year ended December 31, 1998.

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 (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 Allen Parish School Board and the various municipalities in the parish. It was determined that these governmental entities are not component units of the Allen Parish Police Jury reporting entity because they have separately elected governing bodies, are legally separate, and are fiscally independent of the Allen Parish Police Jury.

C. Fund Accounting

The 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 available financial resources.

Funds of the police 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 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 debt. Governmental funds include:

1. General Fund - the general operating fund of the police jury and accounts 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. 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.

ALLEN PARISH POLICE JURY
PRIMARY GOVERNMENT
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 1998

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

FIDUCIARY FUNDS

Fiduciary fund are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the police jury. Fiduciary funds include.

1. Agency funds - account for assets that the police jury holds on behalf of others as their agent. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

D. 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 and agency funds. 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 the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

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

Sales taxes are recognized in the month received by the police jury's collection agency, the Allen Parish School Board.

Federal and state grants are recorded when the police jury is entitled to the funds.

Interest income on interest bearing demand deposits is recorded at the end of the month when credited to the account.

Substantially all other revenues are recorded when they become available to the police jury.

Based on the above criteria, ad valorem taxes, state revenue sharing, sales taxes, and federal and state grants are treated as susceptible to accrual.

ALLEN PARISH POLICE JURY
PRIMARY GOVERNMENT
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 1998

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures

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

Other Financing Sources (Uses)

Proceeds from bonds and bank loans and transfers between funds which are not expected to be repaid are accounted for as other financing sources (uses) and are recognized when the underlying events occur. Transfers between funds that are not expected to be repaid are accounted for as other financing sources (uses).

E. Budget Practices

Preliminary budgets for the ensuing year are prepared by the secretary-treasurer beginning in October. The finance committee reviews the proposed budgets and makes changes as it deems appropriate. The availability of the proposed budgets for public inspection and the date of the public hearing on the budgets are then advertised in the official journal. Prior to its regular December meeting, the jury holds a public hearing on the proposed budgets in order to receive comments from citizens. Changes are made to the proposed budgets based on the public hearing and the desires of the police jury as a whole. The budgets are then adopted during the regular December meeting, and notice is published in the official journal.

The secretary-treasurer presents necessary budget amendments to the jury when actual operations are differing materially from those anticipated in the original budget. The jury in regular session reviews the proposed amendments, makes necessary changes, and formally adopts the amendments. The adoption of amendments is included in jury minutes published in the official journal. The police jury exercises budgetary control at the functional level. Within functional levels, the secretary-treasurer has the authority to make amendments as necessary. The police jury does not utilize encumbrance accounting, however, the original budgets and any subsequent amendments are incorporated in the accounting system. Unexpended appropriations lapse at year end and must be reappropriated in the next year's budget to be expended. For the year ended December 31, 1998, the police jury adopted budgets for the General Fund, all special revenues funds, all capital projects funds, and all debt service funds.

Budget comparison statements included in the accompanying financial statements include the original adopted budgets and all subsequent amendments.

F. Cash and Cash Equivalents

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the police jury may deposit funds in demand deposits, interest bearing demand deposits or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

ALLEN PARISH POLICE JURY
PRIMARY GOVERNMENT
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 1998

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

G. Investments

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

H. Fixed Assets

Fixed assets of governmental funds are recorded as expenditures at the time purchased or constructed, and the related assets are reported in the general fixed assets account group. Public domain or infrastructures are not capitalized. Construction period interest is immaterial and is not capitalized. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost or estimated cost if historical cost is not available. Approximately 43 percent of general fixed assets are valued at actual cost, while the remaining 57 percent of general fixed assets are valued at estimated historical cost based on the actual cost of like items.

I. Compensated Absences

The police jury has the following policy relating to vacation and sick leave:

Employees of the Allen Parish Police Jury receive from 5 to 20 days of vacation leave each year, depending on their length of service. Vacation leave may be accumulated without limitation. In addition, police jury employees earn up to 13 days of sick leave each year. Sick leave can be accumulated without limitation; however, accumulated sick leave is forfeited upon termination of employment.

Employees of the Thirty-third Judicial District Criminal Court earn a maximum of 10 days of vacation leave and 5 days of sick leave each year, depending on their length of service. Vacation and sick leave do not accumulate and employees cannot be paid for unused leave upon termination of employment.

Permanent employees of the Allen Parish Police Jury earn compensatory time at the rate of 1.5 per hour for overtime hours worked. Unused compensatory time at the time of termination will be paid to the employee at that time. This liability has been recorded in the general long-term debt account group.

At December 31, 1998, employee leave benefits other than compensatory time, requiring recognition in accordance with GASB Statement No. 16 were determined to be immaterial and are not included within the general long-term obligations account group. The cost of leave privileges, computed in accordance with GASB Statement No. 16, is recognized as a current-year expenditure within the various funds when leave is actually taken.

J. 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.

ALLEN PARISH POLICE JURY
 PRIMARY GOVERNMENT
 NOTE TO THE FINANCIAL STATEMENTS
 For the Year Ended December 31, 1998

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

K. Sales Tax

On September 29, 1984, voters of the parish approved a seven-tenths of one per cent sales tax, which is dedicated to the collection and disposal of solid waste. The tax is for a fifteen year period and expires on November 30, 1999. Effective January 1, 1985, the jury entered into an agreement with the Allen Parish School Board whereby the school board will provide collection services for a fee of two percent of total collections.

L. 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.

M. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2 - LEVIED TAXES AND PRINCIPAL TAXPAYERS

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

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
Parish wide taxes:			
General	3.50	3.50	-
Special revenue funds:			
Courthouse and Jail Maintenance	3.07	3.07	2004
District Maintenance taxes:			
No. 1	9.12	9.12	2001
No. 1	21.37	21.37	2005
No. 1A	8.10	8.10	2005
No. 2	7.18	7.18	2000
No. 2	15.39	15.39	2001
No. 3	8.95	8.95	2001
No. 3	10.53	10.53	1999
No. 3	32.84	32.84	2005
No. 4	30.17	30.17	2005
No. 4	21.12	21.12	2005
No. 5	5.08	5.08	2002
No. 5-A	3.04	3.04	2005

ALLEN PARISH POLICE JURY
 PRIMARY GOVERNMENT
 NOTES TO THE FINANCIAL STATEMENTS
 For the Year Ended December 31, 1998

NOTE 2 - LEVIED TAXES AND PRINCIPAL TAXPAYERS

The difference between authorized and levied millages is the result of re-assessments of the taxable property required by Article 7, Section 18 of the Louisiana Constitution of 1974.

The following are the principal taxpayers for the parish and their 1998 assessed valuation (amounts expressed in thousands):

	1998 Assessed Valuation	Per Cent of Total Assessed Valuation
Cleco Corporation	\$ 3,248	6.2%
Transcontinental Gas	3,028	5.9%
Texas Eastern	2,904	5.6%
Boise Cascade	2,487	4.8%
Labokay Corporation	1,755	3.4%
Strategic Timber Partners	1,773	3.4%
Century Telephone of Evan, Inc.	1,616	3.1%
Centry Telephone of SW LA, Inc.	1,562	3.0%
Beauregard Electric	1,102	2.1%
Arizona Chemical Co.	1,013	1.9%
Total	<u>\$ 20,488</u>	<u>39.4%</u>

NOTE 3 - CASH AND CASH EQUIVALENTS

At December 31, 1998, the police jury has cash and cash equivalents (book balances) totaling \$2,613,573 as follows:

Demand deposits	\$ 6,595
Interest-bearing demand deposits	2,606,978
Time deposits	-
Other	-
Total	<u>\$ 2,613,573</u>

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

At December 31, 1998, the police jury has \$2,690,324 in deposits (collected bank balances). These deposits are secured from risk by \$282,953 of federal deposit insurance and \$2,407,371 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

ALLEN PARISH POLICE JURY
 PRIMARY GOVERNMENT
 NOTE TO THE FINANCIAL STATEMENTS
 For the Year Ended December 31, 1998

NOTE 3 - CASH AND CASH EQUIVALENTS

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement No.3, R.S. 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the police jury that the fiscal agent has failed to pay deposited funds upon demand.

NOTE 4 - RECEIVABLES

The following is a summary of receivables at December 31, 1998:

	General Fund	Special Revenue Funds	Total
Taxes:			
Ad valorem.....	\$ 149,592	\$1,374,140	\$1,523,732
Sales.....	-	86,147	86,147
Other.....	564	-	564
Grants:			
State.....	188,390	169,017	357,407
Other	2,033	-	2,033
Total	<u>\$ 340,579</u>	<u>\$1,629,304</u>	<u>\$1,969,883</u>

Uncollectible amounts due for property taxes and other receivables are recognized as bad debts at the time information becomes available which would indicate that the particular receivable is not collectable. This method does not result in a charge to bad debts that is materially different from the amount that would be charged if the reserve method were used.

NOTE 5 - FIXED ASSETS

The changes in general fixed assets follow:

	Balance Jan. 1, 1988	Additions	Deductions	Balance Dec. 31, 1998
Land	\$ 794,551	\$ 4,000	\$ -	\$ 798,551
Buildings	1,154,672	3,349	-	1,158,021
Equipment	1,925,025	534,818	33,983	2,425,860
Furniture and fixtures	49,864	18	-	49,882
Construction in progress	173,718	162,515	173,718	162,515
TOTAL	<u>\$ 4,097,830</u>	<u>\$ 704,700</u>	<u>\$ 207,701</u>	<u>\$ 4,594,829</u>

NOTE 6 - PENSION PLAN

Plan Description. Substantially all employees of the Allen Parish Police Jury are members of the Parochial Employees' Retirement System of Louisiana (System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate

ALLEN PARISH POLICE JURY
PRIMARY GOVERNMENT
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 1998

NOTE 6 - PENSION PLAN

board of trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the police jury are members of Plan A.

All permanent employees working at least 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 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 3 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 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 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 the Parochial Employees' Retirement System, Post Office Box 14619, Baton Rouge, Louisiana 70898-4619, or by calling (225) 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 Allen 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 Allen Parish Police Jury are established and may be amended by state statute. As provided by R.S. 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 Allen Parish Police Jury's contributions to the System under Plan A for the years ending December 31, 1998, 1997, and 1996 were \$63,774, \$62,811, and \$54,189, respectively, equal to the required contributions for each year.

NOTE 7 - POSTRETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

The police jury provides certain continuing health care and life insurance benefits for its retired employees. Substantially all of the police jury's employees become eligible for these benefits if they reach normal retirement age while working for the police jury. Benefits for retirees and similar benefits for active employees are provided through an insurance company whose monthly premiums are paid jointly by the employee and the police jury. The police jury recognizes the cost of providing these benefits (police jury's portion of premiums) as an expenditure when paid during the year, which was \$27,473 for 1998 and \$24,632 for 1997. The cost of retiree benefits was \$9,428 for 1998 and \$14,214 for 1997.

ALLEN PARISH POLICE JURY
 PRIMARY GOVERNMENT
 NOTES TO THE FINANCIAL STATEMENTS
 For the Year Ended December 31, 1998

NOTE 8 - ACCOUNTS, SALARIES, AND OTHER PAYABLES

<u>Class of Payable</u>	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Capital Projects Funds</u>
Salaries	\$ 3,178	\$ 27,550	\$ -
Accounts	22,480	182,565	5,862
Other	4,753	43,788	-
Total	<u>\$ 30,411</u>	<u>\$ 253,903</u>	<u>\$ 5,862</u>

NOTE 9 - LEASES

The police jury has operating leases for various types of machinery.

The minimum annual commitments under noncancelable operating leases are as follows:

<u>Fiscal Year</u>	<u>Equipment</u>
1999.....	\$ 14,678

NOTE 10 - CHANGES IN LONG-TERM DEBT

The following is a summary of long-term debt transactions for the year ended December 31, 1998:

	<u>General Obligation Bonds</u>	<u>Capital Leases</u>	<u>Compensated Absences</u>	<u>Total</u>
Long-term debt at January 1, 1998	\$1,286,000	\$ 24,428	\$ 19,424	\$1,329,852
Additions	-	-	11,135	11,135
Deductions	<u>(224,000)</u>	<u>(24,428)</u>	-	<u>(248,428)</u>
Long-term debt at December 31, 1998	<u>\$1,062,000</u>	<u>\$ -</u>	<u>\$ 30,559</u>	<u>\$1,092,559</u>

General obligation bonds are comprised of the following individual issues:

Court House Square Improvement - \$450,000 issue of January 1, 1996 due in annual installments of \$35,000 to \$60,000 through January 1, 2005, with interest at 6.00%. Debt retirement payments are made from the Courthouse Square Improvement Debt Service Fund	\$ 345,000
Road District No. 3 - \$800,000 issue of April 1, 1997 due in annual installments of \$45,000 to \$105,000 through March 1, 2006, with interest at 5.25%. Debt retirement payments are made from the Road District No. 3 Debt Service Fund	690,000

ALLEN PARISH POLICE JURY
 PRIMARY GOVERNMENT
 NOTES TO THE FINANCIAL STATEMENTS
 For the Year Ended December 31, 1998

NOTE 10 - CHANGES IN LONG-TERM DEBT

Road District No. 4 - \$50,000 issue of April 1, 1997
 due in annual installments of \$10,000 to \$14,000
 through March 1, 2000, with interest at 5.00%.
 Debt retirement payments are made from the
 Road District No. 4 Debt Service Fund. \$ 27,000

Total general obligation bonds \$1,062,000

The amount available in the debt service funds to service the general obligation bonds is \$29,436. The annual requirements to amortize general obligation bonds outstanding at December 31, 1998, including interest payments of \$235,001, are as follows:

Year	Road Districts		Courthouse	Total
	No. 3	No. 4	Square Improvement	
1998	\$ 104,388	\$ 4,350	\$ 59,500	\$ 178,238
2000	105,581	14,700	61,950	182,231
2001	106,513	-	59,250	165,763
2002	107,181	-	61,400	168,581
2003	102,719	-	58,400	161,119
Thereafter ..	319,019	-	122,050	441,069
Total	\$ 845,401	\$ 9,050	\$ 422,550	\$ 1,297,001

General obligation bonds are secured by an annual ad valorem tax levy. In accordance with Louisiana Revised Statute 39:562, the police jury is legally restricted from incurring long-term bonded debt in excess of 10% of the assessed value of taxable property in the parish. At December 31, 1998, the statutory limit is \$5,233,353.

NOTE 11 - LONG-TERM DEBT ADVANCE REFUNDING

On July 1, 1993, the police jury issued \$305,000 in General Obligation Bonds of the Road District No. 1 with an average interest rate of 4.625% to advance refund \$300,000 of outstanding 1983 Series bonds with an average interest rate of 9.7%. The net proceeds of \$305,000 (after payment of \$7,773 in underwriting fees and other issuance costs) plus an additional \$19,800 of 1983 Series sinking fund monies were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 1983 Series bonds. On July 1, 1993, the police jury issued \$165,000 in General Obligation Bonds of the Road District No. 4 with an average interest rate of 4.4% to advance refund \$160,000 of outstanding 1983 Series bonds with an average interest rate of 4.7%. The net proceeds of \$165,000 (after payment of \$5,582 in underwriting fees and other issuance costs) plus an additional \$10,146 of 1983 Series sinking fund monies were issued to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 1983 Series bonds. As a result, the 1983 Series bonds are considered defeased and the liability for those bonds has been removed from the general long-term obligations account group.

ALLEN PARISH POLICE JURY
PRIMARY GOVERNMENT
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 1998

NOTE 11 - LONG-TERM DEBT ADVANCE REFUNDING

The police jury advance refunded the 1983 Series bonds to reduce its total debt service payments over the next 5 years by \$48,677 and \$25,382 in Road District No. 1 and Road District No. 4, respectively.

NOTE 12 - 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 following details the amount due at December 31, 1998:

Balance due at January 1, 1998	\$ 15,542
Amount due for 1998	-
Balance due at December 31, 1998	<u>\$ 15,542</u>

The police jury does not intend to transfer the \$15,542 due to the General Fund because the police jury appropriated \$33,345 in prior years to eliminate the deficit in the Criminal Court Fund.

NOTE 13 - LITIGATION

At December 31, 1998, the police jury is involved in nine lawsuits. In the opinion of legal counsel for the police jury, no estimate of loss can be made.

NOTE 14 - JOINT SERVICE AGREEMENT

The police jury entered into a joint service agreement with the District Attorney for the Thirty-Third Judicial District whereby the District Attorney will pay monthly a portion of the cost of the building which houses their offices. For 1998 the amount received was \$7,560.

NOTE 15 - GAMING REVENUE

The police jury receives funds from the Governor's Office of Indian Affairs for the conduct of Class III Gaming in Allen Parish. The police jury is charged with the responsibility of disbursing these funds to certain political subdivisions within Allen Parish. The police jury's share of this revenue is 25%.

NOTE 16 - COOPERATIVE ENDEAVORS

On May 14, 1997 the police jury and the State of Louisiana entered into a cooperative endeavor agreement to serve the public in the matter of the Carpenter's Bridge Recreation Area, Planning, Acquisition, and Construction project in the amount of a cash line of credit in the amount of \$250,000. Funds for construction will be provided by the State of Louisiana and the parish will administer the project. As of December 31, 1998 the project was in the planning stage.

On February 5, 1997 the police jury and the State of Louisiana entered into a cooperative endeavor agreement to serve the public in the matter of the Allen Parish Health Units, Planning, Acquisition, and Construction projects in the amount of a cash line of credit in the amount of \$400,000 and a non-cash line of credit in the amount of \$800,000. Funds for construction of two health units in Allen Parish will be provided by the State of Louisiana and the parish will administer the project. As of December 31, 1998 the Oberlin Health Unit was near completion and the Oakdale Health Unit was under construction.

ALLEN PARISH POLICE JURY
PRIMARY GOVERNMENT
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 1998

NOTE 17 - CONDUIT DEBT

On December 7, 1998 the police jury passed a resolution authorizing the issuance and sale of revenue bonds to finance the construction of a sewage and solid waste disposal facility for International Paper Company. Such bonds shall not exceed \$3,300,000. According to the police jury's bond counsel, the bonds shall not constitute an indebtedness or pledge of the general credit of the police jury, within the meaning of any constitutional or statutory limitation of indebtedness.

SUPPLEMENTAL INFORMATION SCHEDULES

ALLEN PARISH POLICE JURY
 PRIMARY GOVERNMENT
 SUPPLEMENTAL INFORMATION SCHEDULE
 For the Year Ended December 31, 1998

COMPENSATION PAID POLICE JURORS

The schedule of compensation paid to police jurors is presented in compliance with House Concurrent Resolution No 54 of the 1979 Session of the Louisiana Legislature. Compensation of the police jurors is included in the legislative expenditures of the General Fund. In accordance with Louisiana Revised Statute 33:1233, the police jury has elected the monthly payment method of compensation. Under this method, jurors receive \$1,200 per month.

Schedule of compensation paid to police jurors for the year ended December 31, 1998 is as follows:

	<u>1998</u>
R.E. Weatherford	\$ 14,400
Ike Fawcett, Jr.	10,272
Andrew Hayes	14,000
John W. Strother, Jr.	13,926
A.M. Farris, Jr.	14,400
Matthew R. Hollins	14,400
Kenneth Hebert	14,400
Total	<u>\$ 95,798</u>

ALLEN PARISH POLICE JURY
PRIMARY GOVERNMENT
SUPPLEMENTAL INFORMATION SCHEDULE
SCHEDULE OF FINDINGS
For the Year Ended December 31, 1998

We have audited the primary government financial statements of the Allen Parish Police Jury as of and for the year ended December 31, 1998, and have issued our report dated June 11, 1999. 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. Our audit of the financial statements as of December 31, 1998 resulted in an unqualified opinion.

Section I Summary of Auditors' Reports

Report on Internal Control and Compliance Material to the Financial Statements

Internal Control:

Material Weaknesses	<u> X </u> Yes	___ No
Reportable Conditions	<u> X </u> Yes	___ No

Compliance:

Compliance Material to Financial Statements	<u> X </u> Yes	___ No
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Section II Financial Statement Findings

98-1 I/C (Material weakness)

Segregation of duties: Because of the lack of a large staff, more specifically accounting personnel, there is a problem with segregation of duties necessary for proper controls. One person is currently performing the function of preparing disbursements, and reconciling the bank statements. We do note that this situation is inherent to most entities of this type and is difficult to solve due to the funding limitations of the District. We recommend that the police jurors take an active interest in the review of all of the financial information. This was also a prior year finding.

98-1 C Public bid law:

Criteria: La. Rev. Stat. § 38:2212. Public bid law; advertisement and letting to lowest responsible bidder.

All purchases of any materials or supplies exceeding the sum of \$15,000 to be paid out of public funds shall be advertised and let by contract to the lowest responsible bidder. Purchases of \$7,500 or more but not less than \$15,000 shall be made by obtaining not less than 3 telephone or facsimile quotations. Purchases of materials and supplies such as gasoline or diesel aggregating more than the bid threshold during a fiscal year should be purchased through a "delivery order contract" awarded by public bid for use during the contract period.

Condition: For the year ended December 31, 1998, fuel purchases exceeded \$50,000 (\$51,203). This type of purchase was not competitively bid.

Effect: The Police Jury was not in compliance with La. Rev. Stat. § 38:2212.

Cause: Administrative oversight.

ALLEN PARISH POLICE JURY
PRIMARY GOVERNMENT
SUPPLEMENTAL INFORMATION SCHEDULE
SCHEDULE OF FINDINGS
For the Year Ended December 31, 1998

Recommendation: Purchases of fuel should be by delivery order contract and awarded to the lowest responsible bidder.

98-2 C Records of general fixed assets:

Criteria: La. Rev. Stat. § 24:515 (B)(1).

Records shall be maintained of all land, buildings, improvements other than buildings, equipment, and any other general fixed assets which were purchased or otherwise acquired, and for which such entity is accountable. The records shall include information as to date of purchase, initial cost disposition, if any, and recipient of property or equipment disposed of. Each item should have a unique identification number attached to it.

Condition: The Police Jury does not have an inventory list of all fixed assets purchased.

Effect: The Police Jury was not in compliance with La. Rev. Stat. § 24:515 (B)(1).

Cause: Administrative oversight.

Recommendation: The Police Jury should inventory all general fixed assets owned by the Police Jury, attach a unique identification number to each item, and update this list on a monthly basis.

98-3 C Parish Transportation Act:

Criteria: LSA R.S. 48:755 (A) and (B).

A parish must adopt a system of road administration which requires police jury/parish governing authority approval for any expenditures from this fund. A police jury/parish governing authority member is prohibited from spending any money in his ward or district without approval of the police jury/parish governing authority. The system of administration also must include the development of a capital improvement program on a selective basis, centralized purchasing of equipment and supplies, centralized accounting and selective maintenance and construction based on engineering plans and specifications. (R.S. 48:755(A))

The capital improvement program must list projects to be constructed during the fiscal year by priority and it must include overlay projects. The program must also list projects for the following two years. All projects listed for the three year program must be approved by the police jury/parish governing authority. (R.S. 48:755(B)).

Condition: For the year ended December 31, 1998, the police jury was not in compliance with the Parish Transportation Act. See 98-4 C.

Effect: The Police Jury was not in compliance with LSA R.S. 48:755 (A) and (B). Transportation funds could be withheld due to this violation.

Recommendation: The Police Jury should immediately begin steps to comply with the Parish Transportation Act. We recommend that the Police Jury consider hiring a parish administrator.

ALLEN PARISH POLICE JURY
PRIMARY GOVERNMENT
SUPPLEMENTAL INFORMATION SCHEDULE
SCHEDULE OF FINDINGS
For the Year Ended December 31, 1998

98-4 C Donation of Public Property:

Criteria: La. Const. art. 7, § 14. Donation, loan, pledge of public credit.

The funds, credit, property, or things of value shall not be loaned, pledged, or donated to or for any person, association, or corporation, public or private.

Condition: Matthew R. Hollins, police juror for Ward #4 of Allen Parish, authorized and directed the placing of limestone on private property. While the limestone was ostensibly placed at these sites to lessen travel time to seal roads, we observed 16 separate sites where the private property owners benefited by ultimately having a driveway and/or parking area surfaced with limestone purchased by the Allen Parish Police Jury.

Our conclusion on an estimated dollar amount of limestone that was placed on private property totals between \$4,800 and \$6,400. This is only based on the sites we observed and photographed. Based on discussions with the Parish Engineer we also came to the conclusion on total limestone placed on private property. We decided on this due to the fact that we observed 16 individual sites and we believe that this was not all of the sites in Road District #4. We obtained a printout of all limestone of the type we observed on the 16 sites purchased from January 1, 1999 through May 3, 1999. We believe a very conservative estimate of 10% of the limestone was left on private property during this time period. An estimate of 20% is probably more accurate. The possible dollar amount of limestone placed on private property is between \$11,745 and \$23,489.

We also observed a pond that was excavated by police jury equipment and personnel while on the payroll of the Allen Parish Police Jury. This was authorized and directed by Matthew R. Hollins, police juror for Ward #4 of Allen Parish, without the knowledge and consent of the Allen Parish Police Jury. The dimensions of the pond are approximately 60' X 140'. The Parish Engineer estimates that 3,900 yards of dirt were removed to construct this pond. The reason given to us for the construction of this pond was that the dirt is to be used for various construction projects within this road district. We could find no agreement between the land owner and the Allen Parish Police Jury that would substantiate this.

Effect: La. Const. art. 7, § 14 was violated.

Recommendation: This matter is being investigated by the Attorney General for the State of Louisiana.

ALLEN PARISH POLICE JURY
PRIMARY GOVERNMENT
SUPPLEMENTAL INFORMATION SCHEDULE
MANAGEMENT'S CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS (UNAUDITED)
For the Year Ended December 31, 1998

Section I Internal Control and Compliance Material to the Financial Statements:

98-1 I/C Segregation of duties:

This is an ongoing finding that cannot be corrected due to lack of financial resources.

Contact person - John I. Fawcett, Jr., President.

98-1 C Public bid law; bid of fuel purchases:

Recommendation: Purchases of fuel should be by delivery order contract and awarded to the lowest responsible bidder.

Planned action: The Police Jury will begin the process of estimating its fuel purchases for the year and will comply with this law if necessary. This action will be taken by July 31, 1999.

Contact person: John I. Fawcett, Jr., President

98-2 C Records of general fixed assets; incomplete inventory of general fixed assets:

Recommendation: The Police Jury should inventory all general fixed assets owned by the Police Jury, attach a unique identification number to each item, and update this list on a monthly basis.

Planned action: The Police Jury will institute this recommendation, beginning July 15, 1999.

Contact person: John I. Fawcett, Jr., President

98-3 C Parish Transportation Act; noncompliance:

Recommendation: The Police Jury should immediately begin steps to comply with this act.

Planned action: As of June 30, 1999, the Police Jury is reviewing the necessary steps required to comply with this act and will implement them by August 31, 1999.

Contact person: John I. Fawcett, Jr., President.

98-4 C Donation of public property:

Recommendation: This matter is being investigated by the Attorney General for the State of Louisiana.

98-1 Mgmt. Administration of minutes:

Recommendation: The Office Manager/Treasurers should review the completed minutes for proper form and content.

ALLEN PARISH POLICE JURY
PRIMARY GOVERNMENT
SUPPLEMENTAL INFORMATION SCHEDULE
MANAGEMENT'S CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS (UNAUDITED)
For the Year Ended December 31, 1998

Planned action: The Police Jury agrees with this suggestion and will institute it during July 1999.

Contact person: John I. Fawcett, Jr., President

98-2 Mgmt. Review of disbursements:

Recommendation: The Police Jury should request an itemized bill for all medical bills of prisoners. Charges over \$750 should be reviewed for errors or overcharges.

Planned action: The Police Jury agrees with this suggestion and will institute it during July 1999.

Contact person: John I. Fawcett, Jr., President.

98-3 Mgmt. Telephone charges:

Recommendation: The Police Jury should discontinue the use of the phone card for Road District #4 and only reimburse substantiated phone calls that are made on a juror's personal telephone that are for police jury business.

Planned action: The Police Jury will discuss this suggestion at its regular meeting for the month of August 1999.

Contact person: John I. Fawcett, Jr., President.

98-4 Mgmt. Professional services:

Recommendation: The Police Jury should review this practice and establish guidelines.

Planned action: The Police Jury will discuss this suggestion at its regular meeting for the month of August 1999.

Contact person: John I. Fawcett, Jr., President.

ALLEN PARISH POLICE JURY
PRIMARY GOVERNMENT
SUPPLEMENTAL INFORMATION SCHEDULE
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended December 31, 1998

Section 1 - Internal Control and Compliance Material to the Financial Statements

97-1 I/C (Ongoing finding) Segregation of duties:

Corrective action taken - Due to lack of sufficient financial resources, this finding cannot be resolved. See 98-1 I/C.

97-2 I/C (12/31/97) Proper controls over cash receipts for dumping fees:

Lack of internal controls over the receipt and custody of cash at the parish's solid waste dump site.

Corrective action taken - Yes.

97-1 C (12/31/97) Parish Transportation Act:

The Police Jury had not developed a capital improvement program.

Corrective action taken - Yes.

97-2 C (12/31/97) Budgetary authority and control:

Actual expenditures exceeded budgeted expenditures in the debt service fund by 47.9%.

Corrective action taken - Yes.

1994 condition #1, #2, #3 (12/31/94) Donation of public funds:

Corrective action taken - No.

INDEPENDENT AUDITORS' REPORT SECTION



Mires & Company
A Professional Corporation

Certified Public Accountants

Members:
American Institute of Certified Public Accountants
Society of Louisiana Certified Public Accountants
Private Company Practice Section AICPA

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

Allen Parish Police Jury
Oberlin, Louisiana

We have audited the primary government financial statements of the Allen 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 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 Allen Parish Police Jury's primary government 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 instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings and questioned costs as items 98-1C, 98-2C, 98-3C and 98-4C.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Allen 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 primary government 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 Allen Parish Police Jury's ability to record, process, summarize, and report financial data consistent with the assertions of management in the primary government financial statements. Reportable conditions are described in the accompanying schedule of findings as item 98-1 I/C.

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 primary government financial statements being audited may occur and not be detected within a timely period

Allen Parish Police Jury
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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 98-1 I/C to be a material weakness. We also noted other matters involving the internal control over financial reporting that we have reported to management of the Allen Parish Police Jury in a separate letter dated June 18, 1999.

This report is intended solely for the information and use of management, the Allen Parish Police Jury, and the Legislative Auditor of the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties.

Mires & Company, CPAs, APC

Mires and Company, CPAs, APC
June 18, 1999



Mires & Company
A Professional Corporation

Certified Public Accountants

Members:
American Institute of Certified Public Accountants
Society of Louisiana Certified Public Accountants
Private Company Practice Section AICPA

MANAGEMENT LETTER

We have audited the financial statements of the Allen Parish Police Jury as of and for the year ended December 31, 1998 and have issued our report thereon dated June 18, 1999. 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.

As a part of our examination, we have issued our report on the financial statements, dated June 18, 1999, and our report on internal control and compliance with laws, regulations, and contracts, dated June 18, 1999.

During the course of our examination, we became aware of the following matters which represent immaterial deviations of compliance or suggestions for improved internal controls.

Suggestion 98 - 1 Mgmt. Administration of Minutes.

Condition: During our review of the minutes of meetings held by the Allen Parish Police Jury, we noted that the resolution numbers were not being used in numerical sequence and that some were duplicated. Also the first page of the minutes for the January 25, 1999 meeting was missing.

Criteria: Minutes of all open meetings must be properly recorded. This is essential to proper administration of police jury activities.

Cause: Administrative oversight.

Recommendation: We suggest that the Office Manager/Treasurer review the completed minutes for proper form and content.

Suggestion 98-2 Mgmt. Review of Disbursements.

Condition: During our audit of disbursements for proper documentation, we observed several large medical bills for prisoners in the care of the Allen Parish Sheriff. These bills are received by the sheriff's office and forwarded to the Police Jury for payment. As a result of our inquires into the procedures for approval for payment of these bills, we have some suggestions to increase the control over the payment of these types of bills.

Allen Parish Police Jury
Management letter
Page 2

Recommendation: We suggest that the Police Jury request an itemized bill showing all charges. Any total bill over a set amount should be closely reviewed for possible errors or overcharges. We recommend a dollar limit of \$750.00.

Suggestion 98-3 Mgmt. Telephone Charges.

Condition: During our audit of disbursements, we noted a large difference between telephone expenditures in one road district (Road District #4) compared to the other districts. We reviewed numerous numbers called to substantiate that they were for police jury matters. Of the numbers we reviewed, the calls appeared to be related to police jury matters. However, due to the large number of calls, it was not feasible to substantiate all of the numbers called.

Criteria: Telephone charges for Road District #4 were \$2,372 for 1998 compared to an average of \$681 for the other road districts.

Recommendation: We suggest that the use of a phone card for the police juror for Road District #4 be discontinued. The juror should keep a log of police jury related calls charged to his personal phone and present these with an explanation for the purpose of each call, to the police jury for reimbursement. Only substantiated calls should be reimbursed.

Suggestion 98-4 Mgmt. Professional Services.

Condition: During our audit of disbursements, we noted the use of a tree cutting service in Road District #4 to remove trees.

Criteria: For 1998, this service totaled \$10,805. No other road district in Allen Parish utilizes these services on a continuous basis.

Recommendation: We suggest that the Police Jury as a whole review this practice and establish some guidelines as to when this type of service is to be used.

We recommend management address the foregoing issues as an improvement to operations and the administration of public programs. We are available to further explain the suggestions or help implement the recommendations.

Mires & Company, CPAs, APC

Mires and Company, CPA's, APC
June 18, 1999