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RICHLAND PARISH POLICE JURY
RAYVILLE, LOUISIANA

FINANCIAL REPORT

December 31, 1998

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 8-11-99

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HILL, INZINA & COMPANY

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

Police Jurors
Richland Parish Police Jury
Rayville, Louisiana

We have audited the accompanying primary government financial statements of Richland 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 management of Richland Parish Police Jury. 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 preparation. 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 Richland 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 Richland Parish Police Jury, do not purport to, and do not, present fairly the financial position of Richland 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 4, 1999, on our consideration of Richland Parish Police Jury's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

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

The year 2000 issue supplementary information is presented as required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of this supplementary information. However, we did not audit the information and do not express an opinion on it. In addition, we do not provide assurance that Richland Parish Police Jury is or will become year 2000 compliant, that the Jury's year 2000 remediation efforts will be successful in whole or in part, or that parties with which the Jury does business are or will become year 2000 compliant.

Hill, Drayton & Co.
June 4, 1999

PRIMARY GOVERNMENT FINANCIAL STATEMENTS

(COMBINED STATEMENTS - OVERVIEW)

RICHLAND PARISH POLICE JURY
RAYVILLE, LOUISIANA

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
December 31, 1998

With Comparative Totals for December 31, 1997

ASSETS AND OTHER DEBITS	<u>Governmental Fund Types</u>			
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
Assets:				
Cash	\$ 105,892	\$ 770,869	\$ 127,374	\$ 3,660
Receivables	209,148	513,723	-	-
Due from other funds	33,140	193,072	-	-
Restricted cash	7,649	-	-	-
Fixed assets	-	-	-	-
Other debits:				
Amount to be provided for retirement of general long- term debt	-	-	-	-
 Total assets and other debts	 <u>\$ 355,829</u>	 <u>\$ 1,477,664</u>	 <u>\$ 127,374</u>	 <u>\$ 3,660</u>

<u>Fiduciary Fund Type</u>	<u>Account Groups</u>		<u>Totals - (Memorandum Only)</u>	
	<u>General Fixed Assets</u>	<u>General Long-Term Debt</u>	<u>December 31,</u>	
<u>Agency</u>			<u>1998</u>	<u>1997</u>
\$ 166,744	\$ -	\$ -	\$ 1,174,539	\$ 768,190
7,506	-	-	730,377	691,464
-	-	-	226,212	204,582
-	-	-	7,649	7,467
-	5,968,675	-	5,968,675	5,997,529
<u>-</u>	<u>-</u>	<u>629,420</u>	<u>629,420</u>	<u>765,848</u>
<u>\$ 174,250</u>	<u>\$ 5,968,675</u>	<u>\$ 629,420</u>	<u>\$ 8,736,872</u>	<u>\$ 8,435,080</u>

(continued)

RICHLAND PARISH POLICE JURY
RAYVILLE, LOUISIANA

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS (Continued)

December 31, 1998

With Comparative Totals for December 31, 1997

LIABILITIES, EQUITY AND OTHER CREDITS	<u>Governmental Fund Types</u>			
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
Liabilities:				
Accounts payable	\$ 27,700	\$ 205,922	\$ -	\$ -
Payroll deductions payable	27,843	-	-	-
Due to other funds	33,733	8,345	-	3,660
Due to component unit	23,125	-	-	-
Payable from restricted assets:				
Due to other funds	7,649	-	-	-
Capital leases payable	-	-	-	-
Revenue bonds payable	-	-	-	-
Compensated absences payable	-	-	-	-
Total liabilities	<u>\$ 120,050</u>	<u>\$ 214,267</u>	<u>\$ -</u>	<u>\$ 3,660</u>
Equity and other credits:				
Investment in general fixed assets	\$ -	\$ -	\$ -	\$ -
Fund balances:				
Reserved for Richland Parish Hospital Service Districts	-	-	127,374	-
Unreserved and undesignated	<u>235,779</u>	<u>1,263,397</u>	<u>-</u>	<u>-</u>
Total equity and other credits	<u>\$ 235,779</u>	<u>\$ 1,263,397</u>	<u>\$ 127,374</u>	<u>\$ -</u>
 Total liabilities, equity and other credits	 <u>\$ 355,829</u>	 <u>\$ 1,477,664</u>	 <u>\$ 127,374</u>	 <u>\$ 3,660</u>

See notes to financial statements.

Fiduciary Fund Type	Account Groups		Totals - (Memorandum Only)	
	General Fixed Assets	General Long-Term Debt	December 31, 1998 1997	
Agency				
\$ 1,425	\$ -	\$ -	\$ 235,047	\$ 220,528
-	-	-	27,843	24,143
172,825	-	-	218,563	197,115
-	-	-	23,125	-
-	-	-	7,649	7,467
-	-	584,648	584,648	717,371
-	-	22,356	22,356	26,733
-	-	22,416	22,416	21,744
<u>\$ 174,250</u>	<u>\$ -</u>	<u>\$ 629,420</u>	<u>\$ 1,141,647</u>	<u>\$ 1,215,101</u>
\$ -	\$ 5,968,675	\$ -	\$ 5,968,675	\$ 5,997,529
-	-	-	127,374	127,373
-	-	-	1,499,176	1,095,077
<u>\$ -</u>	<u>\$ 5,968,675</u>	<u>\$ -</u>	<u>\$ 7,595,225</u>	<u>\$ 7,219,979</u>
<u>\$ 174,250</u>	<u>\$ 5,968,675</u>	<u>\$ 629,420</u>	<u>\$ 8,736,872</u>	<u>\$ 8,435,080</u>

RICHLAND PARISH POLICE JURY
RAYVILLE, LOUISIANA

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES
Year Ended December 31, 1998
With Comparative Totals for Year Ended December 31, 1997

	<u>General</u>	<u>Special Revenue</u>	<u>Totals - (Memorandum Only) Year Ended December 31,</u>	
			<u>1998</u>	<u>1997</u>
Revenues:				
Taxes	\$ 202,379	\$ 2,639,730	\$ 2,842,109	\$ 2,724,788
Licenses and permits	51,953	-	51,953	60,550
Intergovernmental	213,532	649,924	863,456	721,626
Fees, charges, and commissions for services	18,460	1,875	20,335	25,484
Fines and forfeitures	5,155	144,079	149,234	108,820
Interest and miscellaneous	35,909	91,834	127,743	59,033
	<u>\$ 527,388</u>	<u>\$ 3,527,442</u>	<u>\$ 4,054,830</u>	<u>\$ 3,700,301</u>
Expenditures:				
Current:				
General government:				
Legislative	\$ 90,900	\$ -	\$ 90,900	\$ 86,692
Judicial	39,965	170,045	210,010	143,817
Executive	8,089	-	8,089	15,072
Elections	21,071	-	21,071	15,919
Finance and administrative	14,458	-	14,458	10,476
Other	137,986	-	137,986	154,960
Public safety	118,636	-	118,636	165,868
Public works	-	2,983,230	2,983,230	3,060,401
Health and welfare	5,656	24,978	30,634	83,846
Culture and recreation	-	445,689	445,689	343,077
Economic development and assistance	30,766	-	30,766	15,428
Debt service	5,807	-	5,807	8,703
	<u>\$ 473,334</u>	<u>\$ 3,623,942</u>	<u>\$ 4,097,276</u>	<u>\$ 4,104,259</u>

(continued)

RICHLAND PARISH POLICE JURY
RAYVILLE, LOUISIANA

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES (Continued)
Year Ended December 31, 1998
With Comparative Totals for Year Ended December 31, 1997

	<u>General</u>	<u>Special Revenue</u>	<u>Totals - (Memorandum Only) Year Ended December 31,</u>	
			<u>1998</u>	<u>1997</u>
Excess (deficiency) of revenues over expenditures	\$ 54,054	\$(96,500)	\$(42,446)	\$(403,958)
Other financing sources:				
Proceeds of capital leases	6,000	192,457	198,457	415,407
Sale of fixed assets	<u>-</u>	<u>248,085</u>	<u>248,085</u>	<u>61,480</u>
Excess of revenues and other financing sources over expenditures	\$ 60,054	\$ 344,042	\$ 404,096	\$ 72,929
Fund balances - beginning	<u>175,725</u>	<u>919,355</u>	<u>1,095,080</u>	<u>1,149,521</u>
Fund balances - ending	<u>\$ 235,779</u>	<u>\$ 1,263,397</u>	<u>\$ 1,499,176</u>	<u>\$1,222,450</u>

See notes to financial statements.

RICHLAND PARISH POLICE JURY
RAYVILLE, LOUISIANA

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -
(NON-GAAP BUDGETARY BASIS) - GENERAL AND SPECIAL REVENUE FUNDS
Year Ended December 31, 1998

	<u>Budget</u>	<u>General Actual</u>	Variance - Favorable (Unfavorable)
Revenues:			
Taxes	\$ 199,518	\$ 205,167	\$ 5,649
Licenses and permits	41,587	54,439	12,852
Intergovernmental	234,766	226,672	(8,094)
Fees, charges, and commissions for services	20,278	20,278	-
Fines and forfeitures	4,574	5,094	520
Interest and miscellaneous	119,142	35,565	(83,577)
	<u>\$ 619,865</u>	<u>\$ 547,215</u>	<u>\$(72,650)</u>
Expenditures:			
Current:			
General government:			
Legislative	\$ 88,905	\$ 90,859	\$(1,954)
Judicial	30,852	39,814	(8,962)
Executive	8,736	8,445	291
Elections	16,467	16,159	308
Finance and administrative	15,080	15,064	16
Other	143,554	143,245	309
Public safety	210,839	136,955	73,884
Public works	-	-	-
Health and welfare	6,798	6,573	225
Culture and recreation	-	-	-
Economic development and assistance	26,281	25,455	826
Debt service	5,807	5,807	-
	<u>\$ 553,319</u>	<u>\$ 488,376</u>	<u>\$ 64,943</u>

Special Revenue

<u>Budget</u>	<u>Actual</u>	Variance - Favorable <u>(Unfavorable)</u>
\$ 2,611,147	\$ 2,648,949	\$ 37,802
-	-	-
447,740	600,584	152,844
1,700	1,875	175
131,734	144,591	12,857
317,038	86,099	(230,939)
<u>\$ 3,509,359</u>	<u>\$ 3,482,098</u>	<u>\$ (27,261)</u>

\$ -	\$ -	\$ -
145,129	142,485	2,644
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
2,774,676	2,791,208	(16,532)
71,600	28,741	42,859
493,853	446,885	46,968
-	-	-
-	-	-
<u>\$ 3,485,258</u>	<u>\$ 3,409,319</u>	<u>\$ 75,939</u>

(continued)

RICHLAND PARISH POLICE JURY
RAYVILLE, LOUISIANA

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -
(NON-GAAP BUDGETARY BASIS) - GENERAL AND SPECIAL REVENUE FUNDS
Year Ended December 31, 1998

		<u>General</u>	
	<u>Budget</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
Excess of revenues over expenditures	\$ 66,546	\$ 58,839	\$(7,707)
Other financing sources (uses):			
Sale of fixed assets	-	-	-
Operating transfers in (out)	-	-	-
Excess of revenues and other financing sources over expenditures and other financing uses	\$ 66,546	\$ 58,839	\$(7,707)
Fund balances - beginning (non-GAAP budgetary basis)	<u>175,725</u>	<u>175,725</u>	<u>-</u>
Fund balances - ending (non-GAAP budgetary basis)	<u>\$ 242,271</u>	\$ 234,564	<u>\$(7,707)</u>
Adjustments to generally accepted accounting principles:			
Revenue accruals		(19,827)	
Due from other funds accruals		-	
Expenditure accruals		<u>21,042</u>	
Fund balances - ending (GAAP basis)		<u>\$ 235,779</u>	

See notes to financial statements.

Special Revenue

<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
\$ 24,101	\$ 72,779	\$ 48,678
-	248,085	248,085
<u>(19,385)</u>	<u>-</u>	<u>19,385</u>
\$ 4,716	\$ 320,864	\$ 316,148
<u>919,355</u>	<u>919,355</u>	<u>-</u>
<u>\$ 924,071</u>	\$ 1,240,219	<u>\$ 316,148</u>

70,927
(12,235)
(35,514)

\$ 1,263,397

RICHLAND PARISH POLICE JURY
RAYVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 1998

Note 1. *Organization and Summary of Significant Accounting Policies*

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

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

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

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

Basis of Presentation:

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

NOTES TO FINANCIAL STATEMENTS

Financial Reporting Entity:

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

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

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

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

NOTES TO FINANCIAL STATEMENTS

<u>Component Unit</u>	<u>Fiscal Year End</u>	<u>Criteria Used</u>
Fifth Judicial District Attorney	12-31	2 and 3
Fifth Judicial District Judges	12-31	2 and 3
Northside Utility District No. 2	12-31	1
Richland Parish Hospital Service Districts No. 1, 1A, 1B, and 1C	9-30	1 and 2
Start-Girard Fire Protection District	12-31	1
Archibald-Alto Fire Protection District	12-31	1
Holly Ridge Fire Protection District	12-31	1
Mangham Fire Protection District	12-31	1
Richland Parish Communications District	12-31	1
Richland Parish Fire Protection District No. 8	12-31	1
Richland Parish Sales and Use Tax Commission	6-30	2

The Jury has chosen to issue financial statements of the primary government (Jury) only; therefore, none of the previously listed component units are included in the accompanying financial statements. The financial impact on the financial statements of the omission of the component units is unknown.

GASB Statement No. 14 provides for the issuance of primary government financial statements that are separate from those of the reporting entity. However, the primary government's (Jury's) financial statements are not a substitute for the reporting entity's financial statements. The accompanying primary government financial statements have been prepared in conformity with generally accepted accounting principles as applied to governmental units. 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 (Jury).

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

NOTES TO FINANCIAL STATEMENTS

Fund Accounting:

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

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

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

Governmental funds:

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

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

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

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

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

NOTES TO FINANCIAL STATEMENTS

Fiduciary fund:

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

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

Basis of Accounting:

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

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

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

NOTES TO FINANCIAL STATEMENTS

Budgets and Budgetary Accounting:

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

The Jury adopted annual budgets for the General Fund and Special Revenue Funds on December 16, 1997. The annual budgets were prepared on a non-GAAP budgetary basis of accounting. All budget amendments were approved by the Jury. Budgets were amended at various times throughout the year approving additional revenues and expenditures for the funds, which amendments are reflected in the budget comparisons. All annual appropriations lapse at fiscal year end.

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

	<u>General</u>	<u>Special Revenue</u>
Excess of revenues and other financing sources over expenditures - GAAP basis	\$ 60,054	\$ 344,042
Adjustments:		
Revenue accruals	19,827	(70,927)
Due from other funds accruals	-	12,235
Expenditure accruals	<u>(21,042)</u>	<u>35,514</u>
Excess of revenues and other financing sources over expenditures and other financing uses - non-GAAP budgetary basis	<u>\$ 58,839</u>	<u>\$ 320,864</u>

NOTES TO FINANCIAL STATEMENTS

Encumbrances:

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

Cash:

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

Uncollectible Allowance:

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

Short-Term Interfund Receivables/Payables:

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

Fixed Assets:

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

Accumulated Compensated Absences:

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

NOTES TO FINANCIAL STATEMENTS

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

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

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

Long-Term Obligations:

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

Fund Equity - Reserved:

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

Interfund Transactions:

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

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

NOTES TO FINANCIAL STATEMENTS

Revenue Recognition - Ad Valorem and Sales Taxes:

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

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

Total Columns on Combined Statements - Overview:

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

Comparative Data:

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

Note 2. Fund Deficit

The Criminal Court Fund had a deficit in unreserved fund balance of \$16,307 at December 31, 1998. The deficit resulted from the recording in the current year of amounts deemed to be payable from the Criminal Court Fund on court ordered payments to the District Attorney. Such payments were retroactive to January, 1996, and approved by the Jury.

NOTES TO FINANCIAL STATEMENTS

Note 3. Revenues and Expenditures - Budget and Actual (Non-GAAP Budgetary Basis)

The following individual funds' total actual revenues and other sources failed to meet total budgeted revenues and other sources for the year ended December 31, 1998:

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>	<u>Percentage Unfavorable Variance</u>
General	\$ 619,875	\$ 547,215	\$ 72,660	11.72%
Off-Duty Officers	<u>600</u>	<u>297</u>	<u>303</u>	50.05%
Totals	<u>\$ 620,475</u>	<u>\$ 547,512</u>	<u>\$ 72,963</u>	

Total actual expenditures and other uses of the following individual funds exceeded total budgeted expenditures and other uses for the year ended December 31, 1998:

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>	<u>Percentage Unfavorable Variance</u>
Road Maintenance	\$ 2,186,104	\$ 2,193,104	\$ 7,000	.32%
Drainage Maintenance	588,572	598,104	9,532	1.62%
Criminal Court	<u>135,554</u>	<u>138,687</u>	<u>3,133</u>	2.31%
Totals	<u>\$ 2,910,230</u>	<u>\$ 2,929,895</u>	<u>\$ 19,665</u>	

Note 4. Deposits with Financial Institutions

At December 31, 1998, the Jury had cash (bank balances) as follows:

Demand deposits	\$ 131,034
Interest-bearing demand deposits	1,050,984
Petty cash	<u>170</u>
	<u>\$1,182,188</u>

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

NOTES TO FINANCIAL STATEMENTS

At December 31, 1998, the Jury had \$1,216,724 in deposits (collected bank balances). These deposits were secured from risk by \$200,000 of federal deposit insurance and \$1,016,724 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

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 Jury that the fiscal agent has failed to pay deposited funds upon demand.

There were no repurchase or reverse repurchase agreements at December 31, 1998.

Note 5. Receivables

A summary of receivables at December 31, 1998, is as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Agency</u>	<u>Totals</u>
Taxes:				
Ad valorem	\$ 188,265	\$ 379,217	\$ -	\$ 567,482
Beer	2,291	-	-	2,291
Sales	-	-	7,205	7,205
Gross receipts	1,469	-	-	1,469
Licenses and permits	309	-	-	309
Intergovernmental:				
Severance taxes	10,053	-	-	10,053
Parish transportation	-	57,721	-	57,721
Grants	-	50,000	-	50,000
Driver's license fees	1,198	-	-	1,198
Video poker	4,501	-	-	4,501
Other	2	-	-	2
Fees, charges, and com- missions for services	361	-	-	361
Fines and forfeitures	324	7,957	-	8,281
Miscellaneous	375	18,828	301	19,504
	<u>\$ 209,148</u>	<u>\$ 513,723</u>	<u>\$ 7,506</u>	<u>\$ 730,377</u>

NOTES TO FINANCIAL STATEMENTS

Note 6. Taxes

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

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
General corporate purposes	7.31	7.31	Perpetual
Health unit	1.17	1.17	April, 2008
Library	6.67	6.67	April, 2008

The parish has no principal ad valorem taxpayers (those whose percentages of total assessed valuation is 5 percent and greater).

Total ad valorem taxes levied for 1998 were \$595,779. As of December 31, 1998, no amounts were due from prior year tax levies.

During the year ended December 31, 1998, sales taxes of 1½% were levied as follows:

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

Note 7. Due From/To Other Funds

A summary of amounts due from/to other funds at December 31, 1998, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Agency	\$ 34
Road Maintenance	Agency	115,195
Road Maintenance	General	11,936
Road Maintenance	Drainage Maintenance	8,344
Drainage Maintenance	Agency	57,597
General	Capital Projects	3,660
General	Payroll	14,159
Payroll	General	<u>15,287</u>
		<u>\$ 226,212</u>

NOTES TO FINANCIAL STATEMENTS

Note 8. Changes in Fixed Assets

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

	Balance January 1, 1998	Additions	Reclassi- fications	Retirements	Balance December 31, 1998
Land	\$ 273,340	\$ -	\$ -	\$ -	\$ 273,340
Buildings	1,398,942	-	-	-	1,398,942
Equipment and furniture	2,528,923	246,743	269,555	(439,276)	2,605,945
Under capital lease	1,286,690	198,457	(269,555)	(67,630)	1,147,962
Library books, etc.	<u>509,634</u>	<u>43,387</u>	<u>-</u>	<u>(10,535)</u>	<u>542,486</u>
Totals	<u>\$5,997,529</u>	<u>\$ 488,587</u>	<u>\$ -</u>	<u>\$(517,441)</u>	<u>\$5,968,675</u>

Note 9. Changes in General Long-Term Debt

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

	Capital Leases	General Obligation Bonds	Compensated Absences	Totals
Balance - January 1, 1998	\$ 717,371	\$ 26,733	\$ 21,744	\$ 765,848
Additions	198,457	-	672	199,129
Retirements	<u>(331,180)</u>	<u>(4,377)</u>	<u>-</u>	<u>(335,557)</u>
Balance - December 31, 1998	<u>\$ 584,648</u>	<u>\$ 22,356</u>	<u>\$ 22,416</u>	<u>\$ 629,420</u>

The Jury records items under capital lease as fixed assets and the related obligation in the General Long-Term Debt Account Group. At December 31, 1998, the Jury had 17 equipment capital leases in effect with original recorded amounts of \$1,147,962. The following is a schedule of future minimum lease payments together with the present value of the net minimum lease payments as of December 31, 1998:

NOTES TO FINANCIAL STATEMENTS

<u>Year Ending December 31,</u>		
1999		\$ 193,861
2000		131,993
2001		124,827
2002		122,079
2003		82,870
2004		<u>13,761</u>
Total minimum lease payments		\$ 669,391
Amounts representing interest		<u>(84,743)</u>
Present value of net minimum lease payments		<u>\$ 584,648</u>

Bonds payable at December 31, 1998, are comprised of the following individual issue:

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

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

The annual requirements to amortize bonded debt outstanding as of December 31, 1998, including interest payments of \$5,060 are as follows:

<u>Year Ending December 31,</u>		
1999		\$ 6,979
2000		6,904
2001		6,779
2002		<u>6,754</u>
		<u>\$ 27,416</u>

At December 31, 1998, employees of the Jury had accumulated and vested \$22,416 of employee leave benefits, which was computed in accordance with GASB Codification Section C60. This amount is recorded within the General Long-Term Debt Account Group.

NOTES TO FINANCIAL STATEMENTS

Note 10. Operating Leases

As of December 31, 1998, the Jury has entered entered into 14 equipment operating leases having initial or remaining noncancellable terms in excess of one year.

The minimum annual commitments under these leases are as follows:

<u>Year Ending</u> <u>December 31,</u>	
1999	\$ 183,700
2000	139,200
2001	<u>65,605</u>
Total	<u>\$ 388,505</u>

Note 11. Pension Plan and Other Pension Liabilities

Plan Description:

Substantially all employees of Richland Parish Police Jury are members of Parochial Employees' Retirement System of Louisiana (the "System"), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the Jury are members of Plan A.

All permanent employees, working at least 28 hours per week who are paid wholly or in part from parish funds, and all elected parish officials are eligible to participate in the System. Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to three percent of their final-average salary for each year of creditable service. However, for those employees who were members of the supplemental plan only before January 1, 1980, the benefit is equal to one percent of final-average salary plus \$24 for each year of supplemental-plan-only service earned before January 1, 1980, plus three percent of final-average salary for each year of service credited after the revision date.

NOTES TO FINANCIAL STATEMENTS

Final-average salary is the employee's average salary over the 36 consecutive or joined months that produces the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to Parochial Employees' Retirement System, Post Office Box 14619, Baton Rouge, Louisiana 70898-4619, or by calling (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 Jury is required to contribute at an actuarially determined rate. The current rate is 7.75 percent of annual covered payroll. Contributions to the System also include one-fourth of one percent (except Orleans and East Baton Rouge Parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Jury are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Jury's contributions to the System under Plan A for the years ended December 31, 1998, 1997, and 1996, were \$78,599, \$75,873, and \$71,311, respectively, equal to the required contributions for each year.

Other Pension Liabilities:

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

NOTES TO FINANCIAL STATEMENTS

Note 12. Changes in Agency Fund

A summary of changes in assets and liabilities follows:

	Balance January 1, <u>1998</u>	<u>Additions</u>	<u>Retirements</u>	Balance December 31, 1998
Assets:				
Cash in bank	\$ 145,309	\$ 21,435	\$ -	\$ 166,744
Accounts receivable	<u>19,693</u>	<u>-</u>	<u>(12,187)</u>	<u>7,506</u>
 Total assets	 <u>\$ 165,002</u>	 <u>\$ 21,435</u>	 <u>\$(12,187)</u>	 <u>\$ 174,250</u>
 Liabilities:				
Accounts payable	\$ 1,377	\$ 48	\$ -	\$ 1,425
Due to other funds	<u>163,625</u>	<u>9,200</u>	<u>-</u>	<u>172,825</u>
	 <u>\$ 165,002</u>	 <u>\$ 9,248</u>	 <u>\$ -</u>	 <u>\$ 174,250</u>

Note 13. Criminal Court Fund Balance

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

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

Note 14. Fund Balance Reservation

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

NOTE TO FINANCIAL STATEMENTS

Note 15. On-Behalf Payments for Salaries

For the year ended December 31, 1998, the Jury recognized revenue and expenditures of \$9,000 in salary supplements from State of Louisiana paid directly to justices of the peace and constables.

Note 16. Contingencies and Risk Management

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

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

The Jury participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the Jury has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectibility of any related receivable at December 31, 1998, may be impaired. In the opinion of the Jury's management, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

Note 17. Subsequent Event

On May 26, 1999, an investigative audit report on the Jury was issued by the Legislative Auditor, State of Louisiana, in accordance with Title 24 of the Louisiana Revised Statutes and was performed to determine the propriety of certain allegations received by their office. The report presents the Legislative Auditor's findings and recommendations, as well as the Jury's response to such.

NOTES TO FINANCIAL STATEMENTS

Under the provisions of state law, the investigative audit report is a public document. A copy is available upon request by writing to Legislative Auditor, State of Louisiana, Post Office Box 94397, Baton Rouge, Louisiana 70804-9397, or by calling (225)339-3800.

As of the date of this report, the Jury has received no response to the findings from the local District Attorney. No provision has been recorded in the accompanying financial statements for the findings of the investigative audit.

COMBINING FINANCIAL STATEMENTS

SPECIAL REVENUE FUNDS

Account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes:

Road Maintenance Fund - constructing, maintaining, and repairing public roads and bridges in the parish.

Drainage Maintenance Fund - maintaining drainage canals and ditches in the parish and for acquiring, maintaining, and/or operating drainage machinery and equipment.

Health Unit Fund - constructing, equipping, maintaining, and operating a health unit for the parish.

Off-Duty Officers - payment of witness fees to off-duty officers.

Library - equipping, maintaining, and operating a library for the parish.

RICHLAND PARISH POLICE JURY
RAYVILLE, LOUISIANA

SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
December 31, 1998

	<u>Road Maintenance</u>	<u>Drainage Maintenance</u>	<u>Health Unit</u>
ASSETS			
Cash	\$ 8,690	\$ 347,679	\$ 296,192
Receivables	125,071	1,478	55,226
Due from other funds	<u>135,475</u>	<u>57,597</u>	<u>-</u>
Total assets	<u>\$ 269,236</u>	<u>\$ 406,754</u>	<u>\$ 351,418</u>
LIABILITIES AND EQUITY			
Liabilities:			
Account payables	\$ 137,474	\$ 14,402	\$ 2,832
Due to other funds	<u>-</u>	<u>8,345</u>	<u>-</u>
Total liabilities	\$ 137,474	\$ 22,747	\$ 2,832
Equity:			
Fund balances (deficit) - unreserved and undesignated	<u>131,762</u>	<u>384,007</u>	<u>348,586</u>
Total liabilities and equity	<u>\$ 269,236</u>	<u>\$ 406,754</u>	<u>\$ 351,418</u>

<u>Off-Duty Officers</u>	<u>Library</u>	<u>Criminal Court</u>	<u>Totals</u>
\$ 5,993	\$ 104,556	\$ 7,759	\$ 770,869
-	323,991	7,957	513,723
<u>-</u>	<u>-</u>	<u>-</u>	<u>193,072</u>
<u>\$ 5,993</u>	<u>\$ 428,547</u>	<u>\$ 15,716</u>	<u>\$ 1,477,664</u>
\$ 37	\$ 19,154	\$ 32,023	\$ 205,922
<u>-</u>	<u>-</u>	<u>-</u>	<u>8,345</u>
\$ 37	\$ 19,154	\$ 32,023	\$ 214,267
<u>5,956</u>	<u>409,393</u>	<u>(16,307)</u>	<u>1,263,397</u>
<u>\$ 5,993</u>	<u>\$ 428,547</u>	<u>\$ 15,716</u>	<u>\$ 1,477,664</u>

RICHLAND PARISH POLICE JURY
RAYVILLE, LOUISIANA

SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
Year Ended December 31, 1998

	<u>Road Maintenance</u>	<u>Drainage Maintenance</u>	<u>Health Unit</u>
Revenues:			
Taxes	\$ 1,506,888	\$ 749,179	\$ 55,822
Intergovernmental	469,450	70,000	23,588
Fees, charges, and commissions for services	-	-	-
Fines and forfeitures	-	-	-
Interest and miscellaneous	17,620	10,214	11,379
	<u>\$ 1,993,958</u>	<u>\$ 829,393</u>	<u>\$ 90,789</u>
Expenditures:			
Current:			
General government:			
Judicial	\$ -	\$ -	\$ -
Public works	2,421,115	562,115	-
Health and welfare	-	-	24,978
Culture and recreation	-	-	-
	<u>\$ 2,421,115</u>	<u>\$ 562,115</u>	<u>\$ 24,978</u>
Excess (deficiency) of revenues over expenditures	\$(427,157)	\$ 267,278	\$ 65,811
Other financing sources:			
Proceeds of capital leases	192,457	-	-
Sale of fixed assets	176,209	71,876	-
Excess (deficiency) of revenues and other financing sources over expenditures	\$(58,491)	\$ 339,154	\$ 65,811
Fund balances - beginning	<u>190,253</u>	<u>44,853</u>	<u>282,775</u>
Fund balances (deficit) - ending	<u>\$ 131,762</u>	<u>\$ 384,007</u>	<u>\$ 348,586</u>

<u>Off-Duty Officers</u>	<u>Library</u>	<u>Criminal Court</u>	<u>Totals</u>
\$ -	\$ 327,841	\$ -	\$ 2,639,730
-	86,886	-	649,924
-	1,875	-	1,875
-	1,111	142,968	144,079
297	51,489	835	91,834
\$ 297	\$ 469,202	\$ 143,803	\$ 3,527,442
\$ 3,810	\$ -	\$ 166,235	\$ 170,045
-	-	-	2,983,230
-	-	-	24,978
-	445,689	-	445,689
\$ 3,810	\$ 445,689	\$ 166,235	\$ 3,623,942
\$ (3,513)	\$ 23,513	\$ (22,432)	\$ (96,500)
-	-	-	192,457
-	-	-	248,085
\$ (3,513)	\$ 23,513	\$ (22,432)	\$ 344,042
9,469	385,880	6,125	919,355
\$ 5,956	\$ 409,393	\$ (16,307)	\$ 1,263,397

SUPPLEMENTARY INFORMATION

RICHLAND PARISH POLICE JURY
RAYVILLE, LOUISIANA

SCHEDULE OF JURORS' COMPENSATION
Year Ended December 31, 1998

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

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

RICHLAND PARISH POLICE JURY
RAYVILLE, LOUISIANA

YEAR 2000 ISSUE (UNAUDITED)
Year Ended December 31, 1998

The year 2000 issue is the result of shortcomings in many electronic data processing systems and other electronic equipment that may adversely affect the Jury's operations as early as fiscal year 1999.

Richland Parish Police Jury has completed an inventory of computer systems and other electronic equipment that may be affected by the year 2000 issue and that are necessary to conducting the Jury's operations. Based on this inventory, the Jury has, as of the date of this report, purchased from outside vendors, hardware and software believed to be year 2000 compliant for the financial reporting systems. Testing and validation of the systems are in process as of the date of this report.

Because of the unprecedented nature of the year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Management cannot assure that the Jury is or will be year 2000 ready, that the Jury's remediation efforts will be successful in whole or in part, or that parties with whom the Jury does business will be year 2000 ready.

HILL, INZINA & COMPANY

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

Police Jurors
Richland Parish Police Jury
Rayville, Louisiana

We have audited the primary government financial statements of Richland Parish Police Jury, as of and for the year ended December 31, 1998, and have issued our report thereon dated June 4, 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 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 an instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 98-2. We also noted certain immaterial instances of noncompliance that we have reported to management of Richland Parish Police Jury, in a separate letter dated June 4, 1999.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Jury's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the 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 Jury's ability to record, process, summarize, and report financial data consistent with the

assertions of management in the financial statements. The reportable conditions are described in the accompanying schedule of findings as items 98-1, 98-3, and 98-4.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, we consider item 98-1 to be a material weakness. We also noted other matters involving the internal control over financial reporting that we have reported to management of Richland Parish Police Jury, in a separate letter dated June 4, 1999.

This report is intended solely for the information and use of management, others within the organization, Police Jurors, and federal awarding agencies and it is not intended to be and should not be used by anyone other than these specified parties.

Hill, Morgan & Co.
June 4, 1999

RICHLAND PARISH POLICE JURY
RAYVILLE, LOUISIANA

SCHEDULE OF FINDINGS
For the Year Ended December 31, 1998

We have audited the primary government financial statements of Richland Parish Police Jury as of and for the year ended December 31, 1998, and have issued our report thereon dated June 4, 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 Auditor's Reports

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

Internal Control

Material Weaknesses Yes No Reportable Conditions Yes No

Compliance

Compliance Material to Financial Statements Yes No

Section II- Financial Statement Findings

1998-1 Inadequate Segregation of Duties (finding was cited in first audit conducted by our firm as of and for the two years ended December 31, 1992)

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

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

Effect: Not determined.

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

Effect: Documentation for affected expenditures is inadequate.

Recommendation: No action is recommended.

Management's
response and
planned cor-
rective action:

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

1998-2 Budgeting (initial citing)

Criteria:

The Local Government Budget Act requires that the chief executive or administrative officer shall advise the governing authority in writing when:

Total revenues and other sources plus projected revenues and other sources for the remainder of the year, within a fund, are failing to meet total budgeted revenues and other sources by 5% or more.

Total actual expenditures and other uses plus projected expenditures and other uses for the remainder of the year, within a fund, are exceeding the total budgeted expenditures and other uses by 5% or more.

Actual beginning fund balance, within a fund, fails to meet estimated beginning fund balance by 5% or more and fund balance is being used to fund current year expenditures.

Condition:

Total revenues and other sources of the General Fund for the year ended December 31, 1998, of \$547,215 failed to meet total budgeted revenues and other sources of \$619,865 by \$72,650 or 11.72%.

Effect:

The Jury was in violation of the Local Government Budget Act.

Cause:

The chief executive or administrative officer did not periodically monitor the budget and/or notify the Jury that total revenues and other sources were failing to meet total budgeted revenues and other sources.

Recommendation:

Future budgets should be periodically monitored and amended under the provisions of the Local Government Budget Act.

Management's
response and
planned cor-
rective action:

The chief executive or administrative officer will periodically monitor the budget and notify the Jury in writing during the year when total revenues and other sources plus projected revenues and other sources for the remainder of the year, within a fund, are failing to meet total budgeted revenues and other sources by 5% or more.

1998-3 Purchase Orders (finding was cited in first audit conducted by our firm as of and for the two years ended December 31, 1992)

Criteria:

Per the Jury's procedure manual for improvements and maintenance of public works, all purchases made by the purchasing agent and/or assistant purchasing agent shall be made by purchase order. Each purchase order shall be sequentially numbered by printer. Each purchase order shall show name and address of vendor, description of materials purchased, quantity, unit, unit price, extended price, and total price. The purchase order shall also reflect the purpose of purchase and location of materials used. Each purchase order shall include the month, day, and year and shall be recorded at the time of issuance. Each purchase order shall be signed by the purchasing agent and/or assistant purchasing agent. Each purchase order shall include comparative budget information which shall be entered at the time of purchase

Condition:

Purchase orders are being issued subsequent to the actual purchase as noted by a comparison of the invoice and purchase order dates.

Context:

Two applicable purchase orders (totaling \$475) were noted as being incorrectly issued out of a total of 10 individual transactions (totaling \$10,217) for which purchase orders should have been issued.

Cause:

Jury employees have not accepted the value of such documentation.

Effect:

Documentation for affected expenditures is inadequate.

Recommendation:

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

Management's
response and
planned cor-
rective action:

We concur in the finding and Joe Lively, Jury President, and Kathy Burns, Secretary/Treasurer will address this matter immediately in a memorandum to all Jury employees. Tommy Burgess, Parish Manager, has of the date of this report, notified numerous vendors with which the Jury transacts business, that a purchase order number and a signature of a Jury's employee must be on each invoice for the Jury's inventory and budgeting purposes.

1998-4 Evidence of Receipt (finding was cited in first audit conducted by our firm as of and for the two years ended December 31, 1992)

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

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

Context: Inadequate documentation of the receipt of goods/services was noted in eight (totaling \$5,091) of 62 (totaling \$36,299) individual purchases examined.

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

Effect: Documentation for affected expenditures is inadequate.

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

Management's
response and
planned cor-
rective action:

We concur in the finding and Joe Lively, Jury President, and Kathy Burns, Secretary/Treasurer will address this matter immediately in a memorandum to all Jury employees. Tommy Burgess, Parish Manager, has of the date of this report, notified numerous vendors with which the Jury transacts business, that a purchase order number and a signature of a Jury's employee must be on each invoice for the Jury's inventory and budgeting purposes.

RICHLAND PARISH POLICE JURY
RAYVILLE, LOUISIANA

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
For the Year Ended December 31, 1998

Section I - Internal Control and Compliance Material to Financial Statements

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

1997-2 Purchase Orders

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

Unresolved - 1998-3.

1997-3 Evidence of Receipt

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

Unresolved - 1998-4.

Section II - Internal Control and Compliance Material to Federal Awards

1997-1 Inadequate Segregation of Duties

Adequate segregation of duties is essential to proper internal control.

Unresolved - 1998-1.

Section III - Management Letter

None issued.

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HILL, INZINA & COMPANY

Police Jurors
Richland Parish Police Jury
Rayville, Louisiana

We have audited the primary government financial statements of Richland Parish Police Jury, as of and for the year ended December 31, 1998, and have issued our report thereon dated June 4, 1999. We conducted our audit in accordance with generally accepted principles and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

As part of our examination, we have issued our report on the financial statements, dated June 4, 1999, and our report on internal control and compliance with laws, regulations, contracts, and grants, dated June 4, 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 control.

1998-1 Expenditure Restrictions

Criteria:	Article VII, section 14 of the 1974 Louisiana Constitution, LSA-RS 14:138 and Attorney General's Opinion 79-729 state that wages or salaries should not be advanced to or bonuses paid to employees.
Condition:	We noted that 14 employees' payroll checks dated January 1, 1999, cleared the bank on or before December 31, 1998.
Cause:	No viable explanation was given by management other than that payroll was prepared early due to the holidays of the Jury office.
Effect:	The jury is in violation of the above stated laws and opinion.
Recommendation:	No employees should be issued and allowed to cash payroll checks in advance. In the case of holidays, the checks should be issued after regular banking hours so that the checks cannot be cashed and cleared through the Jury's accounts prior to the payroll check's date.
Management's response and planned corrective action:	We concur in the finding and will not issue payroll checks until the appropriate time for cashing.

1998-2 Personnel Policy

Criteria: The Jury's personnel policy states that employees may accumulate annual leave up to a maximum of 20 days.

Condition: We noted that as of December 31, 1998, two employees had accumulated 362 and 180 hours, respectively, of annual leave hours.

Cause: Management has not adhered to their established policy.

Effect: The responsible department heads and employees are in violation of the Jury's established policy.

Recommendation: Accrued annual leave hours should be reviewed periodically and when excess hours are accumulated, the employee should be paid for such excess or required to take the excess hours as time off with pay.

Management's response and planned corrective action:

We concur in the finding and will periodically review such records so that the appropriate action may be taken.

1998-3 Asset Management

Criteria: LSA-RS 24:515 and /or 39:321-332, as applicable, require that the Jury maintain records of its general fixed assets and movable property.

Condition: General fixed assets and movable property inventory is being maintained on the assets acquired with the Road Maintenance, Drainage Maintenance, and Jury office funds but such inventory does not include all of the required data (serial number, original cost, date acquired, etc.).

Cause: Sufficient time has not been taken to complete the records.

Effect: Assets of the Jury are susceptible to being lost, stolen, misplaced, etc.

Recommendation: Time should be taken and a responsible party assigned to completing the inventory records.

Management's response and planned corrective action:

We concur in the finding and will assign a responsible party to complete the inventory records.

1998-4 Monitoring of Collateral Pledged to Secure Deposits

- Criteria: The amount of security shall at all times be equal to 100% of the amount of collected funds on deposit to the credit of the Jury except that portion of the deposits insured by the FDIC.
- Condition: The secretary/treasurer is not monitoring the collateral pledged to secure deposits of the Jury but is relying entirely upon the monitoring by the pledging financial institution.
- Cause: The secretary/treasurer is not aware of the importance of such monitoring or the possible severe consequences to the Jury.
- Effect: If the financial institution fails at a time when the collateral pledged to secure the deposits of the Jury are inadequate, the Jury might only have the right to share with other creditors in the pro rata distribution of the institution's assets.
- Recommendation: The financial institution should be requested to make a monthly reporting to the Jury of the collateral pledged to secure the deposits of the Jury.
- Management's response and planned corrective action: We concur in the finding and will request such monthly reporting from the financial institution.

1998-5 Repayment of Amounts Due to Other Funds

- Criteria: Deposits to individual funds should be restricted to those amounts authorized by state statutes, tax propositions, and budget ordinances.
- Condition: Amounts have been recorded as payable to other funds resulting from amounts being deposited into an incorrect fund, coding errors, etc.
- Cause: Errors were made when completing records and making deposits.
- Effect: Undue audit records are being maintained on these amounts and the affected individual funds should have access to the amounts to which they are entitled.
- Recommendation: As funds become available, amounts due to other funds should be repaid.

Management's
response and
planned correc-
tive action:

We concur in the finding and as funds become available, amounts due to other funds will be repaid.

1998-6 Selling of Indebted Equipment

Criteria: Leased equipment should not be sold until all obligations of the lease agreement have been met.

Condition: Leased equipment with remaining debt owed of \$26,151.07 was sold.

Cause: Records were not adequate to ascertain which equipment was being sold and/or the amount of debt owed on the equipment.

Effect: The Jury disposed of equipment to which it did not have legal ownership.

Recommendation: Adequate records should be maintained to readily identify individual equipment items and the debt associated therewith.

Management's
response and
planned correc-
tive action:

We concur in the finding and will revise our record keeping methods.

1998-7 Payment of Monthly Operating Lease Payments in Excess of Contracted Monthly Payments

Criteria: Statements received for monthly lease payments should be compared to the original lease agreements to verify that the correct amount is being billed by the lessor.

Condition: Monthly operating lease payments were being made on three individual equipment items in excess of the contracted amount is being billed by the lessor.

Cause: The party(ies) responsible for approving invoices for payment were not referring to the formal lease agreements to determine the correct payment amounts.

Effect: The Jury has improperly expended funds in the amounts of the overpayments.

Recommendation: Records of individual lease agreements should be readily available for verifying payment amounts in the process of authorizing payments by the responsible party(ies).

Management's
response and
planned correc-
tive action:

We concur in the finding and will revise our record keeping methods.

The individual findings and recommendations as cited in the Legislative Auditor's investigative audit report, dated may 26, 1999, should be reviewed carefully and appropriate action taken immediately.

We recommend that 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 to help implement the recommendations.

Bill, Dwyer & Co.

June 4, 1999