

RICHLAND PARISH POLICE JURY
RAYVILLE, LOUISIANA

FINANCIAL REPORT

December 31, 2003

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 10-16-04

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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, 2003, 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 auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that 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 Richland Parish Police Jury, as of December 31, 2003, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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, 2003, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The accompanying primary government financial statements have been prepared assuming that Richland Parish Police Jury will continue as a going concern. As discussed in Note 2 to the primary government financial statements, the General Fund had a deficiency of revenues and other financing sources over expenditures and other financing uses of \$39,664 for the year ended December 31, 2003 resulting in a deficit fund balance of \$25,439 as of December 31, 2003, such deficit increasing from \$960 as of December 31, 2002. This condition raises substantial doubt about the Jury's ability to continue as a going concern. Management's plans regarding this matter are also discussed in Note 2. The primary government financial statements do not include any adjustments that might result from the outcome of this uncertainty.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 14, 2004, 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. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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 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.

Hill, Bryson & Co.

May 14, 2004

PRIMARY GOVERNMENT FINANCIAL STATEMENTS

(COMBINED STATEMENTS - OVERVIEW)

RICHLAND PARISH POLICE JURY
RAYVILLE, LOUISIANA

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

December 31, 2003

With Comparative Totals for December 31, 2002

	<u>Governmental Fund Types</u>			<u>Fiduciary Fund Type</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Agency</u>
ASSETS AND OTHER DEBITS				
Assets:				
Cash and cash equivalents	\$ 25,167	\$ 425,465	\$ -	\$ 142,942
Investments	4,359	9,863	-	-
Receivables	282,717	522,603	1,114	5,672
Due from other funds	97,538	321,755	-	10,000
Restricted cash	13,520	-	-	-
Fixed assets	-	-	-	-
Other debits:				
Amount to be provided for retirement of general long-term debt	-	-	-	-
 Total assets and other debits	 <u>\$ 423,301</u>	 <u>\$ 1,279,686</u>	 <u>\$ 1,114</u>	 <u>\$ 158,614</u>

<u>Account Groups</u>		<u>Totals -</u> <u>(Memorandum Only)</u>	
<u>General</u> <u>Fixed</u> <u>Assets</u>	<u>General</u> <u>Long-Term</u> <u>Debt</u>	<u>December 31,</u>	
		<u>2003</u>	<u>2002</u>
\$ -	\$ -	\$ 593,574	\$ 941,275
-	-	14,222	23,054
-	-	812,106	882,182
-	-	429,293	350,710
-	-	13,520	13,498
7,990,134	-	7,990,134	7,842,511
<u>-</u>	<u>251,415</u>	<u>251,415</u>	<u>414,365</u>
<u>\$ 7,990,134</u>	<u>\$ 251,415</u>	<u>\$10,104,264</u>	<u>\$10,467,595</u>

(continued)

RICHLAND PARISH POLICE JURY
RAYVILLE, LOUISIANA

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS (Continued)
December 31, 2003
With Comparative Totals for December 31, 2002

	<u>Governmental Fund Types</u>			<u>Fiduciary Fund Type</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Agency</u>
LIABILITIES, EQUITY, AND OTHER CREDITS				
Liabilities:				
Accounts payable	\$ 34,213	\$ 81,098	\$ 1,114	\$ -
Payroll deductions payable	1,185	-	-	-
Property taxes paid under protest	13,168	23,537	-	-
Due to other funds	149,417	121,262	-	158,614
Deferred revenue	250,757	477,165	-	-
Payable from restricted assets:				
Deposits held for others	-	12,177	-	-
Capital leases payable	-	-	-	-
Notes payable	-	-	-	-
Compensated absences payable	-	-	-	-
Total liabilities	<u>\$ 448,740</u>	<u>\$ 715,239</u>	<u>\$ 1,114</u>	<u>\$ 158,614</u>
Equity and other credits:				
Investment in general fixed assets	\$ -	\$ -	\$ -	\$ -
Fund balances - unreserved and undesigned (deficit)	(25,439)	564,447	-	-
Total equity and other credits	<u>\$(25,439)</u>	<u>\$ 564,447</u>	<u>\$ -</u>	<u>\$ -</u>
Total liabilities, equity, and other credits	<u>\$ 423,301</u>	<u>\$ 1,279,686</u>	<u>\$ 1,114</u>	<u>\$ 158,614</u>

See notes to financial statements.

<u>Account Groups</u>		<u>Totals -</u>	
<u>General</u>	<u>General</u>	<u>(Memorandum Only)</u>	
<u>Fixed</u>	<u>Long-Term</u>	<u>December 31,</u>	
<u>Assets</u>	<u>Debt</u>	<u>2003</u>	<u>2002</u>
\$ -	\$ -	\$ 116,425	\$ 305,616
-	-	1,185	26,120
-	-	36,705	23,054
-	-	429,293	350,710
-	-	727,922	698,708
-	-	12,177	12,177
-	71,458	71,458	224,379
-	150,804	150,804	159,558
-	29,153	29,153	30,428
<u>\$ -</u>	<u>\$ 251,415</u>	<u>\$ 1,575,122</u>	<u>\$ 1,830,750</u>
\$ 7,990,134	\$ -	\$ 7,990,134	\$ 7,842,511
-	-	539,008	794,334
<u>\$ 7,990,134</u>	<u>\$ -</u>	<u>\$ 8,529,142</u>	<u>\$ 8,636,845</u>
<u>\$ 7,990,134</u>	<u>\$ 251,415</u>	<u>\$ 10,104,264</u>	<u>\$ 10,467,595</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, 2003

With Comparative Totals for Year Ended December 31, 2002

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>
Revenues:			
Taxes	\$ 246,467	\$ 2,765,381	\$ -
Licenses and permits	55,819	-	-
Intergovernmental	174,117	391,514	25,787
Fees, charges, and commissions for services	22,324	2,342	-
Fines and forfeitures	4,692	211,998	-
Interest and miscellaneous	13,613	20,217	-
	<u>\$ 517,032</u>	<u>\$ 3,391,452</u>	<u>\$ 25,787</u>
Expenditures:			
Current:			
General government:			
Legislative	\$ 131,017	\$ -	\$ -
Judicial	56,082	197,540	-
Executive	16,183	-	-
Elections	23,632	-	-
Finance and administrative	18,708	-	-
Other	163,221	-	-
Public safety	170,613	-	-
Public works	-	2,457,132	-
Health and welfare	5,991	154,424	-
Culture and recreation	-	364,169	-
Economic development and assistance	45,909	-	-
Debt service	13,340	161,034	-
Capital outlay	-	184,817	25,787
	<u>\$ 644,696</u>	<u>\$ 3,519,116</u>	<u>\$ 25,787</u>

Totals - (Memorandum Only) Year Ended December 31,	
<u>2003</u>	<u>2002</u>
\$ 3,011,848	\$ 3,081,253
55,819	59,179
591,418	1,712,530
24,666	25,828
216,690	223,579
33,830	128,924
<u>\$ 3,934,271</u>	<u>\$ 5,231,293</u>

\$ 131,017	\$ 108,145
253,622	258,520
16,183	15,513
23,632	21,826
18,708	22,047
163,221	159,763
170,613	180,766
2,457,132	2,580,673
160,415	45,703
364,169	350,982
45,909	56,841
174,374	220,145
210,604	1,494,834
<u>\$ 4,189,599</u>	<u>\$ 5,515,758</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, 2003
With Comparative Totals for Year Ended December 31, 2002

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>
Excess (deficiency) of revenues over expenditures	\$(127,664)	\$(127,664)	\$ -
Other financing sources:			
Proceeds of capital leases	-	-	-
Proceeds of loan	-	-	-
Operating transfers in (out)	<u>88,000</u>	<u>(88,000)</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	\$(39,664)	\$(215,664)	\$ -
Fund balances (deficit) - beginning	(960)	795,296	-
Residual equity transfers in (out)	<u>15,185</u>	<u>(15,185)</u>	<u>-</u>
Fund balances (deficit) - ending	<u>\$(25,439)</u>	<u>\$ 564,447</u>	<u>\$ -</u>

See notes to financial statements.

Totals -
(Memorandum Only)
Year Ended December 31,

<u>2003</u>	<u>2002</u>
\$(255,328)	\$(284,465)
-	42,120
-	100,000
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-	-
\$(255,328)	\$(142,345)
794,336	936,681
<hr style="width: 100%;"/>	<hr style="width: 100%;"/>
-	-
<u>\$ 539,008</u>	<u>\$ 794,336</u>

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, 2003

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>General</u>			
Revenues:			
Taxes	\$ 235,182	\$ 243,767	\$ 8,585
Licenses and permits	57,618	57,618	-
Intergovernmental	125,995	168,760	42,765
Fees, charges, and commissions for services	23,263	22,243	(1,020)
Fines and forfeitures	4,946	4,946	-
Interest and miscellaneous	45,953	13,595	(32,358)
	<u>\$ 492,957</u>	<u>\$ 510,929</u>	<u>\$ 17,972</u>
Expenditures:			
Current:			
General government:			
Legislative	\$ 126,754	\$ 126,754	\$ -
Judicial	48,507	58,613	(10,106)
Executive	16,234	16,234	-
Elections	24,839	24,633	206
Finance and administrative	20,597	20,847	(250)
Other	161,915	173,647	(11,732)
Public safety	116,866	162,551	(45,685)
Public works	-	-	-
Health and welfare	5,863	5,863	-
Culture and recreation	-	-	-
Economic development and assistance	118,291	59,367	58,924
Debt service	-	13,340	(13,340)
Capital outlay	-	-	-
	<u>\$ 639,866</u>	<u>\$ 661,849</u>	<u>\$ (21,983)</u>

<u>Special Revenue</u>		
<u>Budget</u>	<u>Actual</u>	Variance - Favorable <u>(Unfavorable)</u>
\$ 2,634,930	\$ 2,759,423	\$ 124,493
-	-	-
488,864	485,674	(3,190)
2,500	2,342	(158)
218,379	218,211	(168)
16,800	10,883	(5,917)
<u>\$ 3,361,473</u>	<u>\$ 3,476,533</u>	<u>\$ 115,060</u>

\$ -	\$ -	\$ -
176,349	182,923	(6,574)
-	-	-
-	-	-
-	-	-
-	-	-
2,299,478	2,471,895	(172,417)
240,762	156,471	84,291
524,849	368,808	156,041
-	-	-
-	161,034	(161,034)
653,207	329,684	323,523
<u>\$ 3,894,645</u>	<u>\$ 3,670,815</u>	<u>\$ 223,830</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, 2003

	<u>Budget</u>	<u>General Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
Excess (deficiency) of revenues over expenditures	\$(146,909)	\$(150,920)	\$(4,011)
Other financing sources (uses):			
Proceeds of capital leases	-	-	-
Proceeds of loan	-	-	-
Operating transfers in (out)	<u>138,000</u>	<u>88,000</u>	<u>(50,000)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	\$(8,909)	\$(62,920)	\$(54,011)
Fund balances - beginning (deficit) (non-GAAP and GAAP budgetary basis)	(960)	(960)	-
Residual equity transfers in (out)	<u>-</u>	<u>15,185</u>	<u>15,185</u>
Fund balances - ending (non-GAAP budgetary basis)	<u>\$(9,869)</u>	\$(48,695)	<u>\$(38,826)</u>
Adjustments to generally accepted accounting principles:			
Revenue accruals		16,397	
Due from other funds accruals		-	
Expenditure accruals		17,153	
Deferred revenue accruals		<u>(10,294)</u>	
Fund balances - ending (deficit) (GAAP basis)		<u>\$(25,439)</u>	

See notes to financial statements.

<u>Special Revenue</u>		
<u>Budget</u>	<u>Actual</u>	Variance - Favorable <u>(Unfavorable)</u>
\$(533,172)	\$(194,282)	\$ 338,890
-	-	-
-	-	-
<u>(100,223)</u>	<u>(88,000)</u>	<u>12,223</u>
\$(633,395)	\$(282,282)	\$ 351,113
795,296	795,296	-
-	<u>(15,185)</u>	<u>(15,185)</u>
<u>\$ 161,901</u>	\$ 497,829	<u>\$ 335,928</u>
	(63,814)	
	121	
	149,232	
	<u>(18,921)</u>	
	<u>\$ 564,447</u>	

RICHLAND PARISH POLICE JURY
RAYVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2003

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, 2003.

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 21,000. Approximately 575 miles of roads are maintained by the parish. The Jury itself employs approximately 50 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 the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

GASB Statement No. 14 established criteria for determining which component units should be considered part of 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
Ward One Rural Fire Protection District	12-31	1

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 effect of the omission of these component units is unknown.

GASB Statement No. 14 provides for the issuance of primary government financial statements that are separate from those of the reporting entity. However, the primary government's (Jury'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.

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 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.

NOTES TO FINANCIAL STATEMENTS

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 all of the Special Revenue Funds except the Library Fund on December 2, 2002. The Library Fund's budget was adopted by the Jury on January 6, 2003. The annual budgets were prepared on a non-GAAP budgetary basis of accounting. All budget amendments were approved by the Jury. Even though the final amendments to the 2003 budgets were not approved by the Jury until after December 31, 2003, the budget comparison statements included in the accompanying financial statements include the original adopted budgets (non-GAAP budgetary basis) and all subsequent amendments, as amending the budgets to actual cash amounts at each December 31 is the common practice of the Jury. All annual appropriations lapse at fiscal year end.

Encumbrances:

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

Cash and Cash Equivalents:

Cash and cash equivalents include amounts in demand deposits and time deposits and is reported at net book value - the December 31, 2003 bank balance plus deposits in transit and less checks that have not cleared the bank as of that date. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less.

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.

NOTES TO FINANCIAL STATEMENTS

Investments:

Investments are limited by Louisiana Revised statute 33:2955. 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. Nonparticipating investment contracts, generally certificates of deposit, are reported at cost, which approximates market value.

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.

Restricted Assets/Liabilities:

Governmental funds report restricted assets for cash deposited in bank accounts legally restricted for the specified use of repayment of funds collected as collateral for road damage repairs from outside parties. The cash balance is also reported as being due to the Road Fund as the funds are actually assets of the Road Fund.

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.

NOTES TO FINANCIAL STATEMENTS

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 or retirement, 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.

The Jury approved amendments to its current procedure manual in December 2003 to be effective in January 2004.

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 or 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 or retirement 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.

NOTES TO FINANCIAL STATEMENTS

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 residual equity or operating transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

Revenue Recognition - Ad Valorem and Sales Taxes:

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

NOTES TO FINANCIAL STATEMENTS

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. Deficit Fund Balance and Going Concern

At December 31, 2003, the fund balance of the General Fund was in a deficit position of \$25,439, such deficit increasing from \$960 as of December 31, 2002. No particular incident led to the deficit other than just the overall financial burden placed on the Jury. As of the date of this report, management had no formal plans to alleviate the deficit or to slow its increase within the next fiscal year. This raises substantial doubt about the Jury's ability to continue as a going concern.

Note 3. Deposits with Financial Institutions

At December 31, 2003, the Jury had cash (bank balances) and investments as follows:

Interest-bearing demand deposits	\$ 583,713
Investments	37,433
Petty cash	<u>170</u>
	<u>\$ 621,316</u>

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

At December 31, 2003, the Jury had \$702,932 in deposits (collected bank balances). These deposits were secured from risk by \$111,448 of federal deposit insurance and \$591,484 of pledged securities held by the counter party, or its trust department or agent, but not in the name of the Jury (GASB Category 3).

There were no repurchase or reverse repurchase agreements at December 31, 2003.

NOTES TO FINANCIAL STATEMENTS

Note 4. Receivables

A summary of receivables at December 31, 2003 is as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Agency</u>	<u>Totals</u>
Taxes:					
Ad valorem	\$ 250,757	\$ 477,165	\$ -	\$ -	\$ 727,922
Beer	1,835	-	-	-	1,835
Sales	-	-	-	5,672	5,672
Gross receipts	1,378	-	-	-	1,378
Licenses and permits	92	-	-	-	92
Intergovernmental:					
Severance taxes	22,868	-	-	-	22,868
Parish transportation	-	15,371	-	-	15,371
Grants	-	13,593	1,114	-	14,707
Drivers' license fees	1,656	-	-	-	1,656
Civil defense	3,836	-	-	-	3,836
Fees, charges, and com- missions for services	92	-	-	-	92
Fines and forfeitures	203	6,985	-	-	7,188
Miscellaneous	-	9,489	-	-	9,489
	<u>\$ 282,717</u>	<u>\$ 522,603</u>	<u>\$ 1,114</u>	<u>\$ 5,672</u>	<u>\$ 812,106</u>

Note 5. Taxes

The following is a summary of authorized and levied ad valorem taxes for 2003:

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
General corporate purposes	8.20	8.46	Perpetual
Health unit	1.28	1.32	2008
Library	7.25	7.47	2008

Total ad valorem taxes levied in 2003 were \$727,923 for the above millages. As of December 31, 2003, no amounts were due from prior year tax levies.

NOTES TO FINANCIAL STATEMENTS

The following are the principal ad valorem taxpayers for the parish as a whole:

<u>Taxpayer</u>	<u>Assessed Valuation</u>	<u>Ad Valorem Tax Revenue</u>
Entergy Louisiana, Inc.	\$ 2,341,420	\$ 205,321
ANR Pipeline Co.	2,179,930	143,071
Bellsouth Telecommunications, Inc.	1,972,100	142,691
Richland State Bank	1,508,700	141,164
Centerpoint Energy Gas	1,928,820	137,976
Tifton Aluminum Co., Inc.	2,229,250	137,099

During the year ended December 31, 2003, 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 <i>purchase and maintenance of equipment used in connection therewith</i>	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 6. Due From/To Other Funds

A summary of amounts due from/to other funds at December 31, 2003 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Agency	\$ 34
General	Payroll	42,701
General	Criminal Court	15,752
Payroll	General	39,051
Road Maintenance	Agency	109,721
Road Maintenance	General	17,665
Road Maintenance	Drainage Maintenance	96,706
Drainage Maintenance	Agency	48,860
Drainage Maintenance	Road Maintenance	8,803
Drainage Maintenance	General	40,000
Agency	General	<u>10,000</u>
		<u>\$ 429,293</u>

NOTES TO FINANCIAL STATEMENTS

Note 7. Changes in Fixed Assets

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

	Balance January 1, 2003	Additions	Retirements	Reclassi- fications	Balance December 31, 2003
Land	\$ 273,340	\$ -	\$ -	\$ -	\$ 273,340
Buildings	2,636,186	12,911	-	-	2,649,097
Improvements other than buildings	384,751	-	-	-	384,751
Equipment and furniture	3,187,359	122,401	-	309,392	3,619,152
Under capital lease	809,209	-	-	(309,392)	499,817
Construction in progress	-	25,787	-	-	25,787
Library books, etc.	<u>551,666</u>	<u>49,505</u>	<u>(62,981)</u>	<u>-</u>	<u>538,190</u>
Totals	<u>\$ 7,842,511</u>	<u>\$ 210,604</u>	<u>\$ (62,981)</u>	<u>\$ -</u>	<u>\$ 7,990,134</u>

Note 8. Changes in General Long-Term Debt

The following is a summary of long-term obligation transactions for the year ended December 31, 2003:

	Capital Leases	Notes	Compensated Absences	Totals
Balance - January 1, 2003	\$ 224,379	\$ 159,558	\$ 30,428	\$ 414,365
Retirements	<u>(152,921)</u>	<u>(8,754)</u>	<u>(1,275)</u>	<u>(162,950)</u>
Balance - December 31, 2003	<u>\$ 71,458</u>	<u>\$ 150,804</u>	<u>\$ 29,153</u>	<u>\$ 251,415</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, 2003, the Jury had five equipment capital leases in effect with original recorded amounts of \$499,816. 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, 2003:

NOTES TO FINANCIAL STATEMENTS

<u>Year Ending December 31,</u>		
2004	\$	55,390
2005		12,163
2006		<u>7,852</u>
Total minimum lease payments	\$	75,405
Less amounts representing interest		<u>(3,947)</u>
Present value of net minimum lease payments	\$	<u>71,458</u>

During 2000, the Jury borrowed \$100,000 from a local financial institution and constructed a new motor vehicle office. The note is payable in monthly installments of \$1,112, bears interest at 6.0%, and matures over a period of ten years.

In September 2002, the Jury borrowed \$100,000 from a local financial institution to remove the existing and install a new air conditioning system in the courthouse. The note is payable in five annual installments of \$20,000 each, commencing on October 1, 2003, and one final installment of \$22,530 due on October 1, 2008. The note bears interest at 6.0%. During 2002, the Jury used proceeds of \$22,000 from a rural development grant to prepay on the note; therefore, the institution did not require a payment to be made on the note in 2003 but will require two payments in 2004.

The annual requirements to amortize the notes payable as of December 31, 2003 are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2004	\$ 40,709	\$ 12,630	\$ 53,339
2005	27,003	6,336	33,339
2006	28,639	4,700	33,339
2007	23,555	2,964	26,519
2008	11,806	1,533	13,339
2009 - 2010	<u>19,092</u>	<u>918</u>	<u>20,010</u>
	<u>\$ 150,804</u>	<u>\$ 29,081</u>	<u>\$ 179,885</u>

At December 31, 2003, employees of the Jury had accumulated and vested \$29,153 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 9. Pension Plan and Other Pension Liabilities

Plan Description:

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

Employee Eligibility Requirements:

All employees working at least 28 hours per week and all elected parish officials are eligible to participate.

Retirement Benefits:

<u>Plan</u>	<u>Minimum Age</u>	<u>Years of Service</u>	<u>Factor</u>	<u>Percent of Final Average Salary</u>
Parochial Plan A	60	10	3%	30%
	55	25	3%	75%
	Any age	30	3%	90%

Final-average salary is the employee's salary over the 36 consecutive or joined months that produces the highest average. The System 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. That report may be obtained by writing Parochial Employees' Retirement System, Post Office Box 14619, Baton Rouge, Louisiana 70898-4619, or by calling (225)928-1361.

Funding Policy:

State statute requires covered employees to contribute a percentage of their salaries to the System. As provided by R.S. 11:103, the employer contributions are determined by an actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year.

NOTES TO FINANCIAL STATEMENTS

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 Jury's contributions to the System under Plan A for the year ended December 31, 2003, 2002, and 2001 were \$88,944, \$84,536, and \$80,497, 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's primary government financial statements and the benefit systems as a whole.

Note 10. Changes in Agency Fund

A summary of changes in assets and liabilities follows:

	Balance January 1, 2003	Additions	Reductions	Balance December 31, 2003
Assets:				
Cash and cash equivalents	\$ 140,956	\$ 1,986	\$ -	\$ 142,942
Receivables	8,206	-	(2,534)	5,672
Due from other funds	<u>-</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>
Total assets	<u>\$ 149,162</u>	<u>\$ 11,986</u>	<u>\$(2,534)</u>	<u>\$ 158,614</u>
Liabilities:				
Accounts payable	\$ 2,682	\$ -	\$(2,682)	\$ -
Due to other funds	<u>146,480</u>	<u>12,134</u>	<u>-</u>	<u>158,614</u>
Total liabilities	<u>\$ 149,162</u>	<u>\$ 12,134</u>	<u>\$(2,682)</u>	<u>\$ 158,614</u>

NOTES TO FINANCIAL STATEMENTS

Note 11. 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; therefore, \$15,185 will be transferred.

Fifth Judicial District required the Off-Duty Officers' fund to transfer \$43,381 to the Criminal Court Fund pursuant to Louisiana Revised Statute 15:255. This amount was included in the calculation of the one-half balance remaining in the Criminal Court Fund at year end to be transferred to the General Fund.

Note 12. On-Behalf Payments for Salaries

For the year ended December 31, 2003, the Jury recognized revenue and expenditures of \$10,138 in salary supplements from State of Louisiana paid directly to justices of the peace and constables.

Note 13. 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. Settlements have not exceeded insurance coverage for the current year or the three prior years.

As of December 31, 2003, there was no pending or threatened litigation involving the Jury.

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, 2003 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.

NOTES TO FINANCIAL STATEMENTS

Note 14. Commitments

In June 2003, the Jury accepted a commitment/agreement from State of Louisiana, Governor's Office of Rural Development for a maximum of \$340,000 to be expended for a bridge repair. The agreed upon time frame for completion of the project is on or before June 1, 2004, but on May 6, 2004, the Jury requested an extension of the deadline in order to secure additional funding from other sources for the project.

Also in 2003, the Jury entered into an agreement with Louisiana Division of Administration for a community development block grant of \$580,940. The funding sources are to be used for fire improvements. As of December 31, 2003, only \$25,787 of the funding had been obligated or expended.

Note 15. Implementation of GASB Statement No. 34

The Jury is required to implement GASB Statement No. 34 "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments" for fiscal year ending December 31, 2004 that will result in material prior period adjustments to the financial statements prepared as of and for the year ended December 31, 2003.

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 Fund - payment of witness fees to off-duty officers.

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

Criminal Court Fund - provides partial funding for the general operating costs of the criminal court, to include transcriptions, statements, costs of the petit and grand juries, attendance fees, and certain costs of the district judges and the district attorney.

RAYVILLE, LOUISIANA

SPECIAL REVENUE FUNDS
 COMBINING BALANCE SHEET
 December 31, 2003

ASSETS	<u>Road Maintenance</u>	<u>Drainage Maintenance</u>	<u>Health Unit</u>
Cash and cash equivalents	\$ 46,608	\$(1,144)	\$ 122,089
Investments	-	-	1,498
Receivables	15,527	22,926	71,656
Due from other funds	<u>224,091</u>	<u>97,664</u>	<u>-</u>
Total assets	<u>\$ 286,226</u>	<u>\$ 119,446</u>	<u>\$ 195,243</u>
 LIABILITIES AND EQUITY			
Liabilities:			
Account payables	\$ 27,870	\$ 13,980	\$ 2,596
Property taxes paid under protest	-	-	3,550
Due to other funds	8,803	96,706	-
Deferred revenue	-	-	71,656
Payable from restricted assets:			
Deposits held for others	<u>12,177</u>	<u>-</u>	<u>-</u>
Total liabilities	\$ 48,850	\$ 110,686	\$ 77,802
Equity:			
Fund balances - unreserved and undesignated	<u>237,376</u>	<u>8,760</u>	<u>117,441</u>
Total liabilities and equity	<u>\$ 286,226</u>	<u>\$ 119,446</u>	<u>\$ 195,243</u>

<u>Off-Duty Officers</u>	<u>Library</u>	<u>Criminal Court</u>	<u>Totals</u>
\$ 8,910	\$ 197,813	\$ 51,189	\$ 425,465
-	8,365	-	9,863
880	405,509	6,105	522,603
<u>-</u>	<u>-</u>	<u>-</u>	<u>321,755</u>
<u>\$ 9,790</u>	<u>\$ 611,687</u>	<u>\$ 57,294</u>	<u>\$ 1,279,686</u>
\$ 100	\$ 10,197	\$ 26,355	\$ 81,098
-	19,987	-	23,537
-	-	15,753	121,262
-	405,509	-	477,165
<u>-</u>	<u>-</u>	<u>-</u>	<u>12,177</u>
<u>\$ 100</u>	<u>\$ 435,693</u>	<u>\$ 42,108</u>	<u>\$ 715,239</u>
<u>9,690</u>	<u>175,994</u>	<u>15,186</u>	<u>564,447</u>
<u>\$ 9,790</u>	<u>\$ 611,687</u>	<u>\$ 57,294</u>	<u>\$ 1,279,686</u>

RICHLAND PARISH POLICE JURY
RAYVILLE, LOUISIANA

SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
Year Ended December 31, 2003

	<u>Road Maintenance</u>	<u>Drainage Maintenance</u>	<u>Health Unit</u>
Revenues:			
Taxes	\$ 1,525,636	\$ 791,636	\$ 67,219
Intergovernmental	308,438	13,593	16,973
Fees, charges, and commissions for services	-	-	-
Fines and forfeitures	-	-	-
Interest and miscellaneous	6,827	9,626	339
	<u>\$ 1,840,901</u>	<u>\$ 814,855</u>	<u>\$ 84,531</u>
Expenditures:			
Current:			
General government:			
Judicial	\$ -	\$ -	\$ -
Public works	1,680,193	776,939	-
Health and welfare	-	-	154,424
Culture and recreation	-	-	-
Debt service	53,137	107,897	-
Capital outlay	-	63,076	38,732
	<u>\$ 1,733,330</u>	<u>\$ 947,912</u>	<u>\$ 193,156</u>
Excess (deficiency) of revenues over expenditures	\$ 107,571	\$(133,057)	\$(108,625)
Other financing sources:			
Operating transfers in (out)	<u>(40,000)</u>	<u>(30,000)</u>	<u>(3,000)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	\$ 67,571	\$(163,057)	\$(111,625)
Fund balances - beginning	169,805	171,817	229,066
Residual equity transfers in (out)	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances - ending	<u>\$ 237,376</u>	<u>\$ 8,760</u>	<u>\$ 117,441</u>

<u>Off-Duty Officers</u>	<u>Library</u>	<u>Criminal Court</u>	<u>Totals</u>
\$ -	\$ 380,890	\$ -	\$ 2,765,381
-	52,510	-	391,514
-	2,342	-	2,342
13,534	1,232	197,232	211,998
10	2,424	991	20,217
<u>\$ 13,544</u>	<u>\$ 439,398</u>	<u>\$ 198,223</u>	<u>\$ 3,391,452</u>

\$ 4,629	\$ -	\$ 192,911	\$ 197,540
-	-	-	2,457,132
-	-	-	154,424
-	364,169	-	364,169
-	-	-	161,034
-	55,416	27,593	184,817
<u>\$ 4,629</u>	<u>\$ 419,585</u>	<u>\$ 220,504</u>	<u>\$ 3,519,116</u>

\$ 8,915	\$ 19,813	\$(22,281)	\$(127,664)
<u>-</u>	<u>(15,000)</u>	<u>-</u>	<u>(88,000)</u>

\$ 8,915	\$ 4,813	\$(22,281)	\$(215,664)
44,156	171,181	9,271	795,296
<u>(43,381)</u>	<u>-</u>	<u>28,196</u>	<u>(15,185)</u>
<u>\$ 9,690</u>	<u>\$ 175,994</u>	<u>\$ 15,186</u>	<u>\$ 564,447</u>

SUPPLEMENTARY INFORMATION

RICHLAND PARISH POLICE JURY
RAYVILLE, LOUISIANA

SCHEDULE OF JURORS' COMPENSATION
Year Ended December 31, 2003

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 each received \$800 per month as follows:

Jesse Washington	\$ 9,600
Willie Tatum	9,600
Steve Lofton	9,600
Frank Greer	9,600
Thomas K. Gray	9,600
Ronald Gilley	9,600
Althan Smith	9,600
Sharon D. Kelley	9,600
William Moore	<u>9,600</u>
 Total jurors' compensation	 <u>\$ 86,400</u>

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, 2003, and have issued our report thereon dated May 14, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether 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 and questioned costs as item 2003-2. We also noted certain immaterial instances of noncompliance that we have reported to management of Richland Parish Police Jury, in a separate letter dated May 14, 2004.

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 primary government financial statements. The reportable conditions are described in the accompanying schedule of findings and questioned costs as items 2003-1 and 2003-3.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the primary government 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 2003-1 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 May 14, 2004.

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

Hill, Arzoo & Co.

May 14, 2004

RICHLAND PARISH POLICE JURY
RAYVILLE, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS WITH
MANAGEMENT'S PLANNED CORRECTIVE ACTION
Year Ended December 31, 2003

We have audited the primary government financial statements of Richland Parish Police Jury as of and for the year ended December 31, 2003, and have issued our report thereon dated May 14, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the provisions of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Our audit of the financial statements as of December 31, 2003 resulted in an unqualified opinion.

Section I - Summary of Auditor's Report

Report on Compliance and Internal Control Material to the Financial Statements

Compliance

Compliance Material to Financial Statements Yes No

Internal Control

Material Weaknesses Yes No Reportable Conditions Yes No

Section II- Financial Statement Findings

2003-1 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.

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

Effect: Not determined.

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.
2003-2 Noncompliance with Local Government Budget Act (initial citing)	
Criteria:	All action necessary to adopt and otherwise finalize and implement the budgets for an ensuing fiscal year must be completed prior to the end of the fiscal year in progress.
	The Jury should adopt all budget amendments in open meetings prior to the end of the fiscal year in progress.
Condition:	The Library Fund's (Special Revenue Fund) budget for the year ended December 31, 2003 was not formally adopted by the Jury until January 6, 2003.
	Final amendments to the General and Special Revenue Funds' budgets for the year ended December 31, 2003 were not adopted in an open meeting until May 10, 2004.
Cause:	The conditions were due to the governing authority's oversight.
Effect:	The Jury was in violation of the Local Government Budget Act.
Recommendation:	The proposed budgets are to be completed and submitted to the Jury and made available for public inspection no later than fifteen days prior to the beginning of each fiscal year. All action necessary to amend the budgets are to be completed prior to the end of the fiscal year in progress.
Management's response and planned cor- rective action:	We concur in the finding. Completion and submission of future budgets will be timely.

2003-3 Improvement of Controls Over Expenditures/Disbursements (initial citing)

- Criteria:** Management is responsible for establishing internal control policies and procedures that provide reasonable assurance that assets are safeguarded against loss resulting from unauthorized use and that transactions are executed in accordance with management's authorization.
- Condition:** Ten disbursements examined (totaling \$13,555) out of a total of 60 disbursements examined (totaling \$60,040) were supported by invoices that were not signed by the individual employee of the Jury responsible for purchasing or receiving the goods or services.
- Cause:** Employees of the Jury have not accepted the value of such documentation.
- Effect:** The failure to adhere to internal controls over cash disbursements could result in a loss of assets from unauthorized use or disposition or from transactions that are not in accordance with management's authorization.
- Recommendation:** We recommend that invoices be signed by the individual employee of the Jury responsible for purchasing or receiving goods or services to provide evidence that disbursements are valid expenditures to the Jury.
- Management's response and planned corrective action:** All invoices will be reviewed before payment is made to ensure that invoices are signed by the individual employee of the Jury responsible for purchasing or receiving the goods or services.

RICHLAND PARISH POLICE JURY
RAYVILLE, LOUISIANA

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
For the Year Ended December 31, 2003

Section I - Compliance and Internal Control Material to Financial Statements

2002-1 Inadequate Segregation of Duties

Adequate segregation of duties is essential to proper internal control.

Unresolved - 2003-1.

2002-2 Purchase Orders

Purchase orders are not being issued according to all of the provisions of the procedure manual for improvements and maintenance of public works.

Resolved.

2002-3 Unsecured Deposits

The market value of pledged securities plus the federal deposit insurance is less than the amount on deposit with the local fiscal agent bank.

Resolved.

Section II - Management Letter

2002-1 Repayment of Amounts Due to Other Funds

Deposits to and expenditures from the individual funds should be restricted to those amounts authorized by state statutes, tax propositions, budget ordinances, and management's authorization.

Unresolved -
management letter 2003-1.

2002-2 Related Party Transactions

The auditors were not provided from each juror a completed related party questionnaire as prepared and requested by the auditors.

Resolved.

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, 2003, and have issued our report thereon dated May 14, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

As part of our examination, we have issued our report on internal control and compliance with laws, regulations, contracts, and grants, dated May 14, 2004.

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.

2003-1 Repayment of Amounts Due to Other Funds

- Criteria: Deposits to and expenditures from individual funds should be restricted to those amounts authorized by state statutes, tax propositions, budget ordinances, and management's authorization.
- Condition: Amounts have been recorded as payable to other funds resulting from amounts being deposited into or payments being made from an incorrect fund, coding errors, etc.
- Cause: Errors were made when completing records and making deposits. The Jury was not specifically requested to approve the change of funds from which payments were being made.
- Effect: 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. Formal approval should be given by the Jury prior to the change of payments being made from one fund to another.

Management's
response and
planned cor-
rective action:

We concur in the finding. As funds become available, amounts due to other funds will be repaid and formal approval will be granted prior to a change in funds from which payments are made.

2003-2 Amendments to Procedure Manual

Criteria:

Management is responsible for establishing procedures that provide reasonable assurance that transactions are executed in accordance with management's authorizations.

Condition:

The amendments to the procedure manual approved by the Jury in December 2003, to be effective for January 2004, resulted in no stated policy as to the earning of sick leave days nor as to the payment of accrued annual or sick leave upon the resignation or retirement of an employee of the Jury.

Cause:

Management assumed the policies were understood without being in writing.

Effect:

Transactions may occur upon the resignation or retirement of an employee of the Jury not in accordance with management's verbal understanding of the policies.

Recommendation:

Additional amendments should be made to the procedure manual to address the policies of earning sick leave days and to the payment of accrued annual or sick leave upon the resignation or retirement of an employee of the Jury.

Management's
response and
planned cor-
rective action:

We concur in the finding and will address the matter.

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

Hill, Morgan & Co.

May 14, 2004