

RED RIVER PARISH POLICE JURY
Coushatta, Louisiana

Primary Government Financial Statements
With Independent Auditors' Report
As of and for the Year Ended
December 31, 2003
With Supplemental Information Schedules

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the 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 6-30-04

RED RIVER PARISH POLICE JURY
Coushatta, Louisiana

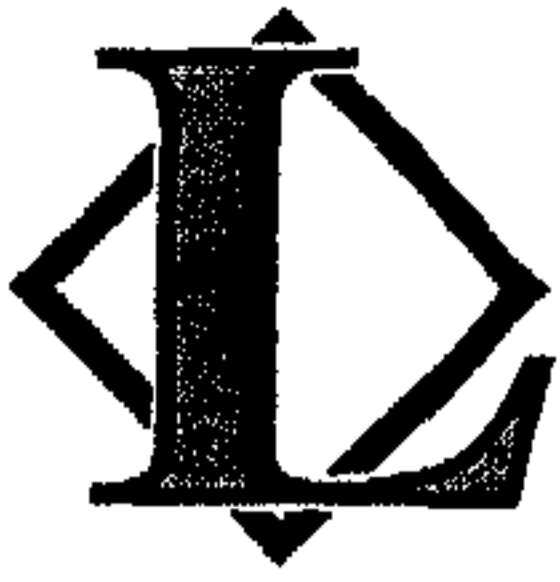
Primary Government Financial Statements
With Independent Auditors' Report
As of and for the Year Ended
December 31, 2003
With Supplemental Information Schedules

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LITTLE & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

Wm. TODD LITTLE, CPA
CHARLES R. MARCHBANKS, JR., CPA

Independent Auditors' Report

RED RIVER PARISH POLICE JURY
Coushatta, Louisiana

We have audited the primary government financial statements of the Red River Parish Police Jury, as of December 31, 2003, and for the year then ended, as listed in the table of contents. These primary government financial statements are the responsibility of the Red River Parish Police Jury's management. Our responsibility is to express an opinion on these primary government financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards and the *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 primary government financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the primary government 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 Red River Parish Police Jury, as of December 31, 2003, and the results of its operations for the year then ended, in conformity with U.S. generally accepted accounting principles.

However, the primary government financial statements, because they do not include the financial data of component units of the Red River Parish Police Jury, do not purport to, and do not, present fairly the financial position of the Red River Parish Police Jury at December 31, 2003, and results of its operations for the year then ended in conformity with U.S. generally accepted accounting principles.

RED RIVER PARISH POLICE JURY

Coushatta, Louisiana

Independent Auditors' Report

December 31, 2003

Our audit was made for the purpose of forming an opinion on the primary government financial statements taken as a whole. The supplemental information schedules listed in the table of contents are presented for the purpose of additional analysis and are not a required part of the primary government financial statements of the Red River 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 29, 2004, on our consideration of the Red River Parish Police Jury's internal control over financial reporting and 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.

Little & Associates

Monroe, Louisiana

April 29, 2004

**PRIMARY GOVERNMENT FINANCIAL STATEMENTS
(OVERVIEW)**

RED RIVER PARISH POLICE JURY
Coushatta, Louisiana
ALL FUND TYPES AND ACCOUNT GROUPS

Combined Balance Sheet
December 31, 2003

| | ...GOVERNMENTAL FUND TYPE... | | | ...ACCOUNT GROUPS... | | TOTAL (MEMORANDUM ONLY) |
|--|------------------------------|-----------------------------|--------------------------------------|----------------------------|-------------------------------------|-------------------------------|
| | GENERAL FUND | SPECIAL REVENUE FUNDS | LCDBG CAPITAL PROJECTS FUND | GENERAL FIXED ASSETS | GENERAL LONG-TERM OBLIGATIONS | |
| ASSETS AND OTHER DEBITS | | | | | | |
| Cash and cash equivalents | \$98,255 | \$1,027,597 | | | | \$1,125,852 |
| Receivables | 232,246 | 443,231 | \$23,625 | | | 699,102 |
| Due from other funds | 5,090 | 1,478 | | | | 6,568 |
| Deposits | 60 | | | | | 60 |
| Land, buildings, equipment, and improvements | | | | \$8,269,522 | | 8,269,522 |
| Amount to be provided for retirement of long-term obligations | | | | | \$18,941 | |
| TOTAL ASSETS AND OTHER DEBITS | <u>\$335,651</u> | <u>\$1,472,306</u> | <u>\$23,625</u> | <u>\$8,269,522</u> | <u>\$18,941</u> | <u>\$10,120,045</u> |
| LIABILITIES AND FUND EQUITY | | | | | | |
| Liabilities: | | | | | | |
| Bank overdraft | | \$129,315 | | | | \$129,315 |
| Accounts payable | \$21,092 | 62,095 | \$23,625 | | | 106,812 |
| Payroll payable | 6,667 | | | | | 6,667 |
| Payroll withholdings payable | 29,867 | 9,692 | | | | 39,559 |
| Deferred revenue | | 78,333 | | | | 78,333 |
| Due to other funds | | 6,568 | | | | 6,568 |
| Due to others | | 5,868 | | | | 5,868 |
| Compensated absences payable | | | | | \$15,635 | 15,635 |
| Bonds payable | | | | | 3,306 | 3,306 |
| Total Liabilities | <u>57,626</u> | <u>291,871</u> | <u>23,625</u> | <u>NONE</u> | <u>18,941</u> | <u>392,063</u> |
| Equity: | | | | | | |
| Investments in general fixed assets | | | | \$8,269,522 | | 8,269,522 |
| Fund balances: | | | | | | |
| Unreserved - undesignated | 278,025 | 1,180,435 | | | | 1,458,460 |
| Total Fund Equity | <u>278,025</u> | <u>1,180,435</u> | <u>NONE</u> | <u>8,269,522</u> | <u>NONE</u> | <u>9,727,982</u> |
| TOTAL LIABILITIES AND FUND EQUITY | <u>\$335,651</u> | <u>\$1,472,306</u> | <u>\$23,625</u> | <u>\$8,269,522</u> | <u>\$18,941</u> | <u>\$10,120,045</u> |

The accompanying notes are an integral part of this statement.

RED RIVER PARISH POLICE JURY
Coushatta, Louisiana
GOVERNMENTAL FUND TYPE

Combined Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended December 31, 2003

| | GENERAL FUND | SPECIAL REVENUE FUNDS | LCDBG CAPITAL PROJECTS FUND | TOTAL (MEMORANDUM ONLY) |
|--|-----------------|-----------------------------|--------------------------------------|-------------------------------|
| REVENUES | | | | |
| Taxes: | | | | |
| Ad valorem | \$76,127 | \$293,903 | | \$370,030 |
| Sales and use | | 631,958 | | 631,958 |
| Other taxes, penalties, and interest | 9,698 | | | 9,698 |
| Licenses and permits | 30,101 | | | 30,101 |
| Intergovernmental revenues: | | | | |
| Federal funds - federal grants | 88,694 | 409,964 | \$174,714 | 673,372 |
| State funds: | | | | |
| Parish transportation funds | | 118,558 | | 118,558 |
| State revenue sharing (net) | 21,827 | 46,888 | | 68,715 |
| Severance taxes | 226,170 | | | 226,170 |
| Other state funds | 158,291 | 68,548 | | 226,839 |
| Local funds | 58,128 | | | 58,128 |
| Fees, charges, and commissions for services | | 28,207 | | 28,207 |
| Fines and forfeitures | | 74,725 | | 74,725 |
| Use of money and property | 1,154 | 49,930 | | 51,084 |
| Other revenues | 7,237 | 4,125 | | 11,362 |
| Total revenues | <u>677,427</u> | <u>1,726,806</u> | <u>174,714</u> | <u>2,578,947</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government: | | | | |
| Legislative | 136,227 | | | 136,227 |
| Judicial | 74,395 | 120,179 | | 194,574 |
| Elections | 21,045 | | | 21,045 |
| Finance and administrative | 106,561 | 10,051 | 23,733 | 140,345 |
| Public safety | 77,622 | 145,572 | | 223,194 |
| Public works | | 864,972 | | 864,972 |
| Health and welfare | | 402,525 | | 402,525 |
| Culture and recreation | | 144,870 | | 144,870 |
| Economic development and assistance | 9,684 | | | 9,684 |

(Continued)

RED RIVER PARISH POLICE JURY
Coushatta, Louisiana
GOVERNMENTAL FUND TYPE
Combined Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended December 31, 2003

| | GENERAL FUND | SPECIAL REVENUE FUNDS | LCDBG CAPITAL PROJECTS FUND | TOTAL (MEMORANDUM ONLY) |
|---|------------------|-----------------------------|--------------------------------------|-------------------------------|
| EXPENDITURES: (CONTD.) | | | | |
| Current: (Contd.) | | | | |
| Transportation | | \$4,824 | | \$4,824 |
| Debt service | | 1,480 | | 1,480 |
| Capital outlay | \$1,195 | 86,551 | \$150,981 | 238,727 |
| Intergovernmental | 238,284 | | | 238,284 |
| Total expenditures | <u>665,013</u> | <u>1,781,024</u> | <u>174,714</u> | <u>2,620,751</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | | | | |
| | <u>12,414</u> | <u>(54,218)</u> | NONE | <u>(41,804)</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Compensation for damaged assets | | 7,981 | | 7,981 |
| Operating transfers in | 800 | 772,000 | | 772,800 |
| Operating transfers out | | (772,800) | | (772,800) |
| Total other financing sources (uses) | <u>800</u> | <u>7,181</u> | NONE | <u>7,981</u> |
| EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES | | | | |
| | <u>13,214</u> | <u>(47,037)</u> | NONE | <u>(33,823)</u> |
| FUND BALANCES AT BEGINNING OF YEAR | | | | |
| | <u>264,811</u> | <u>1,227,472</u> | NONE | <u>1,492,283</u> |
| FUND BALANCES AT END OF YEAR | | | | |
| | <u>\$278,025</u> | <u>\$1,180,435</u> | NONE | <u>\$1,458,460</u> |

(Concluded)

The accompanying notes are an integral part of this statement.

RED RIVER PARISH POLICE JURY
Coushatta, Louisiana
GOVERNMENTAL FUND TYPE - GENERAL
AND SPECIAL REVENUE FUNDS

Combined Statement of Revenues, Expenditures,
and Changes in Fund Balances - Budget
(Cash) Basis and Actual
For the Year Ended December 31, 2003

| |GENERAL FUND.... | | |SPECIAL REVENUE FUNDS.... | | |
|--------------------------------------|----------------------|----------------|--|-------------------------------|------------------|--|
| | <u>BUDGET</u> | <u>ACTUAL</u> | VARIANCE FAVORABLE (UNFAVORABLE) | <u>BUDGET</u> | <u>ACTUAL</u> | VARIANCE FAVORABLE (UNFAVORABLE) |
| REVENUES | | | | | | |
| Taxes: | | | | | | |
| Ad valorem | \$70,000 | \$73,935 | \$3,935 | \$281,502 | \$292,863 | \$11,361 |
| Sales and use | | | | 640,500 | 629,150 | (11,350) |
| Other taxes, penalties, and interest | 10,000 | 10,460 | 460 | | | |
| Licenses and permits | 30,112 | 30,101 | (11) | | | |
| Intergovernmental revenues: | | | | | | |
| Federal grants | 60,000 | 88,234 | 28,234 | 389,116 | 390,462 | 1,346 |
| State funds: | | | | | | |
| Parish transportation funds | | | | 120,000 | 118,982 | (1,018) |
| State revenue sharing (net) | 20,000 | 23,434 | 3,434 | 37,362 | 40,668 | 3,306 |
| Severance taxes | 190,000 | 218,631 | 28,631 | | | |
| Other state funds | 168,399 | 128,957 | (39,442) | 95,324 | 103,116 | 7,792 |
| Local funds | 52,152 | 59,080 | 6,928 | | | |
| Fees, charges, and commissions | | | | | | |
| for services | | | | 27,050 | 27,565 | 515 |
| Fines and forfeitures | | | | 104,250 | 88,237 | (16,013) |
| Use of money and property | 1,624 | 1,154 | (470) | 52,188 | 52,098 | (90) |
| Other revenues | 12,000 | 12,237 | 237 | 12,417 | 13,854 | 1,437 |
| Total revenues | <u>614,287</u> | <u>646,223</u> | <u>31,936</u> | <u>1,759,709</u> | <u>1,756,995</u> | <u>(2,714)</u> |
| EXPENDITURES | | | | | | |
| Current: | | | | | | |
| General government: | | | | | | |
| Legislative | 134,284 | 133,618 | 666 | | | |
| Judicial | 76,018 | 74,687 | 1,331 | 118,768 | 120,283 | (1,515) |
| Elections | 31,719 | 31,585 | 134 | | | |
| Finance and administrative | 110,279 | 108,368 | 1,911 | 31,544 | 10,140 | 21,404 |
| Public safety | 70,773 | 70,486 | 287 | 189,592 | 190,799 | (1,207) |
| Public works | | | | 878,536 | 844,973 | 33,563 |
| Health and welfare | | | | 391,746 | 398,212 | (6,466) |
| Culture and recreation | | | | 144,149 | 146,819 | (2,670) |
| Economic development and assistance | 4,920 | 9,974 | (5,054) | | | |
| Transportation | | | | 39,268 | 5,045 | 34,223 |

(Continued)

RED RIVER PARISH POLICE JURY
Coushatta, Louisiana
GOVERNMENTAL FUND TYPE - GENERAL
AND SPECIAL REVENUE FUNDS
Combined Statement of Revenues, Expenditures,
and Changes in Fund Balances - Budget
(Cash) Basis and Actual
For the Year Ended December 31, 2003

| | ...GENERAL FUND... | | | ...SPECIAL REVENUE FUNDS... | | |
|---|--------------------|-----------------|---|-----------------------------|------------------|---|
| | <u>BUDGET</u> | <u>ACTUAL</u> | <u>VARIANCE FAVORABLE (UNFAVORABLE)</u> | <u>BUDGET</u> | <u>ACTUAL</u> | <u>VARIANCE FAVORABLE (UNFAVORABLE)</u> |
| EXPENDITURES (CONTD.) | | | | | | |
| Debt service | | | | \$1,480 | \$1,480 | |
| Capital Outlay | \$2,000 | \$2,331 | (\$331) | 29,738 | 45,601 | (\$15,863) |
| Intergovernmental | 250,760 | 259,066 | (8,306) | | | |
| Total expenditures | <u>680,753</u> | <u>690,115</u> | <u>(9,362)</u> | <u>1,824,821</u> | <u>1,763,352</u> | <u>61,469</u> |
| EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES | <u>(66,466)</u> | <u>(43,892)</u> | <u>22,574</u> | <u>(65,112)</u> | <u>(6,357)</u> | <u>58,755</u> |
| OTHER FINANCING SOURCES (Uses) | | | | | | |
| Compensation for damaged assets | | | | 1,701 | 7,935 | 6,234 |
| Operating transfers in | 800 | 800 | | 772,000 | 772,000 | |
| Operating transfer out | | | | (772,800) | (772,800) | |
| Total other financing sources (uses) | <u>800</u> | <u>800</u> | <u>NONE</u> | <u>901</u> | <u>7,135</u> | <u>6,234</u> |
| EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES | <u>(65,666)</u> | <u>(43,092)</u> | <u>22,574</u> | <u>(64,211)</u> | <u>778</u> | <u>64,989</u> |
| FUND BALANCES AT BEGINNING OF YEAR | <u>137,382</u> | <u>112,493</u> | <u>(24,889)</u> | <u>600,164</u> | <u>828,121</u> | <u>227,957</u> |
| FUND BALANCES AT END OF YEAR | <u>\$71,716</u> | <u>\$69,401</u> | <u>(\$2,315)</u> | <u>\$535,953</u> | <u>\$828,899</u> | <u>\$292,946</u> |

(Concluded)

The accompanying notes are an integral part of this statement.

RED RIVER PARISH POLICE JURY
Coushatta, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 2003

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Red River Parish Police Jury is the governing authority for Red River Parish and is a political subdivision of the State of Louisiana. The police jury is governed by seven jurors representing the various districts within the parish. The jurors serve four-year terms which expire on January 1, 2008.

Louisiana Revised Statute 33:1236 gives the police jury various powers in regulating and directing the affairs of the parish and its inhabitants. The more notable of those are the powers to make regulations for their own government, to regulate the construction and maintenance of roads and bridges, to regulate the construction and maintenance of 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.

In accomplishing its objectives, the police 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, drainage control, library facilities, and health care facilities.

A. REPORTING ENTITY

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

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

1. Appointing a voting majority of an organization's governing body,
and:

RED RIVER PARISH POLICE JURY
 Coushatta, Louisiana
 Notes to the Financial Statements (Continued)

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

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

| Component Unit | Fiscal Year End | Criteria Used |
|---|--------------------|------------------|
| Red River Parish Library | December 31 | 1, 2, and 3 |
| Thirty-Ninth Judicial District Criminal Court | December 31 | 2 and 3 |
| Red River Parish Fire District | December 31 | 1 and 3 |
| Springville Sewer District | December 31 | 1, 2, and 3 |
| Red River Parish Tax Assessor | December 31 | 2 and 3 |
| Red River Parish Clerk of Court | June 30 | 2 and 3 |
| Red River Parish Sheriff | June 30 | 2 and 3 |

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

These primary government (police jury) financial statements include all funds, account groups, and organizations for which the police jury maintains the accounting records. The organizations for which the police jury maintains the accounting records are considered part of the primary government (police jury) and include the Red River Parish Library, the Thirty-Ninth Judicial District Criminal Court, and the Springville Sewer District. In 2003, the Board of Commissioners of the Red River Parish Fire Protection District, upon receiving Legislative approval, separated the fire district's accounting from that of the police jury. As a result, the fire district's financial position and operations as of and for the year ended

RED RIVER PARISH POLICE JURY
Coushatta, Louisiana
Notes to the Financial Statements (Continued)

December 31, 2003, are not in the police jury's financial statements.

GASB Statement 14 provides for the issuance of primary government financial statements that are separate from those of the reporting entity. However, the primary government's (police jury) financial statements are not a substitute for the reporting entity's financial statements. The accompanying primary government financial statements have been prepared in conformity with generally accepted accounting principles as applied to governmental units. These financial statements are not intended to and do not report on the reporting entity but rather are intended to reflect only the financial statements of the primary government (police jury).

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

B. FUND ACCOUNTING

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

A fund is a separate accounting entity with a self-balancing set of accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities (general fixed assets and general long-term obligations) that are not recorded in the "funds" because they do not directly affect net expendable available financial resources. They are concerned only with the measurement of financial position, not with the measurement of results of operations.

Funds are classified into three categories; governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types". Governmental funds are used to account for a government's general activities, where the focus of attention is on the providing of services to the public as opposed to proprietary funds where the focus of attention is on recovering the cost of providing services to the public or other agencies through service charges or user fees. Fiduciary funds are used to account for assets held for others. The current operations of the police jury require the use of governmental funds. The fund types used by the police jury are described as follows:

RED RIVER PARISH POLICE JURY
Coushatta, Louisiana
Notes to the Financial Statements (Continued)

Governmental Funds:

General Fund

The General Fund is the general operating fund of the police jury. It accounts for all activities except those required to be accounted for in other funds.

Special Revenue Funds

Special revenue funds are used to account for the proceeds of specific revenue sources such as ad valorem taxes, sales taxes, and federal grants. Those revenues are legally restricted, either by tax proposition or grant agreement, to expenditures for specified purposes such as road and bridge maintenance and construction, library operation, solid waste collection and disposal, etc. The general funds of component units are presented as special revenue funds in the accompanying primary government financial statements.

Debt Service Funds

Debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

**Community Development Block Grant
Capital Projects Fund**

The Community Development Block Grant Fund accounts for the administration of the fire station construction and equipment acquisition program. Financing is provided by federal grants from the United States Department of Housing and Urban Development through the Office of the Governor, Division of Administration. The objectives of the Community Development Block Grant Program are the development of viable urban communities, decent housing and a suitable living environment, and expanded economic opportunities to be achieved through the undertaking of eligible activities that fulfill one or more of three broad national objectives: (1) benefitting low and moderate income persons, (2) aiding in the prevention or elimination of slums or blight, and (3) meeting other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community and other financial resources are not available to meet such needs.

C. GENERAL FIXED ASSETS AND LONG-TERM DEBT

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures (capital outlay) in governmental funds and the related assets are reported in the general fixed assets account group. All purchased fixed assets are valued at cost where historical records are available and at estimated cost where no historical records are available. Donated fixed assets are recorded at their fair market value on the date donated. The value of library books is recorded on a moving average basis. Approximately 12% of police jury general fixed assets are valued at estimated historical cost based on the actual cost of like items while the remaining 88% are recorded at their actual historical cost.

The costs of normal maintenance and repairs that do not add to the value of fixed assets or materially extend their useful lives are not capitalized but are only recognized as a normal current expenditure of the governmental funds. Public domain or infrastructure general fixed assets consisting of roads, bridges and drainage systems are not capitalized, as these assets are immovable and of value only to the police jury. No depreciation is recognized on general fixed assets.

Long-term debt, such as bonded debt and capital leases, are normally recognized as liabilities of governmental funds only when due. The exception to this is payment on long-term bonded debt when the principal and interest payments are due early in the following year and funds have been transferred to the debt service fund before year-end. In this case debt service is recognized in the year in which the transfer is made rather than the year in which payment is due.

D. BASIS OF ACCOUNTING

The financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities normally are included on the balance sheet. Operating statements for these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used for reporting all governmental and fiduciary fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The police jury uses the following practices in recognizing and reporting revenues and expenditures:

RED RIVER PARISH POLICE JURY
Coushatta, Louisiana
Notes to the Financial Statements (Continued)

Revenues

Ad valorem taxes and related state revenue sharing are budgeted as revenues in the year the taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis and attach as an enforceable lien and become due and payable on the date the tax rolls are filed with the recorder of mortgages. Louisiana Revised Statute 47:1995 requires that the tax roll be filed on or before November 15 of each year. Ad valorem taxes become delinquent if not paid by December 31. The taxes are normally collected in December of the current year and January and February of the ensuing year.

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

Sales taxes are recognized in the month collected by the Red River Parish Sales and Use Tax Commission (collection agent).

Interest income on time deposits is recorded when the time deposits have matured and the income is available.

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

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

Expenditures

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

Other Financing Sources (Uses)

Sales of fixed assets, insurance recovery and transfers between funds which are not expected to be repaid are accounted for as other financing sources (uses) and are recognized when the underlying events occur.

RED RIVER PARISH POLICE JURY
 Coushatta, Louisiana
 Notes to the Financial Statements (Continued)

E. BUDGET PRACTICES

The police jury adopts annual cash basis budgets for the General Fund and all special revenue funds. The proposed budgets are prepared by the treasurer and the finance committee of the police jury during November of each year. The availability of the proposed budgets for public inspection and the date of the public hearing on the budgets are advertised in the official journal. Prior to its regular December meeting, the police jury holds 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 police jury as a whole. The budgets are then adopted during the police jury's regular December meeting, and notice is published in the official journal.

Budget comparisons are prepared by the treasurer and are presented to the jury on a monthly basis. The treasurer presents necessary budget amendments to the jury during the year when, in her judgment, actual operations are differing materially from those anticipated in the original budget. The jury, during a regular meeting, reviews the proposed amendments, makes changes as they feel necessary, and formally adopts the amendments. The adoption of amendments is included in police jury minutes published in the official journal.

The police jury exercises budgetary control at the functional level. Within functions, the treasurer has the authority to make amendments, as necessary. Unexpended appropriations lapse at year end and must be reappropriated in the next year's budget to be expended.

Budget comparison statements included in the accompanying financial statements include the original adopted budgets and all subsequent amendments. The following schedule reconciles the excess of revenues and other sources over expenditures and other uses as shown on the budget comparison Statement C (budget basis) to the same amounts shown on Statement B (GAAP basis):

| | <u>General Fund</u> | <u>Special Revenue Funds</u> |
|---|-------------------------|--------------------------------------|
| Excess of revenues and other sources over expenditures (budget basis) | (\$43,092) | \$778 |
| Adjustments: | | |
| Accounts receivable | 31,609 | (8,320) |
| Accounts payable | 23,251 | (23,242) |
| Payroll withholdings payable | (1,741) | 2,702 |
| Interfunds receivable | 3,187 | (20,000) |
| Interfunds payable | | 10,049 |

RED RIVER PARISH POLICE JURY
 Coushatta, Louisiana
 Notes to the Financial Statements (Continued)

| | General Fund | Special Revenue Funds |
|---|-------------------|-----------------------------|
| Deferred revenue | <u> </u> | <u>(9,004)</u> |
| Excess (Deficiency) of revenues and other sources over expenditures and other uses | <u>\$13,214</u> | <u>(\$47,037)</u> |

The following schedule reconciles actual ending fund balances as shown on Statement C with cash on Statement A:

| | General Fund | Special Revenue Funds |
|---|-----------------|-----------------------------|
| Fund balances at end of year - Statement C | \$69,401 | \$828,899 |
| Adjustments for: | | |
| Payroll account | 29,866 | |
| Due from other funds | (952) | |
| Meter deposits | (60) | |
| Customer deposits | | 50 |
| Deferred revenue | | <u>69,333</u> |
| Cash and cash equivalents (net) - Statement A | <u>\$98,255</u> | <u>\$898,282</u> |

F. CASH AND CASH EQUIVALENTS

Under state law, the police jury may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having principal offices in Louisiana.

At December 31, 2003, the police jury has cash and cash equivalents, net of cash overdrafts (book balances) totaling \$996,537, which includes \$129,315 in bank overdrafts, as follows:

| | |
|------------------------|------------------|
| Demand deposits | \$491,330 |
| Cash in state treasury | 63,309 |
| Petty cash | 70 |
| Time deposits | <u>441,828</u> |
| Total | <u>\$996,537</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

RED RIVER PARISH POLICE JURY
 Coushatta, Louisiana
 Notes to the Financial Statements (Continued)

securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Cash and cash equivalents (bank balances) are fully secured at December 31, 2003, as follows:

| | |
|---------------------------------------|--------------------|
| Bank Balances | <u>\$979,911</u> |
| Federal deposit insurance | \$400,000 |
| Pledged securities (uncollateralized) | <u>1,383,887</u> |
| Total | <u>\$1,783,887</u> |

Because the pledged securities are held by a custodial bank in the name of the fiscal agent bank rather than in the name of the police jury, they are considered uncollateralized (Category 3) under the provisions of GASB Codification C20.106; however, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the police jury that the fiscal agent bank has failed to pay deposited funds upon demand. Further, LRS 39:1224 provides that securities held by a third party shall be deemed to be held in the police jury's name.

G. VACATION AND SICK LEAVE

Employees of the police jury earn from 5 to 15 days of vacation leave each year, depending upon length of service, and 12 days of sick leave. Employees may carry forward a maximum of 10 days unused vacation leave to succeeding years. Upon separation from employment, employees are paid for unused vacation leave at their then current hourly rate of pay. Employees may carry forward unused sick leave to succeeding years, with no maximum cap. Accrued sick leave is forfeited upon separation from employment.

Employees of the Red River Parish Library earn from 12 to 24 days of vacation leave each year, depending on their length of service and professional status. A maximum of three days accrued vacation leave may be carried forward to succeeding calendar years. Upon separation of employment, employees are compensated for unused vacation leave at the employee's current rate of pay. Employees earn up to 12 days of sick leave each year, based on employment status. A maximum of 25 days accrued sick leave may be carried forward to succeeding calendar years. Employees are not paid for unused sick leave upon separation.

Employees of the criminal court earn from 5 to 15 days of vacation leave and 12 days of sick leave each year, based on their length of service. Employees may carry forward a maximum of 10 days unused vacation leave to succeeding years. Upon separation from employment, employees are paid for unused vacation leave at their then current hourly rate of pay. Employees may carry

RED RIVER PARISH POLICE JURY
Coushatta, Louisiana
Notes to the Financial Statements (Continued)

forward unused sick leave to succeeding years, with no maximum cap. Accrued sick leave is forfeited upon separation from employment.

At December 31, 2003, employees have accumulated and vested \$15,635 of employee leave benefits, computed in accordance with GASB Codification Section C60. The liability is recorded within the general long-term obligations account group.

The cost of leave privileges, computed in accordance with the previous codification, is recognized as a current-year expenditure within the governmental funds when leave is actually taken or when employees are paid for accrued sick leave upon retirement, while the cost of leave privileges not requiring current resources is recorded in the general long-term obligations account group.

H. SALES TAX

On October 27, 1979, voters of the parish approved a one per cent sales and use tax which is dedicated for the purpose of construction, operation, and maintenance of a parish jail facility, with any surplus proceeds to be used for capital outlay, operation and maintenance costs associated with the parish highway system, the parish garbage collection and disposal system, other parish-owned buildings and properties, and necessary administrative expenses relating to the collection and disbursement of such proceeds. The tax became effective on January 1, 1980, and runs for an indefinite period of time.

I. TOTAL COLUMNS ON COMBINED STATEMENTS

Total columns on the combined statements are captioned Memorandum Only (overview) 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.

J. RISK MANAGEMENT

The police jury is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; liability; and injuries to employees and others. To handle such risk of loss, the police jury maintains commercial insurance policies covering; automobile insurance; general liability; and surety bond coverage on the secretary, treasurer and other employees handling money. No claims were paid on any of the policies during the past three years which exceeded the policies' coverage amounts.

RED RIVER PARISH POLICE JURY
 Coushatta, Louisiana
 Notes to the Financial Statements (Continued)

2. LEVIED TAXES

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

| | <u>Authorized Millage</u> | <u>Levied Millage</u> | <u>Expiration Date</u> |
|------------------------------------|-------------------------------|---------------------------|----------------------------|
| Parishwide taxes: | | | |
| General Fund: | | | |
| Inside municipalities | 2.00 | 1.79 | Indefinite |
| Outside municipalities | 4.00 | 3.58 | Indefinite |
| Public Facilities Maintenance Fund | 3.00 | 3.00 | 2008 |
| Health Unit Fund | 2.00 | 2.00 | 2008 |
| Library Fund | 7.00 | 7.00 | 2012 |

The difference between authorized and levied millages is the result of reassessments of taxable property required by Article 7, Section 18(f) of the Louisiana Constitution of 1974.

The following are the principal taxpayers for the parish and their 2003 assessed valuation (amounts expressed in thousands):

| | <u>2003 Assessed Valuation</u> | <u>Per cent of Total Assessed Valuation</u> |
|--------------------------------|--|---|
| Central LA Electric Co., Inc. | \$2,627 | 7.38% |
| Hood Industries, Inc. | 1,368 | 3.84% |
| Bellsouth Telecommunications | 1,164 | 3.27% |
| Bank of Coushatta | 995 | 2.80% |
| Red River Mining Co. | 782 | 2.20% |
| Almond Bros. Lumber & Supply | 766 | 2.15% |
| WestPoint Stevens, Inc.. | 775 | 2.18% |
| Texas Eastern Pro Pipeline Co. | 718 | 2.02% |
| Union Pacific Railroad Co. | 609 | 1.71% |
| Sustainable Forests, L.L.C. | 574 | 1.61% |
| Total | <u>\$10,378</u> | <u>29.16%</u> |

3. RECEIVABLES

The following is a summary of receivables at December 31, 2003:

RED RIVER PARISH POLICE JURY
 Coushatta, Louisiana
 Notes to the Financial Statements (Continued)

| | General Fund | Special Revenue Funds | LCDBG Capital Projects Fund | Total |
|------------------|------------------|-----------------------------|--------------------------------------|------------------|
| Taxes: | | | | |
| Ad valorem | \$80,473 | \$314,611 | | \$395,084 |
| Sales | | 67,806 | | 67,806 |
| Grants - Federal | | | \$23,625 | 23,625 |
| Grants - State | 151,773 | 55,458 | | 207,231 |
| Other | | 5,356 | | 5,356 |
| Total | \$232,246 | \$443,231 | \$23,625 | \$699,102 |

4. CHANGES IN GENERAL FIXED ASSETS

The following are changes in general fixed assets for the year ended December 31, 2003:

| | Balance at January 1 | Additions | Deletions | Balance at December 31 |
|---------------------------|-------------------------|------------------|----------------------|---------------------------|
| Police Jury: | | | | |
| Land | \$144,334 | | | \$144,334 |
| Buildings | 4,506,301 | | | 4,506,301 |
| Equipment and furniture | 1,349,613 | \$22,815 | | 1,372,428 |
| Other improvements | 722,374 | | | 722,374 |
| Sewer improvements | 579,053 | | | 579,053 |
| Construction in Progress | | 38,137 | | 38,137 |
| Subtotal | <u>7,301,675</u> | <u>60,952</u> | <u>NONE</u> | <u>7,362,627</u> |
| Library: | | | | |
| Buildings | 353,040 | | | 353,040 |
| Equipment | 163,991 | 1,638 | | 165,629 |
| Library books | 368,999 | 25,156 | (5,929) | 388,226 |
| Subtotal | <u>886,030</u> | <u>26,794</u> | <u>(5,929)</u> | <u>906,895</u> |
| Fire Protection District: | | | | |
| Buildings | 341,796 | \$116,766 | (\$458,562) | NONE |
| Firefighting Equipment | 1,246,123 | \$34,215 | (\$1,280,338) | NONE |
| Construction in Progress | 10,200 | | (\$10,200) | NONE |
| Subtotal | <u>1,598,119</u> | <u>150,981</u> | <u>(1,749,100)</u> | <u>NONE</u> |
| Total | \$9,785,824 | \$238,727 | (\$1,755,029) | \$8,269,522 |

RED RIVER PARISH POLICE JURY
Coushatta, Louisiana
Notes to the Financial Statements (Continued)

5. PENSION PLAN

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

All permanent employees working at least twenty-eight hours per week who are paid wholly or in part from parish funds and all elected parish officials are eligible to participate in the System. Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 per cent of their final average salary for each year of creditable service. However, for those employees who were members of the supplemental plan only before January 1, 1980, the benefit is equal to one per cent of final average salary plus \$24 for each year of supplemental-plan-only service earned before January 1, 1980, plus 3 per cent of final-average salary for each salary for each year of service credited after the revision date. Final average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefits 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 report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the retirement system, Post Office Box 14619, Baton Rouge, La 70898-4619, or by calling (504) 928-1361.

Under Plan A, members are required by state statute to contribute 9.50 per cent of their annual covered salary and the Red River Parish Police Jury is required to contribute at an actuarially determined rate. The current rate is 7.75 per cent of annual covered payroll. Contributions to the system also include one-fourth of one per cent (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 Red River Parish Police Jury are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Red River Parish Police Jury's contributions to the System under Plan A for the years ending December 31, 2003, 2002, and 2001, were \$39,415, \$41,402, and \$42,281, respectively, equal to the required contributions for each year.

RED RIVER PARISH POLICE JURY
 Coushatta, Louisiana
 Notes to the Financial Statements (Continued)

6. CHANGES IN GENERAL LONG-TERM DEBT

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

| | <u>Bonded Debt</u> | <u>Compensated Absences</u> | <u>Total</u> |
|------------------------------|------------------------|---------------------------------|-----------------|
| Balance at January 1, 2003 | \$4,408 | \$12,962 | \$17,370 |
| Additions | NONE | 14,382 | 14,382 |
| Reductions | <u>(1,102)</u> | <u>(11,709)</u> | <u>(12,811)</u> |
| Balance at December 31, 2003 | <u>\$3,306</u> | <u>\$15,635</u> | <u>\$18,941</u> |

General obligation bonds payable at December 31, 2003, are comprised of the following individual issues:

Police Jury Bonded Debt:

Jail Construction and Renovation Bond - \$858,000 - issue of May 1, 1981, due in annual installments of \$1,102 to \$28,245 through May 1, 2006; interest at 9.40 to 9.80 per cent. For the years 1982 through 1991 (ten years), the jury transferred \$6,331 annually to a reserve account. The reserve amount is shown in the Jail Reserve Operating Special Revenue Fund and debt retirement payments are made from the fund.

\$3,306

On February 1, 2004, the outstanding indebtedness on the Jail Construction and Renovation Bond in the amount of \$3,306 (principal) and \$81 (interest) was paid in full from a \$63,309 bond reserve held by the Louisiana State Bond Commission. The net remaining amount of the bond reserve, \$59,922, was remitted to the police jury.

7. CRIMINAL COURT FUND

Louisiana Revised Statute 15:571.11 requires that one-half of any balance remaining in the criminal court fund at year end be transferred to the parish General Fund. The balance due to the General Fund at December 31, 2003, was \$952.

8. FUND DEFICITS

At December 31, 2003, the Solid Waste Special Revenue Fund has a deficit fund balance of \$18,267. The deficit will be eliminated by reducing expenditures.

RED RIVER PARISH POLICE JURY
Coushatta, Louisiana
Notes to the Financial Statements (Continued)

9. LITIGATION AND CLAIMS

At December 31, 2003, the police jury is a defendant in a lawsuit, the outcome of which is uncertain. The police jury's liability insurance provider is defending the suit on behalf of the police jury. In the event of an unfavorable verdict, the police jury would be liable for any damages that may be awarded that are in excess of its liability insurance policy limit of \$3,000,000.

SUPPLEMENTAL INFORMATION SCHEDULES

RED RIVER PARISH POLICE JURY
Coushatta, Louisiana
SUPPLEMENTAL INFORMATION SCHEDULES
As of and For the Year Ended December 31, 2003

SPECIAL REVENUE FUNDS

PUBLIC WORKS FUNDS

UNIT ONE ROAD FUND

The Unit One Road Fund accounts for the construction of new roads and the maintenance of existing roads. Major means of financing is provided by the State of Louisiana Parish Transportation Fund and federal grants.

PUBLIC FACILITIES MAINTENANCE FUND

The Public Facilities Maintenance Fund accounts for the operation and maintenance of parish buildings. Financing is provided by ad valorem taxes and state revenue sharing.

SOLID WASTE FUND

The Solid Waste Fund accounts for the operation and maintenance of the garbage system. Major means of financing is provided by sales taxes.

SPRINGVILLE SEWER DISTRICT FUND

The Springville Sewer District Fund accounts for the maintenance and operation of the Springville Sewer District. Funding is provided by fees for services.

ROAD/EMERGENCY FUND

The Road/Emergency Fund accounts for purchases of gravel and hot/cold mix, as well as for general emergencies. Funding is provided by state video poker receipts.

HEALTH UNIT FUND

The Health Unit Fund accounts for the receipt of ad valorem taxes and state revenue sharing funds used to subsidize the costs of operating the parish health units.

WITNESS COMPENSATION FUND

The Witness Compensation Fund is used to pay witness fees to law enforcement officers subpoenaed to appear and give testimony in criminal cases. The judges of the Thirty-Ninth Judicial District establish a schedule for witness compensation cost, which is part of the costs of court to be collected in criminal cases.

SALES TAX FUND

Red River Parish has a one per cent parish wide sales and use tax approved by the voters of the parish. The sales tax proposition provides that the net proceeds of the sales tax be used for capital outlay for construction, operation and maintenance expenses associated with a parish jail facility, with any surplus proceeds therefrom to be used for construction, operation and maintenance expenses associated with the parish highway system, the parish garbage collection and disposal system, other parish owned buildings and properties, and necessary administration expenses relating to the collection and disbursements of such proceeds.

JAIL RESERVE OPERATING FUND

The Jail Reserve Operating Fund accounts for the planning, acquisition, construction and renovation of the parish jail facilities. The police jury also provides for the reimbursement to the State of Louisiana for the parish's portion of general obligation bonds issued by the state for the police jury through the Jail Reserve Maintenance Fund. This fund also accounts for operations of the parish jail as authorized in the sales tax proposition. Funding is provided by appropriations from the Sales Tax Fund.

LIBRARY FUND

The Library Fund accounts for the operation and maintenance of the parish library. Financing is provided by ad valorem taxes, state revenue sharing, state library grants and self-generated revenues.

CRIMINAL COURT FUND

The Criminal Court Fund is established under Section 571.11 of Title 15 of the Louisiana Revised Statutes of 1950, which provides that fines and forfeitures imposed by district courts and district attorney conviction fees in criminal cases be transferred to the parish treasurer and deposited into a special Criminal Court Fund account, to be used for the expenses of the criminal court of the parish.

Expenditures are made from the fund on motion of the district attorney and on approval of the district judges. The statute also requires that one-half of the fund balance remaining in the Criminal Court Fund at December 31 of each year be transferred to the parish General Fund.

HOUSING ASSISTANCE - SECTION 8/TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF)

The Section 8 Housing Program provides housing assistance payments to participating owners on behalf of eligible tenants to provide decent, safe and sanitary housing for very low income families at rents they can afford. Housing assistance payments are used to make up the difference between the approved rent due the owner for the dwelling unit and the occupant family's required contribution up to 30 per cent of their adjusted family income toward rent. Funding is provided through the United States Department of Housing and Urban Development.

The Temporary Assistance for Needy Families program is designed to provide rental or mortgage payment assistance to individuals that are at risk of losing their housing, to provide rental and/or deposit assistance for a family to obtain housing due to an emergency situation, and to provide other types of housing assistance.

RED RIVER PARISH POLICE JURY
Coushatta, Louisiana
SPECIAL REVENUE FUNDS

Combining Balance Sheet
December 31, 2003

| | PUBLIC WORKS | HEALTH UNIT | WITNESS | SALES TAX | JAIL RESERVE OPERATING | LIBRARY | CRIMINAL COURT | HOUSING ASSISTANCE - SECTION 8/TANF | TOTAL |
|---|------------------|------------------|----------------|------------------|------------------------|------------------|----------------|-------------------------------------|--------------------|
| ASSETS | | | | | | | | | |
| Cash and cash equivalents | \$118,922 | \$230,051 | \$542 | \$116,338 | \$63,309 | \$410,146 | | \$88,289 | \$1,027,597 |
| Accounts receivable | 110,803 | 57,154 | 275 | 67,807 | | 203,253 | \$3,939 | | 443,231 |
| Due from other funds | | 812 | 666 | | | | | | 1,478 |
| TOTAL ASSETS | \$229,725 | \$288,017 | \$1,483 | \$184,145 | \$63,309 | \$613,399 | \$3,939 | \$88,289 | \$1,472,306 |
| LIABILITIES AND FUND EQUITY | | | | | | | | | |
| Liabilities: Deposits due others | | | | | | | | | |
| Bank overdraft | \$829 | | | \$75,574 | \$33,031 | | \$19,881 | | \$129,315 |
| Accounts payable | 54,351 | | \$150 | 803 | 3,968 | \$2,116 | 707 | | 62,095 |
| Payroll withholdings payable | 2,532 | \$1,689 | | | | 5,471 | | | 9,692 |
| Deferred revenue | | | | | | | | \$78,333 | 78,333 |
| Due to other funds | 812 | | | | | | 1,618 | 4,138 | 6,568 |
| Due to others | 50 | | | | | | | 5,818 | 5,868 |
| Total liabilities | 58,574 | 1,689 | 150 | 76,377 | 36,999 | 7,587 | 22,206 | 88,289 | 291,871 |
| Fund equity - fund balances - unreserved - undesignated | 171,151 | 286,328 | \$1,333 | 107,768 | 26,310 | 605,812 | (18,267) | NONE | 1,180,435 |
| TOTAL LIABILITIES AND FUND EQUITY | \$229,725 | \$288,017 | \$1,483 | \$184,145 | \$63,309 | \$613,399 | \$3,939 | \$88,289 | \$1,472,306 |

RED RIVER PARISH POLICE JURY
Coushatta, Louisiana
SPECIAL REVENUE FUNDS

Combining Schedule of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended December 31, 2003

| | PUBLIC WORKS | HEALTH UNIT | WITNESS | SALES TAX | JAIL RESERVE OPERATING | LIBRARY | CRIMINAL COURT | HOUSING ASSISTANCE - SECTION 8/TANF | TOTAL |
|---|----------------|---------------|--------------|----------------|------------------------|----------------|----------------|-------------------------------------|------------------|
| REVENUES | | | | | | | | | |
| Taxes: | | | | | | | | | |
| Ad valorem | \$73,682 | \$49,050 | | | \$171,171 | | | | \$293,903 |
| Sales and use | | | | \$631,958 | | | | | 631,958 |
| Intergovernmental revenues: | | | | | | | | | |
| Federal grants | 34,324 | | | | | | | | 34,324 |
| State funds: | | | | | | | | \$375,640 | 409,964 |
| Parish transportation funds | 118,558 | | | | | | | | 118,558 |
| State revenue sharing (net) | 10,660 | 7,079 | | | 29,149 | | | | 46,888 |
| Other state funds | 37,548 | | | | | | \$31,000 | | 68,548 |
| Fees, charges, and commissions for services | 26,509 | | | | 1,698 | | | | 28,207 |
| Fines and forfeitures | | | \$2,280 | | 5,913 | | 66,532 | | 74,725 |
| Use of money and property | 32,216 | 78 | 3 | 7,789 | \$208 | 8,829 | 203 | 604 | 49,930 |
| Other revenues | 2,505 | | | | 703 | | | 917 | 4,125 |
| Total revenues | <u>336,002</u> | <u>56,207</u> | <u>2,283</u> | <u>639,747</u> | <u>208</u> | <u>217,463</u> | <u>97,735</u> | <u>377,161</u> | <u>1,726,806</u> |
| EXPENDITURES | | | | | | | | | |
| Current: | | | | | | | | | |
| General government: | | | | | | | | | |
| Judicial | | | 3,225 | | | | 116,954 | | 120,179 |
| Financial and administrative | | | | 10,051 | | | | | 10,051 |
| Public safety | | | | | 145,572 | | | | 145,572 |
| Public works | 864,972 | | | | | | | | 864,972 |
| Health and welfare | | 26,048 | | | | | | 376,477 | 402,525 |
| Culture and recreation | | | | | 144,870 | | | | 144,870 |
| Transportation | 4,824 | | | | | | | 4,824 | 4,824 |
| Debt service | | | | | 1,480 | | | | 1,480 |
| Capital outlay | 38,597 | | | | 20,477 | 26,793 | | 684 | 86,551 |
| Total expenditures | <u>908,393</u> | <u>26,048</u> | <u>3,225</u> | <u>10,051</u> | <u>167,529</u> | <u>171,663</u> | <u>116,954</u> | <u>377,161</u> | <u>1,781,024</u> |

| | | | | | | | | | |
|---|------------------|------------------|----------------|------------------|------------------|------------------|-------------------|-------------|--------------------|
| EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES | <u>(572,391)</u> | <u>30,159</u> | <u>(942)</u> | <u>629,696</u> | <u>(167,321)</u> | <u>45,800</u> | <u>(19,219)</u> | <u>NONE</u> | <u>(54,218)</u> |
| OTHER FINANCING SOURCES (Uses) | | | | | | | | | |
| Compensation for damaged assets | 7,981 | | | | | | | | 7,981 |
| Operating transfers in | 630,000 | | | 142,000 | | | | | 772,000 |
| Operating transfers out | (800) | | | (772,000) | | | | | (772,800) |
| Total other financing sources (uses) | <u>637,181</u> | <u>NONE</u> | <u>NONE</u> | <u>(772,000)</u> | <u>142,000</u> | <u>NONE</u> | <u>NONE</u> | <u>NONE</u> | <u>7,181</u> |
| EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES | 64,790 | 30,159 | (942) | (142,304) | (25,321) | 45,800 | (19,219) | NONE | (47,037) |
| FUND BALANCES AT BEGINNING OF YEAR | <u>106,361</u> | <u>256,169</u> | <u>2,275</u> | <u>250,072</u> | <u>51,631</u> | <u>560,012</u> | <u>952</u> | <u>NONE</u> | <u>1,227,472</u> |
| FUND BALANCES AT END OF YEAR | <u>\$171,151</u> | <u>\$286,328</u> | <u>\$1,333</u> | <u>\$107,768</u> | <u>\$26,310</u> | <u>\$605,812</u> | <u>(\$18,267)</u> | <u>NONE</u> | <u>\$1,180,435</u> |

RED RIVER PARISH POLICE JURY
Coushatta, Louisiana
SPECIAL REVENUE - PUBLIC WORKS FUNDS

Combining Balance Sheet
December 31, 2003

| | UNIT ONE ROAD | ROAD/ EMERGENCY | PUBLIC FACILITIES MAINT. | SOLID WASTE | SPRINGVILLE SEWER DISTRICT | TOTAL |
|--|------------------|--------------------|--------------------------------|-----------------|----------------------------------|------------------|
| ASSETS | | | | | | |
| Cash and cash equivalents | \$20,591 | \$53,570 | \$35 | \$26,924 | \$17,802 | \$118,922 |
| Accounts Receivable | 18,668 | 5,532 | 85,759 | | 844 | 110,803 |
| Due from other funds | | | | | | NONE |
| TOTAL ASSETS | <u>\$39,259</u> | <u>\$59,102</u> | <u>\$85,794</u> | <u>\$26,924</u> | <u>\$18,646</u> | <u>\$229,725</u> |
| LIABILITIES AND FUND EQUITY | | | | | | |
| Liabilities: | | | | | | |
| Bank overdraft | | | \$829 | | | \$829 |
| Accounts payable | \$1,153 | | 26,240 | \$26,023 | \$935 | 54,351 |
| Payroll withholdings payable | | | 2,532 | | | 2,532 |
| Due to other funds | | | 812 | | | 812 |
| Due to others | | | | | 50 | 50 |
| Total liabilities | <u>1,153</u> | <u>NONE</u> | <u>30,413</u> | <u>26,023</u> | <u>985</u> | <u>58,574</u> |
| Fund Equity - | | | | | | |
| fund balances (deficit) - unreserved - undesignated | <u>38,106</u> | <u>59,102</u> | <u>55,381</u> | <u>901</u> | <u>17,661</u> | <u>171,151</u> |
| TOTAL LIABILITIES AND FUND EQUITY | <u>\$39,259</u> | <u>\$59,102</u> | <u>\$85,794</u> | <u>\$26,924</u> | <u>\$18,646</u> | <u>\$229,725</u> |

RED RIVER PARISH POLICE JURY
Coushatta, Louisiana
SPECIAL REVENUE - PUBLIC WORKS FUNDS

Combining Schedule of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended December 31, 2003

| | UNIT ONE ROAD | ROAD/ EMERGENCY | PUBLIC FACILITIES MAINT. | SOLID WASTE | SPRINGVILLE SEWER DISTRICT | TOTAL |
|--|------------------|--------------------|--------------------------------|------------------|----------------------------------|------------------|
| REVENUES | | | | | | |
| Taxes - Ad valorem | | | \$73,682 | | | \$73,682 |
| Intergovernmental revenues: | | | | | | |
| Federal funds - federal grants | | | 34,324 | | | 34,324 |
| State funds: | | | | | | |
| Parish transportation funds | \$118,558 | | | | | 118,558 |
| State revenue sharing (net) | | | 10,660 | | | 10,660 |
| Other state funds | | \$33,734 | 3,814 | | | 37,548 |
| Fees, charges and commissions for services | | | | | \$26,509 | 26,509 |
| Use of money and property | 485 | 53 | 31,111 | \$504 | 63 | 32,216 |
| Other revenues | | 2,505 | | | | 2,505 |
| Total revenues | <u>119,043</u> | <u>36,292</u> | <u>153,591</u> | <u>504</u> | <u>26,572</u> | <u>336,002</u> |
| EXPENDITURES | | | | | | |
| Current | | | | | | |
| Public works | 233,343 | 1,939 | 266,780 | 329,071 | 33,839 | 864,972 |
| Transportation | | | 4,824 | | | 4,824 |
| Capital outlay | | | 38,597 | | | 38,597 |
| Total expenditures | <u>233,343</u> | <u>1,939</u> | <u>310,201</u> | <u>329,071</u> | <u>33,839</u> | <u>908,393</u> |
| EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES | <u>(114,300)</u> | <u>34,353</u> | <u>(156,610)</u> | <u>(328,567)</u> | <u>(7,267)</u> | <u>(572,391)</u> |
| OTHER FINANCING SOURCES (Uses) | | | | | | |
| Compensation for damaged assets | 1,701 | | 6,280 | | | 7,981 |
| Operating transfers in | 140,000 | | 145,000 | 345,000 | | 630,000 |
| Operating transfers out | | | | | (800) | (800) |
| Total other financing sources | <u>141,701</u> | <u>NONE</u> | <u>151,280</u> | <u>345,000</u> | <u>(800)</u> | <u>637,181</u> |
| EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES | 27,401 | 34,353 | (5,330) | 16,433 | (8,067) | 64,790 |
| FUND BALANCES (DEFICIT) AT BEGINNING OF YEAR | <u>10,705</u> | <u>24,749</u> | <u>60,711</u> | <u>(15,532)</u> | <u>25,728</u> | <u>106,361</u> |
| FUND BALANCES AT END OF YEAR | <u>\$38,106</u> | <u>\$59,102</u> | <u>\$55,381</u> | <u>\$901</u> | <u>\$17,661</u> | <u>\$171,151</u> |

RED RIVER PARISH POLICE JURY
Coushatta, Louisiana
SUPPLEMENTAL INFORMATION SCHEDULE
For the Year Ended December 31, 2003

COMPENSATION PAID POLICE JURORS

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

Schedule 5

**RED RIVER PARISH POLICE JURY
Coushatta, Louisiana**

**Schedule of Compensation Paid Police Jurors
For the Year Ended December 31, 2003**

| | |
|----------------|------------------|
| Jack Brown | \$14,400 |
| Jessie Davis | 14,400 |
| Melvin Dupree | 14,400 |
| Anita Hinds | 14,400 |
| Sammy Sledge | 14,400 |
| Earl Webb, Jr. | 14,400 |
| Jimmy Young | <u>14,400</u> |
| Total | <u>\$100,800</u> |

**Independent Auditors' Reports on Compliance with
Laws, Regulations, Contracts, and Grants,
and Internal Control**

The following independent auditors' reports on compliance with laws, regulations, contracts, and grants and internal control are presented in compliance with the requirements of *Government Auditing Standards*, issued by the Comptroller General of the United States; the U. S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; the *Single Audit Act Amendments of 1996*; and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.



LITTLE & ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

Wm. TODD LITTLE, CPA
CHARLES R. MARCHBANKS, JR., CPA

Independent Auditors' Report on Compliance and Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

RED RIVER PARISH POLICE JURY
Coushatta, Louisiana

We have audited the primary government financial statements of the Red River Parish Police Jury as of and for the year ended December 31, 2003, and have issued our report thereon dated April 29, 2004. We conducted our audit in accordance with U.S. 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 Red River Parish Police Jury's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Red River Parish Police Jury's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted

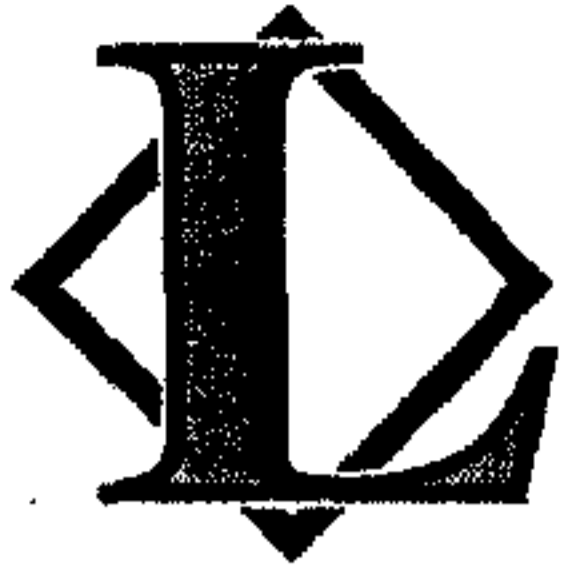
RED RIVER PARISH POLICE JURY
Coushatta, Louisiana
Independent Auditors' Report on Compliance
And Internal Control Over Financial Reporting, etc.
December 31, 2003

other matters involving the internal control over financial reporting that we have reported to management of Red River Parish Police Jury in a separate letter dated April 29, 2004.

This report is intended for the information of the members of the Red River Parish Police Jury, management of the police jury, federal awarding agencies and pass-through entities, and the Louisiana Legislative Auditor, and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Little & Associates

Monroe, Louisiana
April 29, 2004



LITTLE & ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

Wm. TODD LITTLE, CPA
CHARLES R. MARCHBANKS, JR., CPA

**Independent Auditors' Report on Compliance
With Requirements Applicable to Each Major Program
and Internal Control Over Compliance in Accordance
With OMB Circular A-133**

RED RIVER PARISH POLICE JURY
Coushatta, Louisiana

Compliance

We have audited the compliance of the Red River Parish Police Jury with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal program for the year ended December 31, 2003. The Red River Parish Police Jury's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the Red River Parish Police Jury's management. Our responsibility is to express an opinion on the Red River Parish Police Jury's compliance based on our audit.

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

In our opinion, the Red River Parish Police Jury complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 2003.

RED RIVER PARISH POLICE JURY
Coushatta, Louisiana
Independent Auditors' Report on Compliance
With Requirements Applicable to Each Major
Program and Internal Control Over Compliance, etc.
December 31, 2003

Internal Control Over Compliance

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

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information of the members of the Red River Parish Police Jury, management of the police jury, federal awarding agencies and pass-through entities, and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Little & Associates

Monroe, Louisiana
April 29, 2004

RED RIVER PARISH POLICE JURY
Coushatta, Louisiana

Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2003

A.SUMMARY OF AUDIT RESULTS

Financial Statement Audit

1. The auditors' report expresses an unqualified opinion on the primary government financial statements of the Red River Parish Police Jury.
2. No reportable conditions relating to the audit of the financial statements are reported in the Independent Auditors' Report on Compliance and Internal Control Over Financial Reporting Based on an Audit Performed in Accordance With *Government Auditing Standards*..
3. No instances of noncompliance material to the financial statements of the Red River Parish Police Jury were disclosed during the audit.

Audit of Federal Awards

4. No reportable conditions relating to the audit of the major federal award program are reported in the Auditors' Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance Accordance With OMB Circular A-133..
5. The auditors' report on compliance for the major federal award program for the Red River Parish Police Jury expresses an unqualified opinion.
6. No audit findings relative to the major federal award program for the Red River Parish Police Jury are reported.
7. The Community Development Block Grant program (CFDA 14.228) was tested as a major program.
8. The threshold for distinguishing type A and B programs was \$300,000.
9. The Red River Parish Police Jury qualifies as a low risk auditee.

RED RIVER PARISH POLICE JURY
Coushatta, Louisiana

Schedule of Findings and Questioned Costs (Continued)
For the Year Ended December 31, 2003

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

None

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

None

RED RIVER PARISH POLICE JURY
Coushatta, Louisiana
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2003

| FEDERAL GRANTOR/ PASS-THROUGH GRANTOR NAME/ PROGRAM TITLE | CFDA NUMBER | PASS-THROUGH GRANTOR'S NUMBER | EXPENDITURES |
|--|----------------|-------------------------------------|------------------|
| United States Department of Housing and Urban Development | | | |
| Direct program - Section 8 Housing Choice Vouchers | 14.871 | N/A | \$138,254 |
| Passed through Office of the Governor, Division of Administration - Community Development Block Grant (States Program) | 14.228 | 585,458 | <u>174,714</u> |
| Total United States Department of Housing and Urban Development | | | <u>312,968</u> |
| Federal Aviation Agency | | | |
| Passed through Louisiana Department of Transportation and Development, Division of Aviation - Airport Improvement Program | 20.106 | 941-01-0006 | <u>34,324</u> |
| United States Department of Transportation | | | |
| Passed through the Louisiana Department of Transportation and Development - Formula Grants for Other than Urbanized Areas | 20.509 | LA-18-X020 | \$37,394 |
| | 20.509 | LA-18-X021 | <u>51,300</u> |
| | | | <u>88,694</u> |
| U. S. Department of Health and Human Services | | | |
| Passed through Louisiana Housing Finance Agency/Temporary Assistance for Needy Families | 93.558 | N/A | <u>237,386</u> |
| Total Federal Financial Assistance | | | <u>\$673,372</u> |

RED RIVER PARISH POLICE JURY
Coushatta, Louisiana
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2003

1. GENERAL

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of the Red River Parish Police Jury. The Red River Parish Police Jury reporting entity is defined in Note 1 to the Red River Parish Police Jury's primary government financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through other governmental agencies, are included in the schedule. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations.

2. BASIS OF ACCOUNTING

The accompanying Schedule of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note 1 to the Red River Parish Police Jury's primary government financial statements.

3. RELATIONSHIP TO PRIMARY GOVERNMENT FINANCIAL STATEMENTS

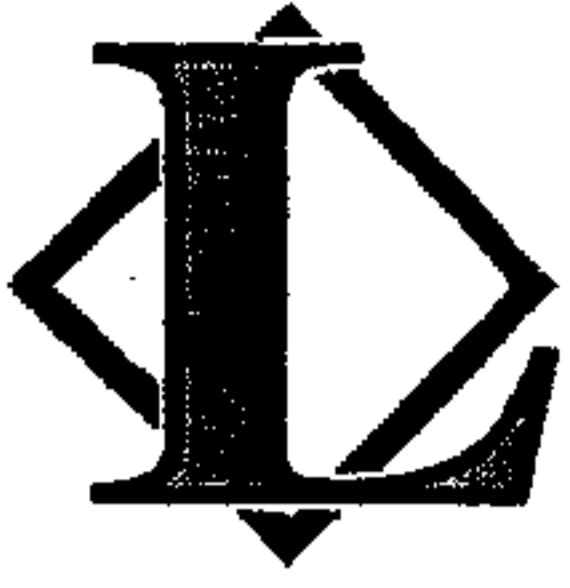
Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports except for changes made to reflect amounts in accordance with U. S. generally accepted accounting principles.

**RED RIVER PARISH POLICE JURY
Coushatta, Louisiana**

**Summary Schedule of Prior Year Audit Findings
For the Year Ended December 31, 2003**

Finding 02-01 - Need to Comply With Public Bid Law

This finding was relevant only to the Red River Parish Fire Protection District. The Red River Parish Fire Protection District is no longer included in the financial statements of the Red River Parish Police Jury. The fire district issues its own separate component unit financial statements.



LITTLE & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

Wm. TODD LITTLE, CPA
CHARLES R. MARCHBANKS, JR., CPA

April 29, 2004

To the Members of the Red River Parish
Police Jury
Coushatta, Louisiana

In planning and performing our audit of the financial statements of the Red River Parish Police Jury as of and for the year ended December 31, 2003, we considered the Red River Parish Police Jury's internal control in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on internal control.

However, during our audit we became aware of certain matters that are opportunities for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter summarizes our comments and suggestions regarding those matters. We reported on the Red River Parish Police Jury's compliance and internal control over financial reporting in our report dated April 29, 2004. This letter does not effect our report dated April 29, 2004, on the financial statements of Red River Parish Police Jury.

We will review the status of these comments during our next audit engagement. We have already discussed some of these comments and suggestions with various members of management, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

Sincerely,

LITTLE & ASSOCIATES
Certified Public Accountants



MANAGEMENT LETTER FINDINGS AND RECOMMENDATION

ML-03-01 Budgeting Considerations for the Year Ending December 31, 2005

The Red River Parish Police Jury's Sales Tax Fund provides significant funding for Public Works (primarily, Solid Waste, Unit One, and Public Facilities Maintenance) and the Jail Reserve Operating Fund. The Sales Tax Fund has not been generating revenues sufficient to adequately fund the operations of these funds. As a result, the Police Jury has appropriated monies from the Sales Tax Fund reserves in order to maintain adequate funding. It is projected that in 2005, the Sales Tax Fund reserves will be depleted, which will negatively impact the Police Jury's ability to appropriate adequate funding to Public Works and the Jail Reserve Operating Fund. In order for the Sales Tax Fund to appropriate funding for Public Works and the Jail Reserve Operating Fund in 2005 at the same levels as in 2003, the Sales Tax Fund will need additional cash in the amount of \$150,000. The General Fund faces a similar predicament in 2005. It is estimated that if revenues and operational costs remain constant through 2004 and into 2005, the General Fund quite possibly could be operating at a deficit level in 2005.

It will be extremely important for the Red River Parish Police Jury to take into consideration the issues discussed above when budgeting for fiscal year 2005 and in carrying out its operations throughout the remainder of 2004. The Police Jury should explore the feasibility of generating new sources of revenues, for example, through increases in sales and ad valorem taxes, user fees for solid waste, etc. Also, the Police Jury should undertake a serious review of its expenditures to determine those operating areas where costs can be reduced without impairing the ability of the Police Jury to operate effectively.

Prior to implementing any plan to increase revenues and reduce costs, the Police Jury should take into consideration both the qualitative effects and quantitative effects of the plan. Also, the Police Jury is reminded that the Master Bank Account maintains dedicated tax dollars for several funds. The utilization of these funds to cover deficits in other funds is not permitted and is a violation of state law. In other words, if the General Fund runs out of money and the remaining monies in the Master Bank Account are from dedicated tax dollars, the Police Jury is not permitted to pay the operating costs of the General Fund from the Master Bank Account.



RED RIVER PARISH

Police Jury

Telephone #:
318-932-5719
Fax #:
318-932-5080

P.O. DRAWER 709

COUSHATTA, LOUISIANA 71019-0709

June 18, 2004

JESSIE DAVIS
PRESIDENT
Rt. 1, Box 355
District 4, Shreveport 71115

CHARLES KILE
VICE PRESIDENT
P.O. Box 253
District 7, Coushatta 71019

WAYNE UPSHAW
Rt. 5, Box 128
District 1, Coushatta 71019

REGGIE GREEN
Rt. 2, Box 237-B
District 2, Coushatta 71019

BILLY JOE GAY
Rt. 1, Box 234-B
District 3, Coushatta 71019

JOHN MOORE, JR.
Rt. 4, Box 196
District 5, Coushatta 71019

BEN TAYLOR
P.O. Box 1027
District 7, Coushatta 71019

BRENDA W. JONES
Secretary/Treasurer

CAROLYN H. JOHNSON
Asst. Secretary/Treasurer

ALLEN "RUSTY" BAMBURG
Road Superintendent

Little & Associates
Certified Public Accountants
P. O. Box 4058
Monroe, LA 71201

RE: MANAGEMENT LETTER FINDINGS AND RECOMMENDATION:

To Whom it May Concern;

Sales tax revenue will be monitored monthly to determine if the new vendors that has been added to the Red River Parish tax roll, generate new revenue to cover a portion of the estimated deficit of \$150,000. By monitoring the revenues, we can determine the rate of fund depletion and make the necessary adjustments in our revenues and expenditures before this projection of sale tax revenue depletion becomes a reality in 2005.

Adjustments in spending in employees benefits have been approved to reduce expenditures now, not waiting until next year. We will look at adjusting Solid Waste expenditures before year end. Adjusting expenditures in Unit One will be considered prior to year end. Reducing expenditures in Public Facilities to give our financial outlook more strength, will be place on the table soon.

Overall reduction in expenditures in most areas and a slight increase in revenues will strengthen our financial condition and will not impair the ability of the Red River Parish Police Jury to operate effectively.

If more information is needed, do not hesitate to call.

Sincerely,

Red River Parish Police Jury

Jessie Davis
President