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VERNON PARISH POLICE JURY
Leesville, Louisiana

Basic Financial Statements
(Primary Government)
and Independent Auditor's Reports
As of and for the Year Ended 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 8-4-04

VERNON PARISH POLICE JURY
Leesville, Louisiana

Basic Financial Statements
(Primary Government)
and Independent Auditor's Reports
As of and for the Year Ended December 31, 2003

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HERBIE W. WAY
CERTIFIED PUBLIC ACCOUNTANT

55 Terra Avenue
Alexandria, LA 71303
318/442-7568
Fax: 318/442-9495

Independent Auditor's Report

VERNON PARISH POLICE JURY
Leesville, Louisiana

I have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Vernon Parish Police Jury as of and for the year ended December 31, 2003, which collectively comprise the police jury's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the police jury's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my 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 I 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. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Vernon Parish Police Jury as of December 31, 2003, and the respective changes in financial position thereof for the year ended, in conformity with accounting principles generally accepted in the United States of America.

VERNON PARISH POLICE JURY
Independent Auditor's Report
(Continued)

As described in Note 1 to the basic financial statements, the Vernon Parish Police Jury adopted, effective January 1, 2003, the provisions of Governmental Accounting Standards Board Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, Statement No. 37, Basic Financial Statements - and Managements Discussion and Analysis - for State and Local Governments: Omnibus, and Statement No. 38, Certain Financial Statement Note Disclosures. Adoption of these standards results in a change in the format and content of the basic financial statements and additional disclosures.

Management's discussion and analysis and budgetary comparison information on pages 4 through 11 and 43 through 50, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, I did not audit the information and express no opinion on it.

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the police jury's basic financial statements. The combining and individual nonmajor fund financial statements are not a required part of the basic financial statements. The combining and individual nonmajor financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

In accordance with Government Auditing Standards, I have also issued a report dated June 18, 2004, on my consideration of internal control over financial reporting and my 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 my audit.

VERNON PARISH POLICE JURY
Independent Auditor's Report
(Continued)

My audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Nonprofit Organizations, and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in my opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

Herbie W. Way

Herbie W. Way
Alexandria, Louisiana
June 18, 2004

REQUIRED SUPPLEMENTAL INFORMATION

PART I

VERNON PARISH POLICE JURY
Leesville, Louisiana
Management's Discussion and Analysis
December 31, 2003

The Management's Discussion and Analysis (MD&A) of the Vernon Parish Police Jury's financial performance provides an overview of the police jury's financial activities for the year ended December 31, 2003. The MD&A is designed to focus on the current year's activities, resulting changes and currently known facts. Since this is the first year that the Vernon Parish Police Jury is reporting under GASB 34, comparisons with the prior year are limited.

FINANCIAL HIGHLIGHTS

The assets (\$35.5 million) of the Vernon Parish Police Jury exceeded its liabilities (\$5.3 million) at the close of the most recent fiscal year by \$30.2 million (net assets). Of this amount, \$29.47 (unrestricted net assets) may be used to meet the government's on-going obligations to citizens and creditors. The government's total net assets increased by \$2.4 million.

At December 31, 2003, the Vernon Parish Police Jury's governmental funds reported combined ending fund balances of \$13.8 million, a decrease of \$4.2 million in comparison with the prior year's ending fund balance of \$18.0 million. The total fund balance in the general fund is \$1.1 million. The unrestricted fund balance in the general fund of \$1.0 million is available for spending at the government's discretion. This balance is down by \$1.6 million from the prior year's balance in general fund of \$2.7 million. Restricted fund balance in the general fund at year end is \$.05 million. At the end of the current fiscal year, unreserved fund balance for the general fund was 25.7 percent of total general fund expenditures and transfers out.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Vernon Parish Police Jury's basic financial statements. The Vernon Parish Police Jury's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements.

The government-wide financial statements are designed to provide readers with a broad overview of the Vernon Parish Police Jury's finances, in a manner similar to a private-sector business. These statements for the first time, combine governmental fund's current financial resources with capital assets and long-term debt obligations.

The statement of net assets presents information on all of the Vernon Parish Police Jury's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Vernon Parish Police Jury is improving or deteriorating.

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. The focus on the statement of activities is on both the gross and net cost of various activities which are provided by the government's general tax and other revenues. This is intended to summarize information and simplify the user's analysis of cost of various governmental services.

VERNON PARISH POLICE JURY
Leesville, Louisiana
Management's Discussion and Analysis
(Continued)

The government-wide financial statements distinguish the different functions of the Vernon Parish Police Jury that is principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the Vernon Parish Police Jury include general government, public safety, highways and streets, sanitation, economic development, and culture and recreation. The Vernon Parish Police Jury does not at this time have any business-type activities.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Traditional users of governmental financial statements will find the fund financial statements presentations more familiar. The focus now is on the major fund types rather than the non-major fund types. The Vernon Parish Police Jury, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

These funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Vernon Parish Police Jury maintains approximately 34 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Sanitary Landfill Fund, the Parishwide Maintenance Fund, Health Unit Maintenance Fund, Courthouse and Jail Maintenance Fund, Parishwide Overlay Fund, Library Maintenance Fund, Criminal Court Fund, and the Louisiana Workforce Investment Act Fund. At December 31, 2003, these nine funds are considered to be major funds of the police jury. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The Vernon Parish Police Jury adopts an annual appropriated budget for its general, special revenue, and debt service funds. Budgetary comparison statements have been provided at the fund type level for the major funds to demonstrate legal compliance with these budgets.

The basic governmental fund financial statements can be found in the Basic Financial Statements Section of this financial report.

VERNON PARISH POLICE JURY
Leesville, Louisiana
Management's Discussion and Analysis
(Continued)

Fiduciary Funds

These funds are used to account for resources held for the benefit of parties outside the government. The Police Jury's fiduciary funds consist of the Sales Tax Fund and the Hotel/Motel Tax Fund. These funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the Vernon Parish Police Jury's own programs. The basic fiduciary fund financial statement can be found in the Basic Financial Statements section of this report.

Infrastructure Assets

General capital assets include land, improvements to land, easements, buildings, vehicles, machinery and equipment, infrastructure, and all other intangible assets that are used in operations and that have initial useful lives greater than one year and exceed the government's capitalization threshold of \$5,000. The parish has capitalized all purchased general capital assets. Infrastructure assets have not been capitalized in this financial presentation for years prior to 2003. Infrastructure assets added to the Police Jury's system during the year 2003 have been capitalized. Governmental Accounting Standards Board Statement No. 34 allows the parish a transitional period for reporting retroactive infrastructure assets of up to four years from the initial year of implementation. The police jury plans to record all material infrastructure assets in the next fiscal year. Prior to the implementation of the new reporting model, no depreciation was charged on general capital assets. Accumulated depreciation was recorded for the first time based on the date of acquisition and the life span of the asset in the 2003 financial statements

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found in the Notes Section of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Vernon Parish Police Jury's progress in funding its obligations. Required supplementary information can be found in the Required Supplementary section of this report.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information on the major fund's budgets.

Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the Vernon Parish Police Jury, assets exceeded liabilities by \$30.2 million at the close of the most recent fiscal year.

A large portion of the Vernon Parish Police Jury's net assets (55 percent) reflects its investment in capital assets (land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The Vernon Parish Police Jury uses these capital assets to provide services to citizens, consequently, these assets are not available for future spending. Although the Vernon's investment in its capital assets is reported net of related debt, it is not a spendable resource. The resources needed to repay

VERNON PARISH POLICE JURY
 Leesville, Louisiana
 Management's Discussion and Analysis
 (Continued)

this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Vernon Parish Police Jury's Net Assets

Total net assets for Governmental activities are \$30.2 million. A portion of the Vernon Parish Police Jury's net assets (\$.7 million) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$29.5 million) may be used to meet the government's ongoing obligations to citizens and creditors. At the end of the current fiscal year, the Vernon Parish Police Jury is able to report positive balances in net assets. The government's total net assets increased by \$2.4 million during 2003. The following table presents, in millions, the statement of net assets in a condensed format and provides a comparison with the previous year.

	<u>2003</u>	<u>2002</u>
<u>ASSETS</u>		
Current and other assets	\$14.3	\$19.0
Capital assets, net	<u>21.2</u>	<u>15.9</u>
Total Assets	<u>\$35.5</u>	<u>\$34.9</u>
<u>LIABILITIES</u>		
Current and other liabilities	\$1.7	\$1.7
Long-term liabilities	<u>3.6</u>	<u>5.5</u>
Total Liabilities	<u>5.3</u>	<u>7.2</u>
<u>NET ASSETS</u>		
Invested in capital assets, net of related debt	16.6	10.3
Restricted	.7	.9
Unrestricted	<u>12.9</u>	<u>16.5</u>
Total Net Assets	<u>\$30.2</u>	<u>\$27.7</u>

The results of current year's operations for the police jury are reported on the Statement of Activities. The following table presents, for the year ended December 31, 2003, condensed financial information (in millions) from that statement. Since this is the initial year of implementation of GASB 34, condensed information for the year ended December 31, 2002, is not available and accordingly, is not presented.

VERNON PARISH POLICE JURY
 Leesville, Louisiana
 Management's Discussion and Analysis
 (Continued)

Revenues

Program revenues:

Charges for services	\$1.3
Operating grants and contributions	2.0

General revenues:

Ad valorem taxes	2.7
Sales and use taxes	5.7
Federal grants	.4
State grants	3.5
Interest and investment earnings	.3
Other general revenues	.28
Total revenues	<u>16.2</u>

Functions/Program Expenses

Current:

General government:

Legislative	.4
Judicial	1.0
Elections	.1
Finance and administration	1.5
Other	5.4
Public safety	1.1
Public works	1.4
Health and welfare	.5
Culture and recreation	.8
Economic development and assistance	1.4
Debt service - interest and fiscal charges	.2
Total expenses	<u>13.8</u>

Increase in net assets	<u><u>\$2.4</u></u>
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VERNON PARISH POLICE JURY
Leesville, Louisiana
Management's Discussion and Analysis
(Continued)

Governmental Activities.

Sales taxes received this year were \$5.7 million up by \$.03 million over the previous year. Ad valorem taxes collected were \$2.7 million, down by \$.1 million. State severance taxes collected were \$1.4 million, up by \$.04 million. State revenue sharing, occupational, and alcoholic beverage tax collected was \$.4 million, down by \$.01 million.

Funds received from the Louisiana Department of Defense for military installation timber receipts were \$.1 million. This was up substantially from the prior year receipts of \$.04 million. There was no significant change this year from the funds received from the United States Department of Interior for payment in lieu of taxes of \$.02 million, or from the United States Department of Justice for grants to the states for schools and roads of \$.3 million.

Grant funds received for the Social Services Emergency Shelter Program and the Public Transportation for Non-urbanized Areas Program decreased by \$.03 million and \$.02 million, respectively. However, grant money received for the Drug Court Discretionary Program increased by \$.04 million. This increase was primarily due to the expansion of operations and services within the Drug Court Program during 2003.

Total grant money received from the Federal Emergency Management Agency increased by \$.3 million. This increase was directly related to the Vernon Parish Fire Districts' receipt of \$.5 million from the Assistance to Fire Fighters Grant program.

Grant money passing through the Louisiana Department of Labor and the Louisiana Department of Education to fund the operations of the Louisiana Workforce Investment Act for its Welfare to Work Program, Adult Program, Youth Activities Program, Dislocated Workers Program, and Administration amounted to \$1.4 million for 2003. This was a decrease of \$1.1 million from the previous year.

The Economic Development Fund received \$1.0 million in total revenues this year. This was up substantially from the \$.01 in the previous year. This large jump in revenues was primarily due to state capital outlay for the Rodeo Arena Pavilion Project which was completed this year. The total cost of this project reached \$1.2 million which includes the matching funds paid from the parish. Improvements to the West Louisiana Forestry Festival Fairgrounds for grounds work and gravel were completed in 2003 for a total cost of \$.09 million. \$.05 million of this was received from Capital Outlay with an equal match from the parish. Construction on the Leesville Walking Path/Pavilion and the Basketball Pavilions for the Parish schools were completed in 2003. Total expenses paid for these projects this year from the Economic Development Fund was \$1.1 million.

Expenses follow the increase in funds. There are normal timing delays between the award of funds and the completion of planning and construction.

In addition, the police jury purchased approximately \$1.1 million in vehicles and equipment for parishwide maintenance and fire protection. Road improvements, maintenance, and salary for road crews amount to \$3.4 million, down by approximately \$.4 million from the previous year. Overlay Projects amounted to approximately \$3.9 million which was up by \$1.5 million from amounts expended in the previous year.

The General Fund transferred approximately \$.3 million to Criminal Court Fund, up by \$.1 million from the previous year. Courthouse & Jail Fund experienced an increase in expenses due to rising costs of maintenance that resulted in a transfer from General Fund of approximately \$.2 million.

VERNON PARISH POLICE JURY
Leesville, Louisiana
Management's Discussion and Analysis
(Continued)

Financial Analysis of the Government's Funds

As noted earlier, the Vernon Parish Police Jury uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the Vernon Parish Police Jury's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Vernon Parish Police Jury's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Vernon Parish Police Jury's governmental funds reported combined ending fund balances of approximately \$13.8 million, a decrease of \$4.2 from the previous year. Total fund balance for the general fund is \$1.3 million. The unreserved fund balance in the general fund, \$1.1 million, which constitutes an amount which is available for spending at the government's discretion. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. The remainder of fund balance in special purpose funds to indicate that it is not necessarily available for new spending because it has already been committed to pay debt service, \$.9 million, and for a variety of other special purposes for which the funds were created, Special Revenue Funds, \$11.6 million.

The general fund is the chief operating fund of the Vernon Parish Police Jury. At the end of the current year, total fund balance of the General Fund was \$1.3 million. The fund balance of the Vernon Parish Police Jury's General Fund decreased by \$1.5 million from the previous year.

Budgetary Highlights

The major funds of the Vernon Parish police Jury includes the governmental funds presented on Statements C and E of the police jury's basic financial statements. Budgetary comparisons for these major funds is presented, as required supplemental information, on Schedules 1 through 8 of the police jury's basic financial statements. The following presents significant highlights of selected funds and the budgetary process.

General Fund - actual revenues exceeded budgeted revenues by approximately \$.53 million or 8.97 per cent. Actual expenditures exceeded budgeted expenditures, due to increased expenditures of several of the funds that receive funding (through operating transfers) from the General Fund, by approximately \$.19 million or 3.80 percent.

Parishwide Road Maintenance Fund - actual revenues exceeded budgeted revenues by \$.60 million or 17.73 per cent. Actual expenditures were less than budgeted expenditures by \$.10 million or 4.09 per cent.

Sanitary Landfill Fund - actual revenues exceeded budgeted revenues by approximately \$.17 million or 1.96 per cent. Actual expenditures were less than budgeted expenditures by approximately \$.13 million or 2.68 percent.

Criminal Court Fund - actual revenues were less than budgeted revenues by approximately \$.05 million or 6.28 per cent. Actual expenditures, after a budget amendment of approximately \$.14 million, exceeded budgeted expenditures by approximately \$.02 million or 2.51 percent, primarily due to increases in the expenses in operating the criminal court system of the parish.

VERNON PARISH POLICE JURY
 Leesville, Louisiana
 Management's Discussion and Analysis
 (Continued)

Capital Asset and Debt Administration

Capital Assets

The Vernon Parish Police Jury's investment in capital assets for its governmental activities at December 31, 2003, amounts to \$21.3 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, and infrastructure added this year. Retroactive infrastructure will be included in future financial statements. Additional information on Vernon Parish Police Jury's capital assets can be found in Note section of this report. The following table shows capital assets (in millions), net of accumulated depreciation, for this year as compared to the previous year.

	<u>2003</u>	<u>2002</u>
Land	\$1.19	\$1.19
Buildings and improvements	8.02	7.24
Machinery and equipment	7.82	7.48
Infrastructure	<u>4.23</u>	<u>0.00</u>
Totals	<u>\$21.26</u>	<u>\$15.91</u>

Debt Administration

At December 31, 2003, the Vernon Parish Police Jury had total debt outstanding of \$4.7 million. Of this amount, \$3.5 million is comprised of general obligation bonds, debt which is legally restricted from exceeding 10 per cent of the assessed value of taxable property in the parish. At December 31, 2003, the parish's debt limit is \$11.8 million, which is significantly in excess of the Vernon Parish Police Jury's outstanding general obligation debt of \$3.5 million. Additional information on the Vernon Parish Police Jury's long-term debt can be found in the Note section of this report.

Economic Factors and Next Years Budgets and Rates

The unemployment rate for the Vernon Parish is currently 6.0 percent, which is a decrease from the rate of 7.9 percent a year ago. This is lower than the state's average unemployment rate of 6.6 percent and matches the national average rate of 6.0 percent. Vernon Parish is the third largest parish in Louisiana with a total land area of 1,328.5 square miles or 850,245 acres. The parish is heavily dependent upon the continued success and operation of the Fort Polk Joint Readiness Training facility. This facility currently employs approximately 4,700 employees. Other major employers of the parish are the Vernon Parish School Board-1,454 employees, Bayne Jones Hospital-401, Walmart, Byrd Hospital, and the Police Jury - 200+, and the Vernon Parish Sheriff's Office-145.

Requests for Information

This financial report is designed to provide a general overview of the Vernon Parish Police Jury's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Vernon Parish Police Jury, ATTN: Secretary/Treasurer, P.O. 1548, Louisiana, 71466.

VERNON PARISH POLICE JURY
Leesville, Louisiana

BASIC FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2003, AND FOR THE YEAR THEN ENDED

VERNON PARISH POLICE JURY
Leesville, Louisiana

Statement of Net Assets
December 31, 2003

ASSETS

Cash and cash equivalents	\$6,654,574
Investments, at fair market value	3,731,133
Receivables	3,862,349
Capital assets (net of accumulated depreciation):	
Land	1,192,265
Buildings and improvements	8,020,552
Furniture and equipment	7,823,736
Infrastructure	4,228,059

TOTAL ASSETS	\$35,512,668
	=====

LIABILITIES

Accounts, salaries, and other payables	\$435,625
Deferred revenue	47,301
Interest payable	190,870
Long-term liabilities:	
Due within one year	1,045,309
Due in more than one year	3,625,544

Total Liabilities	5,344,649

NET ASSETS

Invested in capital assets, net of related debt	16,593,759
Restricted for:	
Debt service	674,748
Other purposes	45,713
Unrestricted	12,853,799

TOTAL NET ASSETS	\$30,168,019
	=====

The notes to the financial statements are an integral part of this statement.

VERNON PARISH POLICE JURY
Leesville, Louisiana

Statement of Activities
For the Year Ended December 31, 2003

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS	
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS		CAPITAL GRANTS AND CONTRIBUTIONS
Governmental activities:					
General government:					
Legislative	\$427,787			(\$427,787)	
Judicial	1,005,455	\$442,581		(562,874)	
Elections	128,973			(128,973)	
Finance and administrative	1,452,367	823,761		(628,606)	
Other	5,158,764			(5,158,764)	
Public safety	1,124,373		\$592,953	(531,420)	
Public works	1,385,495			(1,385,495)	
Health and welfare	435,509		79,643	(355,866)	
Culture and recreation	845,612			(845,612)	
Economic development and assistance	1,379,390		1,359,475	(19,915)	
Other expenditures	244,129			(244,129)	
Debt service	199,605			(199,605)	
Total Governmental Activities	13,787,458	1,266,341	2,032,071	NONE	(10,489,045)
General revenues:					
Taxes:					
Property taxes, levied for general purposes				2,391,619	
Property taxes, levied for debt services				321,634	
Sales and use taxes, levied for general purposes				5,677,102	
Grants and contributions not restricted to specific purposes:					
Federal grant programs				379,854	
State grant programs				3,515,397	
Interest and investment earnings				347,911	
Miscellaneous				272,716	
Special item - gain on sale of assets				7,580	
Total general revenues and special items				12,913,813	
Changes in net assets				2,424,767	
Net assets - January 1, 2003				27,743,252	
Net assets - December 31, 2003				\$30,168,019	

The notes to the financial statements are an integral part of this statement.

VERNON PARISH POLICE JURY
Leesville, Louisiana

GOVERNMENTAL FUNDS
Balance Sheet
December 31, 2003

	GENERAL FUND	PARISHWIDE MAINTENANCE FUND	SANITARY LANDFILL FUND	HEALTH UNIT MAINTENANCE FUND	COURTHOUSE AND JAIL MAINTENANCE FUND	PARISHWIDE OVERLAY FUND
ASSETS						
Cash and cash equivalents	\$819,654	\$201,763	\$150,016	\$1,860,303	\$3,616	\$3,124
Investments, at fair value			3,731,133			
Receivables	625,123	675,257		263,426	636,612	
Interfund receivables	33,754					
TOTAL ASSETS	\$1,478,531	\$877,021	\$3,881,149	\$2,123,729	\$640,228	\$3,124
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts, salaries, and other payables	\$199,113	\$38,620	\$2,109	\$9,404	\$23,021	\$1,221
Interfund payables						
Deferred revenues						
Total Liabilities	199,113	38,620	2,109	9,404	23,021	1,221
Fund balances:						
Reserved for:						
Debt service						
Employee health benefits	45,713					
Unreserved - reported in:						
General Fund	1,233,704					
Special Revenue Funds		838,401	3,879,040	2,114,326	617,207	1,903
Capital Projects Funds						
Total Fund Balances	1,279,417	838,401	3,879,040	2,114,326	617,207	1,903
TOTAL LIABILITIES AND FUND BALANCES	\$1,478,531	\$877,021	\$3,881,149	\$2,123,729	\$640,228	\$3,124

The accompanying notes are an integral part of this statement.

CRIMINAL COURT FUND	LIBRARY MAINTENANCE FUND	WORKFORCE INVESTMENT ACT FUND	OTHER GOVERNMENTAL FUNDS	TOTAL
\$9,025	\$428,300	\$27,435	\$3,151,337	\$6,654,574
31,044	614,660	30,076	986,150	3,731,133
				3,862,349
				33,754
\$40,069	\$1,042,961	\$57,511	\$4,137,488	\$14,281,810
\$6,315	\$23,815	10,210	\$121,797	\$435,625
33,754		47,301		33,754
				47,301
40,069	23,815	57,511	121,797	516,680
			865,618	865,618
				45,713
	1,019,146		3,150,072	1,233,704
				11,620,095
NONE	1,019,146	NONE	4,015,690	13,765,130
\$40,069	\$1,042,961	\$57,511	\$4,137,488	\$14,281,810

VERNON PARISH POLICE JURY
Leesville, Louisiana

Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Assets
December 31, 2003

Total Fund Balances - Governmental Funds		\$13,765,130
Cost of capital assets	\$29,709,200	
Less - accumulated depreciation	(8,444,588)	21,264,612

Elimination of interfund assets and liabilities:		
Interfund receivables	33,754	
Interfund payables	(33,754)	NONE

Long-term liabilities:		
Bonds and certificates of indebtedness payable	(3,471,000)	
Bank loans	(260,582)	
Capital lease agreements	(939,271)	
Interest payable - current	(190,870)	(4,861,723)
	-----	-----
Net Assets		\$30,168,019
		=====

The notes to the financial statements are an integral part of this statement.

VERNON PARISH POLICE JURY
Leesville, Louisiana
GOVERNMENTAL FUNDS

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

	GENERAL FUND	PARISHWIDE MAINTENANCE FUND	SANITARY LANDFILL FUND	HEALTH UNIT MAINTENANCE FUND	COURTHOUSE AND JAIL MAINTENANCE FUND
REVENUES					
Taxes:					
Ad valorem	\$211,527	\$294,044		\$219,977	\$582,704
Sales and use		934,954	\$3,739,817		
Other taxes, licenses, and interest	32,113				
Licenses and permits	150,947				
Intergovernmental revenues:					
Federal funds	156,630	389,089			
State funds	1,627,424	463,593		34,474	83,313
Fees, charges, and commissions for services	750,796		4,137		
Fines and forfeitures					
Use of money and property	135,242	483	137,054	22,462	1,461
Other revenues	24,439				
Total revenues	3,089,119	2,082,163	3,881,007	276,913	667,478
EXPENDITURES					
Current					
General government:					
Legislative	427,787				
Judicial	313,488				
Elections	128,973				
Finance and administrative	1,441,134				
Other	59,771				701,417
Public safety	266,972				
Public works	509,245	2,326,328	1,806,288		
Health and welfare	42,968			271,678	
Culture and recreation	34,573				
Economic development and assistance	19,915				
Other expenditures	244,129				
Capital outlay					
Debt service	33,486	237,328			
Total expenditures	3,522,441	2,563,656	1,806,288	271,678	701,417
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(433,321)	(481,493)	2,074,719	5,236	(33,939)

(Continued)

The notes to the financial statements are an integral part of this statement.

PARISHWIDE OVERLAY FUND	CRIMINAL COURT FUND	LIBRARY MAINTENANCE FUND	WORKFORCE INVESTMENT ACT FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
		\$562,649		\$842,351 1,002,331	\$2,713,252 5,677,102 32,113 150,947
		80,690	\$1,359,475	868,929 1,225,904	2,774,123 3,515,397
	\$442,581	30,434		38,394	823,761 442,581
\$10,069		6,580 7,416		34,559 57,800	347,911 89,656
10,069	442,581	687,769	1,359,475	4,070,267	16,566,843
					427,787
	673,256			18,710	1,005,455 128,973
4,184,310				11,233	1,452,367 4,945,498
				1,438,402	1,705,374
				1,905,915	6,547,775
				120,862	435,509
		697,310		113,729	845,612
			1,359,475		1,379,390 244,129
				362,198	362,198
				1,057,069	1,327,882
4,184,310	673,256	697,310	1,359,475	5,028,118	20,807,948
(4,174,240)	(230,676)	(9,540)	NONE	(957,851)	(4,241,105)

VERNON PARISH POLICE JURY
 Leesville, Louisiana
 GOVERNMENTAL FUNDS

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

	GENERAL FUND	PARISHWIDE MAINTENANCE FUND	SANITARY LANDFILL FUND	HEALTH UNIT MAINTENANCE FUND	COURTHOUSE AND JAIL MAINTENANCE FUND
<u>OTHER FINANCING SOURCES (Uses)</u>					
Operating transfers in	\$530,000	\$690,004			\$210,687
Operating transfers out	(1,616,240)		(2,885,808)	(110,000)	
Total other financing sources (uses)	(1,086,240)	690,004	(2,885,808)	(110,000)	210,687
<u>SPECIAL ITEMS</u>					
Sale of fixed assets	NONE	5,510	1,350	NONE	NONE
NET CHANGE IN FUND BALANCE	(1,519,562)	214,021	(809,738)	(104,764)	176,748
FUND BALANCE AT BEGINNING OF YEAR	2,798,979	624,380	4,688,779	2,219,090	440,459
FUND BALANCES AT END OF YEAR	\$1,279,417	\$838,401	\$3,879,040	\$2,114,326	\$617,207

(Concluded)

The notes to the financial statements are an integral part of this statement.

PARISHWIDE OVERLAY FUND	CRIMINAL COURT FUND	LIBRARY MAINTENANCE FUND	WORKFORCE INVESTMENT ACT FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
2,884,804 (530,000)	255,593 (13,750)			584,710	4,571,088 (4,571,088)
2,354,804	241,843	NONE	NONE	584,710	NONE
NONE	NONE	NONE	NONE	720	7,580
(1,819,437)	11,168	(9,540)	NONE	(372,421)	(4,233,525)
1,821,339	(11,168)	1,028,686	NONE	4,388,111	17,998,656
\$1,903	NONE	\$1,019,146	NONE	\$4,015,690	\$13,765,130

VERNON PARISH POLICE JURY
Leesville, Louisiana

Reconciliation of the Governmental Funds
Statement of Revenues, Expenditures, and Changes
in Fund Balances to the Statement of Activities

For the Year Ended December 31, 2003

Total net change in fund balances - governmental funds			(\$4,233,525)
Amounts reported for governmental activities in the Statement of Activities are different because:			
Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceed depreciation expense in the period:			
Capital outlays		\$6,812,531	
Depreciation expense		1,282,516	5,530,015

Repayment of bond principal, bank loans, capital leases is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets			1,079,974
Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.			48,304

Change in net assets of governmental activities			\$2,424,767
			=====

The notes to the financial statements are an integral part of this statement.

VERNON PARISH POLICE JURY
 Leesville, Louisiana
 FIDUCIARY FUND - SALES AND HOTEL/MOTEL
 TAX AGENCY FUND

Statement of Fiduciary Net Assets
 June 30, 2003

ASSETS

Cash and cash equivalents
 Receivables

\$15,282
 115,110

TOTAL ASSETS

\$130,393

=====

LIABILITIES

Accounts payable
 Deposits due others

\$74
 130,319

TOTAL LIABILITIES

\$130,393

=====

See independent auditor's report

VERNON PARISH POLICE JURY
(Primary Government)
Leesville, Louisiana

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

INTRODUCTION

The Vernon Parish Police Jury is the governing authority for Vernon Parish and is a political subdivision of the State of Louisiana. The police jury is governed by 12 jurors representing the various districts within the parish. The jurors serve four-year terms which expire in January 2004.

Louisiana Revised Statute 33:1236 gives the police jury various powers in regulating and directing the affairs of the parish and its inhabitants. The more notable of those are the power to make regulations for 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

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

This financial report has been prepared in conformity with GASB Statement No. 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments, issued in June 1999.

B. REPORTING ENTITY

GASB Statement No. 14, The Reporting Entity, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the police jury is considered a primary government, since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement No. 14, fiscally independent means that the police jury may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. Governmental Accounting Standards Board (GASB) Statement No. 14 provides for the issuance of primary government financial statements that are separate from those of the reporting entity. However, the primary government's (police jury) financial statements are not a substitute for the reporting entity's financial statements.

VERNON PARISH POLICE JURY
Leesville, Louisiana

Notes to the Basic Financial Statements
(Continued)

The police jury has chosen to issue financial statements of the primary government (police jury) only; therefore, none of the component units that comprise the reporting entity are included in the accompanying 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).

C. FUNDS

The police jury uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain police jury functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts.

Funds of the police jury are classified as follows:

Governmental Funds

Governmental funds account for all or most of the police jury's general activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources which may be used to finance future period programs or operations of the police jury. The following are the police jury's primary governmental funds:

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

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

Debt service funds -- account for transactions relating to resources retained and used for the payment of principal and interest on general long-term debt recorded in the general long-term debt account group.

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.

VERNON PARISH POLICE JURY
Leesville, Louisiana

Notes to the Basic Financial Statements
(Continued)

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Government-Wide Financial Statements - include the Statement of Net Assets (Statement A) and the Statement of Activities (Statement B). These financial statements report the financial position and results of operations for the police jury as a whole. Fiduciary funds are not included at this level, as they are only reported in the Statement of Fiduciary Net Assets at the fund financial statement level.

The Government-Wide Financial Statements were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, Accounting and Financial Reporting for Nonexchange Transactions.

Program Revenues - Program revenues included in the Statement of Activities (Statement B) derive directly from parties outside the police jury's taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the police jury's general revenues.

Allocation of Indirect Expenses - The police jury reports all direct expenses by function in the Statement of Activities (Statement B). Direct expenses are those that are clearly identifiable with a function. Indirect expenses of other functions are not allocated to those functions but are reported separately in the Statement of Activities. Depreciation expense, which can be specifically identified by function, is included in the direct expenses of each function. Depreciation on buildings is assigned to the "general administration" function due to the fact that school buildings serve multiple purposes. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

VERNON PARISH POLICE JURY
Leesville, Louisiana

Notes to the Basic Financial Statements
(Continued)

Fund Financial Statements - governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds. Fund financial statements report detailed information about the police jury. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column.

Governmental funds and the agency fund use the modified accrual basis of accounting. 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 pay liabilities of the current period. The police jury considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Federal and state entitlements (which includes state revenue sharing) are recorded as unrestricted grants-in-aid when available and measurable. Expenditure driven Federal and state grants are recorded as restricted grants-in-aid when the reimbursable expenditures have been incurred.

Food service income is recorded when collected. All food services income applicable to an accounting period is collected during the fiscal year.

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

VERNON PARISH POLICE JURY
Leesville, Louisiana

Notes to the Basic Financial Statements
(Continued)

Sales and use taxes are recorded in the month collected by the Vernon Parish School Board (collection agent) or by the Louisiana Department of Public Safety and Corrections, Public Safety Services.

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

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

Based on the above criteria, federal and state entitlements, ad valorem taxes, and sales and use tax are treated as susceptible to accrual by the police jury.

Expenditures

Salaries are recorded as expenditures when earned.

Purchases of various operating equipment and supplies are recorded as expenditures in the accounting period they are purchased.

Commitments under construction contracts are recognized as expenditures when earned by the contractor.

Substantially all other expenditures are recognized when the related fund liability has been incurred.

Transfers between funds that are not expected to be repaid, sale of assets, and proceeds from the sale of bonds are accounted for as other financing sources (uses). These transactions are recognized at the time the underlying events occur.

Deferred Revenues

The police jury reports deferred revenues on its fund financial statements balance sheet. Deferred revenues arise when resources are received by the police jury before it has a legal claim to them, as when grant monies are received before the incurrence of qualifying expenditures. In subsequent periods, when the police jury has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and the revenue is recognized.

VERNON PARISH POLICE JURY
Leesville, Louisiana

Notes to the Basic Financial Statements
(Continued)

E. BUDGETS

The police jury adopts annual budgets on the General Fund and special revenue funds. The proposed budgets are prepared by the secretary/treasurer and the finance committee of the police jury during October/November of each year. During November/December, 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. At its meeting in December, 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 results of the public hearing and the desires of the police jury as a whole. The budgets are then adopted, and notice is published in the official journal.

The budgets are prepared on the modified accrual basis of accounting and all appropriations lapse at year end. Encumbrances are not formally recognized within the accounting system for budgetary control purposes; however, outstanding purchase orders are taken into consideration before expenditures are incurred to assure that applicable appropriations are not exceeded. Formal budgetary integration (within the accounting records) is employed as a management control device.

The secretary/treasurer is authorized to transfer amounts between line items within a fund; however, when requested by the police jury, budgetary comparisons are prepared and presented to the police jury during a regular meeting. The police jury reviews these comparisons and proposed amendments, makes changes as it deems necessary, and formally adopts the amendments. The adoption of the amendments is included in the police jury minutes published in the official journal. Budget amounts included in the accompanying financial statements include the final amended budget amounts.

F. ENCUMBRANCES

Encumbrance accounting, under which purchase orders are recorded in order to reserve that portion of the applicable appropriation, is not employed. However, outstanding purchase orders are taken into consideration before expenditures are incurred in order to assure that applicable appropriations are not exceeded.

VERNON PARISH POLICE JURY
Leesville, Louisiana

Notes to the Basic Financial Statements
(Continued)

G. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposit, interest bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and those income-producing items with original maturities of usually 90 days or less. 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 their principal offices in Louisiana.

Under state law, the police jury may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

H. INVESTMENTS

In accordance with Louisiana Revised Statute (LSA-R.S.) 32:2955, the police jury, upon determination of the availability of funds in excess of immediate cash requirements by its treasurer or chief financial officer and in the exercise of prudent judgment, may invest in direct United States Treasury obligations; bonds, debentures, notes, or other evidence of indebtedness guaranteed by federal agencies or United States government instrumentalities, provided that such obligations are backed by the full faith and credit of the United States government; and savings accounts and certificates of deposit of state banks organized under the laws of Louisiana or national banks having their principal offices in the state of Louisiana. Additionally, the police jury may invest in mutual or trust fund institutions (limited to 25 per cent of the funds considered available for investment under this section) provided that they are registered with the Securities and Exchange Commission under the Securities Act of 1933 and the investment Act of 1940 and have underlying investments consisting solely of securities of the United States government or its agencies. Investments are stated at fair value.

I. INTERFUND RECEIVABLES/PAYABLES

During the course of operations, numerous transactions occur between individual funds for goods and services provided or rendered. These receivables and payables are classified as interfund receivables and payables on the fund financial statements but are eliminated for reporting purposes on the government-wide financial statements.

VERNON PARISH POLICE JURY
Leesville, Louisiana

Notes to the Basic Financial Statements
(Continued)

J. CAPITAL ASSETS

Capital assets are capitalized at historical cost or estimated cost (the extent to which fixed asset costs have been estimated and the methods of estimation should be disclosed) if historical cost is not available (or describe other method of valuation). Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The police jury maintains a threshold level of \$5,000 or more for capitalizing capital assets for reporting purposes. Capital assets are recorded in the government-wide financial statements, but are not reported in the fund financial statements. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public school purposes by the police jury, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land and construction in progress, are depreciated using a composite group rate which is applied to similar assets for the purpose of calculating depreciation expense. Interest costs on debt used to finance the construction of capital assets are not capitalized.

K. COMPENSATED ABSENCES

Employees of the Vernon Parish Police Jury earn from 5 to 15 days of vacation leave each year, depending on their length of service. Vacation leave earned must be taken in the following year. Employees earn one day of sick leave for each month of service. A maximum accumulation of 40 days of sick leave is allowed. Accumulated sick leave is forfeited upon termination of employment.

Employees of the Vernon Parish Library earn from 12 to 22.5 days of vacation leave each year, depending on their length of service. Unused vacation leave cannot be carried forward, except under unusual circumstances. Employees are not paid for unused vacation leave upon termination of employment. All full-time employees earn 10 days of sick leave each year. Employees are permitted to carry forward five days of unused sick leave to the next year up to a maximum of 90 days. Employees are not paid for unused sick leave upon termination of employment.

All full-time employees of the Thirtieth Judicial District Criminal Court earn two weeks of vacation leave each year. Vacation leave must be taken in the year earned. Employees are entitled to pay during reasonable periods of illness.

Based on the aforementioned policies, there are no accumulated or vested benefits relating to compensated absences, at December 31, 2003, that require accrual or disclosure to conform with generally accepted accounting principles.

VERNON PARISH POLICE JURY
Leesville, Louisiana

Notes to the Basic Financial Statements
(Continued)

L. RESTRICTED NET ASSETS

For government-wide statement of net assets, net assets are reported as restricted when constraints placed on net asset use are either, externally imposed by creditors (such as debt covenants, construction contracts, etc.), grantors, contributors, or laws or regulations of other governments and/or imposed by law through constitutional provisions or enabling legislation.

M. FUND EQUITY

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

N. EXTRAORDINARY AND SPECIAL ITEMS

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events within the control of the police jury, which are either unusual in nature or infrequent in occurrence.

O. INTERFUND TRANSACTIONS

Quasi-external transactions are accounted for as revenues or expenditures. Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

P. SALES TAXES

The Vernon Parish School Board is authorized to collect, within Vernon Parish, the following sales and use taxes for the benefit of the Vernon Parish Police Jury:

On March 12, 1996, the voters of the parish approved two sales and use taxes of one per cent (1%) and one-half of one per cent (1/2%). Both taxes are for a ten-year period, from April 1, 1996, and may be used to fund and retire bonds as provided by Louisiana Revised Statute 39:698. The proceeds of the one per cent tax, after paying cost to collect and administer the tax, are dedicated and used to pay the costs of collecting and disposing of solid waste with the remainder of the proceeds of the tax to be used for constructing and improving hard surface roads and bridges in the parish, including the acquisition of equipment.

VERNON PARISH POLICE JURY
Leesville, Louisiana

Notes to the Basic Financial Statements
(Continued)

The proceeds of the one-half per cent tax, after paying costs to collect and administer the tax are to be used as follows:

1. Fifty per cent of the proceeds of the tax (one-quarter of one per cent) is used to construct, improve, and maintain public roads, highways, and bridges in the parish.
2. Fifty per cent of the proceeds of the tax (one-quarter of one per cent) is used to construct, acquire, improve, maintain, and operate parishwide fire protection facilities.

Q. HOTEL/MOTEL TAX

As provided by Louisiana Revised Statute 33:4574, the police jury has levied a three per cent tax on the occupancy of all hotel/motel rooms and overnight camping facilities in the parish. Proceeds of the tax, less collection costs, are distributed to the Vernon Parish Tourist and Recreation Commission for the promotion of tourism in Vernon Parish.

R. ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

2. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

The following individual funds had actual expenditures over budgeted appropriations for the year ended December 31, 2003:

Fund	Budget	Actual	Amount	Percent
Fire Protection District No. 1	\$1,083,020	\$1,306,930	(\$223,910)	-17.13%
Road District Maintenance:				
No. 2	126,900	127,270	(370)	-0.29%
No. 3	20,870	27,094	(6,224)	-22.97%
No. 5	69,557	69,816	(259)	-0.37%
No. 6	50,340	54,010	(3,670)	-6.80%
Road District Construction:				
No. 1	48,700	59,743	(11,043)	-18.48%
No. 5	33,150	36,986	(3,836)	-10.37%
No. 6	6,450	5,507	943	17.13%
No. 7	50,750	54,386	(3,636)	-6.69%

VERNON PARISH POLICE JURY
Leesville, Louisiana

Notes to the Basic Financial Statements
(Continued)

3. CASH AND CASH EQUIVALENTS

At December 31, 2003, the police jury has cash and cash equivalents (book balance) as follows:

Petty cash	\$475
Interest-bearing demand deposits	6,412,032
Time and certificates of deposit	<u>242,067</u>
 Total Cash and Cash Equivalents	 <u><u>\$6,654,574</u></u>

The collected bank balances (cash and cash equivalents), at December 31, 2003, are secured as follows:

Description	Category			Bank	Book
	1	2	3	Balance	Balance
Demand deposits	\$100,000		\$6,615,547	\$6,715,547	\$6,412,032
Certificates of deposit	<u>100,000</u>		<u>142,067</u>	<u>242,067</u>	<u>242,067</u>
Totals	<u><u>\$200,000</u></u>	<u>NONE</u>	<u><u>\$6,757,614</u></u>	<u><u>\$6,957,614</u></u>	<u><u>\$6,654,099</u></u>

Category 1 includes cash and cash equivalents that are insured or registered or for which the securities are held by the police jury or its agent in the police jury's name. Category 2 includes uninsured and unregistered cash and cash equivalents for which securities are held by the bank's trust department, broker-dealers, or agent in the police jury's name. Category 3 includes uninsured and unregistered cash and cash equivalents for which the securities are held by the bank's trust department, broker-dealer, or by its agent but not in the police jury's name.

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

VERNON PARISH POLICE JURY
Leesville, Louisiana

Notes to the Basic Financial Statements
(Continued)

4. INVESTMENTS

At December 31, 2003, the police jury holds the following investments:

Description	Category			Fair
	A	B	C	Value
Government securities	\$1,774,063			\$1,774,063
Certificates of deposit	1,957,070			1,957,070
Total	\$3,731,133	NONE	NONE	\$3,731,133

Category A includes investments that are insured or registered or for which the securities are held by the police jury or its agent in the police jury's name. Category B includes uninsured and unregistered investments for which securities are held by the broker's or dealer's trust department or agent in the police jury's name. Category C includes uninsured and unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent but not in the police jury's name.

5. RECEIVABLES

The receivables at December 31, 2003, are as follows:

Class of Receivable	Major Governmental Funds	Nonmajor Governmental Funds	Total
Taxes:			
Ad valorem	\$1,802,851	\$803,256	\$2,606,107
Other taxes, licenses, etc.	1,129		1,129
Licenses and permits	4,766		4,766
Intergovernmental revenues:			
Federal	273,666	84,249	357,915
State	761,744	98,646	860,389
Other	32,044		32,044
Total	\$2,876,199	\$986,150	\$3,862,349

VERNON PARISH POLICE JURY
Leesville, Louisiana

Notes to the Basic Financial Statements
(Continued)

6. CAPITAL ASSETS

Governmental capital assets and depreciation activity as of and for the year ended December 31, 2003, is as follows:

	Land	Buildings and Improvements	Machinery and Equipment	Infrastructure	Total
Beginning Balance, General Fixed Assets	\$553,245	\$7,854,300	\$13,069,670		\$21,477,215
Additions/Deletions, Net	639,020	2,182,740	(1,255,270)		1,566,490
Beginning Balance, Capital Assets	1,192,265	10,037,040	11,814,400		23,043,705
Additions		1,069,250	1,400,531	\$4,342,750	6,812,531
Deductions			(147,036)		(147,036)
Ending Balance, Capital Assets	1,192,265	11,106,290	13,067,895	4,342,750	29,709,200
Less - Accumulated Depreciation		(3,085,738)	(5,244,159)	(114,691)	(8,444,588)
Capital Assets, Net	\$1,192,265	\$8,020,552	\$7,823,736	\$4,228,059	\$21,264,612

7. PENSION PLAN

Parochial Employees Retirement System of Louisiana -- substantially all employees of the police jury are members of the Parochial Employees Retirement System of Louisiana ("system"), a multiple-employer, public employee retirement system (PERS), controlled and administered by a separate board of trustees. The system is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. Employees of the police jury are members of Plan B.

All permanent employees working at least 28 hours per week who are paid wholly or in part from funds and all elected parish officials are eligible to participate in the system. Under Plan B, employees who retire at or after age 62 with at least 10 years of credited service or at or after age 55 with 30 years of credited service are entitled to a retirement benefit, payable monthly for life, equal to 2 per cent of their final-average compensation in excess of \$100 for each year of creditable service. Furthermore, employees with at least 10 years of creditable service, but less than 30 years, may take early retirement benefits commencing at or after age 60, with the basic benefit reduced 3 per cent for each year retirement precedes age 62. In any case, benefits paid under Plan B cannot exceed the lesser of 100 per cent of the final-average salary multiplied by total years of creditable service. Final-average salary is the employee's average salary over 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above and do not withdraw their employee contributions may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established by state statute.

VERNON PARISH POLICE JURY
Leesville, Louisiana

Notes to the Basic Financial Statements
(Continued)

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Parochial Employees' Retirement System, Post office Box 14619, Baton Rouge, LA 70898-4619, or by calling (504) 928-1361.

Under Plan B, members are required by state statute to contribute 3.0 percent of their annual covered salary in excess of \$1,200 and the employer is required to contribute at an actuarially determined rate. The current rate is 2.75 percent of annual covered payroll. Contributions to the System 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 the 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 employers 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 of the prior fiscal year. The required employer contributions to the System under Plan B for the years ending December 31, 2003, 2002, and 2001, have been made by the police jury.

8. LONG-TERM LIABILITIES

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

	General Obligation Bonds and Certificates of Indebtedness	Bank Loans	Capital Leases	Total
Long-term debt payable at January 1, 2002	\$4,124,000	\$174,037	\$1,316,182	\$5,614,219
Additions		136,607		136,607
Deductions	(653,000)	(50,062)	(376,911)	(1,079,974)
Long-term debt payable at December 31, 2003	\$3,471,000	\$260,582	\$939,271	\$4,670,853

In accordance with R.S. 39:562, the police jury is legally restricted from incurring long-term bonded debt in excess of 10% of the assessed value of taxable property. At December 31, 2003, the statutory limit is \$11,800,000, and outstanding bonded debt totals \$2,175,000.

VERNON PARISH POLICE JURY
Leesville, Louisiana

Notes to the Basic Financial Statements
(Continued)

Bonded debt - the individual issues, which are serial bonds, payable from their respective debt service funds and certificates of indebtedness, payable from the Parishwide Overlay Fund, are as follows:

Description	Original Issue	Final Payment Date	Interest to Maturity	Principal Outstanding
Vernon Parish Library- Series 2002	\$695,000	May 1, 2008	\$59,616	\$595,000
Silam Building Renovation- Series 1999	1,800,000	April 1, 2019	<u>677,715</u>	<u>1,580,000</u>
Total Bonded Debt			<u>737,331</u>	<u>2,175,000</u>
Parishwide Overlay:				
Certificates of Indebted- ness Series 2002	1,625,000	June 1, 2006	68,513	1,240,000
Certificates of Indebted- ness - Series 2001	317,000	May 1, 2004	<u>1,246</u>	<u>56,000</u>
			<u>69,759</u>	<u>1,296,000</u>
Total			<u>\$807,090</u>	<u>\$3,471,000</u>

Principal and interest requirements of the bonded debt are funded in accordance with Louisiana law by the annual ad valorem tax levy on taxable property within the parish. Principal and interest requirements of the certificates of indebtedness are funded through the Parishwide Overlay Fund. The bonds and certificates of indebtedness are due as follows:

General Obligation Bonds and Certificates of Indebtedness	Principal	Interest	Total
2004	\$631,000	\$131,176	\$762,176
2005	585,000	108,262	693,262
2006	615,000	85,796	700,796
2007	200,000	70,167	270,167
2008	215,000	61,587	276,587
2009	85,000	54,970	139,970
2010	85,000	51,060	136,060
2011	95,000	47,233	142,233
2012	100,000	42,990	142,990
2013	105,000	38,428	143,428
2014	110,000	33,535	143,535
2015	115,000	28,303	143,303
2016	120,000	22,780	142,780
2017	130,000	16,840	146,840
2018	135,000	10,413	145,413
2019	145,000	3,553	148,553
Totals	<u>\$3,471,000</u>	<u>\$807,090</u>	<u>\$4,278,090</u>

VERNON PARISH POLICE JURY
Leesville, Louisiana

Notes to the Basic Financial Statements
(Continued)

General Obligation Bonds and Certificates of Indebtedness	Principal	Interest	Total
Current	\$631,000	\$131,176	\$762,176
Long-term	2,840,000	675,914	3,515,914
Total	\$3,471,000	\$807,090	\$4,278,090

Bank loans - the police jury has the following bank loans outstanding at December 31, 2003:

Description	Original Issue	Final Payment Date	Interest to Maturity	Principal Outstanding
West LA Forestry Festival	November 12, 2003	November 10, 2004	\$4,435	\$111,489
General Fund	August 14, 1992	August 13, 2009	21,125	149,093
Totals			\$25,560	\$260,582

Principal and interest requirements of the bank loans are funded through the respective fund. The bank loans are due as follows:

Bank Loans	Principal	Interest	Total
2004	\$137,753	\$11,657	\$149,410
2005	27,698	5,787	33,486
2006	29,188	4,298	33,486
2007	30,758	2,728	33,486
2008	32,407	1,078	33,486
2009	2,778	12	2,790
Totals	\$260,582	\$25,560	\$286,142

Bank Loans	Principal	Interest	Total
Current	\$137,753	\$11,657	\$149,410
Long-term	122,829	13,903	136,732
Total	\$260,582	\$25,560	\$286,142

Leases - the police jury records items under capital leases as an asset and an obligation in the accompanying financial statements. The lease obligations, consisting of equipment, are paid from various special revenue funds. The following is a summary of future minimum lease payments, together with the present value of the net minimum lease payments, as of December 31, 2003:

VERNON PARISH POLICE JURY
Leesville, Louisiana

Notes to the Basic Financial Statements
(Continued)

	Capital Leases

Year Ending December 31,	
2004	\$324,594
2005	278,970
2006	140,938
2007	108,662
2008	103,359
2009	84,704
2010	14,863
2011	14,859

Totals	\$1,070,950
Less - amount representing interest	(131,679)

Present value of future lease payments	\$939,271
	=====

Bank Loans	Principal	Interest	Total
-----	-----	-----	-----
Current	\$276,556	\$48,038	\$324,594
Long-term	662,715	83,641	746,356
	-----	-----	-----
Total	\$939,271	\$131,679	\$1,070,950
	=====	=====	=====

The police jury has entered into operating leases for maintenance yards. These maintenance yards are used to store equipment and fuel for maintaining the parish's road system. The leases may be terminated by either the lessor or the lessee by giving 30 days written notice.

13. 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's General Fund. The following details the amount due the General Fund at December 31, 2003:

Balance due at December 31, 2002	\$54,134
Amount remitted during 2003	(20,381)
Amount due for 2003	NONE

Balance due at December 31, 2003	\$33,754
	=====

VERNON PARISH POLICE JURY
Leesville, Louisiana

Notes to the Basic Financial Statements
(Continued)

15. LITIGATION

At December 31, 2003, the police jury is involved several lawsuits. In the opinion of the district attorney, legal counsel for the police jury, the ultimate resolution of those lawsuits that have progressed to a point where a determination can be made will not represent a significant liability to the police jury, and the remaining lawsuits have not progressed to a point where a determination can be made of any possible loss. No provision for any liability that may result has been made in the accompanying financial statements.

16. FEDERAL PROGRAMS

The Vernon Parish Police Jury participates in various programs funded through the Louisiana Department of Labor and the Louisiana Department of Education by the United States Department of Labor. The police jury is a member of the Fifth District Service Delivery Area (SDA), which consists of Allen, Beauregard, and Vernon Parishes. Members of the SDA entered into a multi-jurisdictional consortium agreement for the purpose of carrying out programs and activities. This agreement names the president of the Vernon Parish Police Jury as the authorized representative of the units of government signatory to the agreement. In addition, the agreement states that the entity designated as the grant recipient will receive the funds for the consortium area and be held ultimately liable for the funds.

A. Workforce Investment Board (WIB) - consists of 15 members representing a cross section of the SDA population. The WIB is responsible for providing program development guidance and for monitoring operations of the administrative entity.

B. Designated chief elected official - this is a police jury president, elected by his peers from the Fifth District Service Delivery Area. His responsibilities are the same as the WIB.

C. Administrative entity - the organization selected by the WIB and the consortium to administer the program. All actions by the administrative entity must be approved by the WIB and the designated chief elected official.

The Vernon Parish Police Jury is the designated grant recipient and the administrative entity. As a grant recipient, the Vernon Parish Police Jury has (1) accepted full responsibility for funds expended in the grant; (2) assured the Louisiana Department of Labor that all funds provided will be expended in accordance with the requirements of all applicable federal and state regulations, policies and procedures, and the approved plan; and (3) accepted ultimate responsibility for the grant funds.

VERNON PARISH POLICE JURY
Leesville, Louisiana

Notes to the Basic Financial Statements
(Continued)

17. GENERAL LIABILITY INSURANCE

The Vernon Parish Police Jury has determined that the cost of general liability insurance coverage is prohibitive. Consequently, the police jury has not obtained general liability insurance coverage against possible losses resulting from claims filed by individuals who might suffer injury while on police jury property.

18. LANDFILL

The Vernon Parish Police Jury operates a Type III (Construction and Demolition Debris and Woodwaste) landfill. The facility, consisting of approximately 10 acres, was originally opened in 1986 and has a remaining estimated useful life of approximately 20 years. State and federal laws and regulations require that the police jury place a final cover on its landfill when closed and perform certain maintenance and monitoring functions at the landfill site for three years after closure.

Annual closure costs to fill and cover each cell is minimal because the volume of material removed to open each cell normally exceeds the volume of material required to cover the cell on closure. Additionally, the cost of the final pre-closure cover and the postclosure monitoring costs for three years after closure are estimated at \$30,000. However, the actual cost of closure and postclosure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations.

As of December 31, 2003, the police jury, due to the immaterial amount of the estimated closure and postclosure care costs, has not recorded any liability relating to these cost estimates.

REQUIRED SUPPLEMENTAL INFORMATION

PART II

VERNON PARISH POLICE JURY
Leesville, Louisiana
GOVERNMENTAL FUND - GENERAL FUND

Budgetary Comparison Schedule
For the Year Ended December 31, 2003

	ORIGINAL	FINAL	ACTUAL (BUDGETARY BASIS)	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
BUDGETARY FUND BALANCES - BEGINNING	\$2,117,485	\$2,110,351	\$2,798,979	\$688,628
Resources (inflows)				
Taxes, licenses, and permits	420,000	393,000	394,587	1,587
Intergovernmental grants	2,036,000	1,922,030	1,784,054	(137,976)
Fines, fees, forfeitures, and permits	75,700	771,792	750,796	(20,996)
Use of money and property	159,525	162,620	159,681	(2,939)
Operating transfers in		530,000	530,000	
Amounts available for appropriations	4,808,710	5,889,793	6,418,098	528,305
Charges to appropriations (outflows)				
Current:				
General government:				
Legislative	391,100	424,130	427,787	(3,657)
Judicial	314,640	317,665	313,488	4,177
Elections	74,600	134,235	128,973	5,262
Finance and administration	592,975	1,379,877	1,474,619	(94,742)
Other	68,810	55,990	59,771	(3,781)
Public safety	295,440	242,200	266,972	(24,772)
Public works	511,370	533,380	509,245	24,135
Health and welfare	172,870	46,610	42,968	3,642
Culture and recreation	8,480	35,639	34,573	1,066
Economic development and assistance	23,920	21,810	19,915	1,895
Intergovernmental	397,540	368,290	244,129	124,161
Other financing uses	440,000	1,390,950	1,616,240	(225,290)
Total charges to appropriations	3,291,745	4,950,776	5,138,681	(187,905)
BUDGETARY FUND BALANCES - ENDING	\$1,516,965	\$939,017	\$1,279,417	\$340,400

See independent auditor's report.

VERNON PARISH POLICE JURY
 Leesville, Louisiana
 GOVERNMENTAL FUND - PARISHWIDE ROAD MAINTENANCE FUND

Budgetary Comparison Schedule
 For the Year Ended December 31, 2003

	ORIGINAL	FINAL	ACTUAL (BUDGETARY BASIS)	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
BUDGETARY FUND BALANCES - BEGINNING	\$7,007	(\$14,099)	\$624,380	\$638,479
Resources (inflows)				
Taxes, licenses, and permits	1,207,000	1,212,000	1,228,998	16,998
Intergovernmental grants	766,000	878,800	852,681	(26,119)
Use of money and property	27,500	12,035	5,993	(6,042)
Operating transfers in	510,000	710,000	690,004	(19,996)
Amounts available for appropriations	2,517,507	2,798,736	3,402,057	603,321
Charges to appropriations (outflows)				
Current:				
Public works	2,499,420	2,668,465	2,563,656	104,809
Total charges to appropriations	2,499,420	2,668,465	2,563,656	104,809
BUDGETARY FUND BALANCES - ENDING	\$18,087	\$130,271	\$838,401	\$708,130

See independent auditor's report.

VERNON PARISH POLICE JURY
 Leesville, Louisiana
 GOVERNMENTAL FUND - SANITARY LANDFILL FUND

Budgetary Comparison Schedule
 For the Year Ended December 31, 2003

	ORIGINAL	FINAL	ACTUAL (BUDGETARY BASIS)	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
BUDGETARY FUND BALANCES - BEGINNING	\$4,544,033	\$4,543,088	\$4,688,779	\$145,691
Resources (inflows)				
Taxes, licenses, and permits	3,600,000	3,772,000	3,739,817	(32,183)
Use of money and property	121,000	88,450	142,541	54,091
Amounts available for appropriations	8,265,033	8,403,538	8,571,136	167,598
Charges to appropriations (outflows)				
Current:				
Public safety	1,788,710	1,907,004	1,806,288	100,716
Other financing uses	2,266,000	2,911,000	2,885,808	25,192
Total charges to appropriations	4,054,710	4,818,004	4,692,096	125,908
BUDGETARY FUND BALANCES - ENDING	\$4,210,323	\$3,585,534	\$3,879,040	\$293,506

See independent auditor's report.

VERNON PARISH POLICE JURY
Leesville, Louisiana
GOVERNMENTAL FUND - HEALTH UNIT MAINTENANCE FUND

Budgetary Comparison Schedule
For the Year Ended December 31, 2003

	ORIGINAL	FINAL	ACTUAL (BUDGETARY BASIS)	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
BUDGETARY FUND BALANCES - BEGINNING	\$1,960,658	\$1,960,360	\$2,219,090	\$258,730
Resources (inflows)				
Taxes, licenses, and permits	249,000	239,000	219,977	(19,023)
Intergovernmental grants	37,000	35,500	34,474	(1,026)
Use of money and property	35,500	22,550	22,462	(88)
Amounts available for appropriations	2,282,158	2,257,410	2,496,003	238,593
Charges to appropriations (outflows)				
Current:				
Health and welfare	195,670	280,506	271,678	8,828
Other financing uses	110,000	110,000	110,000	
Total charges to appropriations	305,670	390,506	381,678	8,828
BUDGETARY FUND BALANCES - ENDING	\$1,976,488	\$1,866,904	\$2,114,326	\$247,422

See independent auditor's report.

VERNON PARISH POLICE JURY
Leesville, Louisiana
GOVERNMENTAL FUND - COURTHOUSE AND JAIL MAINTENANCE FUND

Budgetary Comparison Schedule
For the Year Ended December 31, 2003

	ORIGINAL	FINAL	ACTUAL (BUDGETARY BASIS)	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
BUDGETARY FUND BALANCES - BEGINNING	\$16,487	\$8,969	\$440,459	\$431,490
Resources (inflows)				
Taxes, licenses, and permits	515,000	581,000	582,704	1,704
Intergovernmental grants	65,000	85,000	83,313	(1,687)
Use of money and property	4,500	2,460	1,461	(999)
Other financing sources		10,000	210,687	200,687
Amounts available for appropriations	600,987	687,429	1,318,624	631,195
Charges to appropriations (outflows)				
Current:				
General government - other	655,440	694,204	701,417	(7,213)
Other financing uses				
Total charges to appropriations	655,440	694,204	701,417	(7,213)
BUDGETARY FUND BALANCES - ENDING	(\$54,453)	(\$6,775)	\$617,207	\$623,982

See independent auditor's report.

VERNON PARISH POLICE JURY
Leesville, Louisiana
GOVERNMENTAL FUND - PARISHWIDE OVERLAY FUND

Budgetary Comparison Schedule
For the Year Ended December 31, 2003

	ORIGINAL	FINAL	ACTUAL (BUDGETARY BASIS)	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
BUDGETARY FUND BALANCES - BEGINNING	\$1,836,515	\$1,821,339	\$1,821,339	NONE
Resources (inflows)				
Taxes, licenses, and permits	1,235,000	2,265,000	2,319,804	54,804
Use of money and property	60,000	16,450	10,069	(6,381)
Other financing sources	565,000	565,000	565,000	
Amounts available for appropriations	3,696,515	4,667,789	4,716,213	48,424
Charges to appropriations (outflows)				
Current:				
Public works	2,307,450	4,139,225	4,184,310	(45,085)
Other financing uses		530,000	530,000	
Total charges to appropriations	2,307,450	4,669,225	4,714,310	(45,085)
BUDGETARY FUND BALANCES - ENDING	\$1,389,065	(\$1,436)	\$1,903	\$3,339

See independent auditor's report.

VERNON PARISH POLICE JURY
Leesville, Louisiana
GOVERNMENTAL FUND - CRIMINAL COURT FUND

Budgetary Comparison Schedule
For the Year Ended December 31, 2003

	ORIGINAL	FINAL	ACTUAL (BUDGETARY BASIS)	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
BUDGETARY FUND BALANCES - BEGINNING	\$11,913	\$11,751	(\$11,168)	(\$22,919)
Resources (inflows)				
Fines, fees, forfeitures, and permits	551,000	460,000	\$442,581	(17,419)
Use of money and property	800	20,270		(20,270)
Other financing sources	100,000	241,000	255,593	14,593
Amounts available for appropriations	663,713	733,021	687,007	(46,014)
Charges to appropriations (outflows)				
Current:				
General government - judicial	648,610	688,171	673,256	14,915
Other financing uses	9,650	16,500	13,750	2,750
Total charges to appropriations	658,260	704,671	687,007	17,664
BUDGETARY FUND BALANCES - ENDING	\$5,453	\$28,350	NONE	(\$28,350)

See independent auditor's report.

VERNON PARISH POLICE JURY
Leesville, Louisiana
GOVERNMENTAL FUND - LIBRARY MAINTENANCE FUND

Budgetary Comparison Schedule
For the Year Ended December 31, 2003

	ORIGINAL	FINAL	ACTUAL (BUDGETARY BASIS)	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
BUDGETARY FUND BALANCES - BEGINNING	\$463,385	\$461,368	\$1,028,686	\$567,318
Resources (inflows)				
Taxes, licenses, and permits	566,000	556,000	562,649	6,649
Intergovernmental grants	107,000	83,500	80,690	(2,810)
Fees and charges	25,050	30,050	30,434	384
Use of money and property	19,500	26,100	13,996	(12,104)
Amounts available for appropriations	1,180,935	1,157,018	1,716,455	559,437
Charges to appropriations (outflows)				
Current:				
Culture and recreation	697,170	698,650	697,310	1,340
Total charges to appropriations	697,170	698,650	697,310	1,340
BUDGETARY FUND BALANCES - ENDING	\$483,765	\$458,368	\$1,019,146	\$560,778

See independent auditor's report.

VERNON PARISH POLICE JURY
LEESVILLE, LOUISIANA
SUPPLEMENTAL INFORMATION SCHEDULES
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2003

GOVERNMENTAL FUNDS
NONMAJOR SPECIAL REVENUE FUNDS

ROAD DISTRICT MAINTENANCE FUNDS -- account for costs incurred in maintaining roads and bridges in the various road districts. Financing is provided primarily by ad valorem taxes and state revenue sharing. Revenues are dedicated for expenditure within the territorial boundaries of the individual road districts.

ROAD DISTRICT CONSTRUCTION FUNDS -- account for costs incurred in maintaining and constructing roads and bridges in the various road districts. Financing is provided by ad valorem taxes and state revenue sharing. Revenues are dedicated for expenditure within the territorial boundaries of the individual road districts.

PUBLIC IMPROVEMENT CONSTRUCTION FUND -- is comprised of balances remaining in the Public Improvements Debt Service Fund, and the Public Improvement Capital Projects Fund. The bond issue, serviced by the Public Improvement Debt Service Funds, was paid out in February 1981, and the construction project financed by this issue has been completed. The balance in the Public Improvements Construction Fund will be used to correct erosion and other problems at Lake Vernon and Lake Anacoco.

JUDICIAL EXPENSE FUND -- accounts for expenditures made to pay jurors and witness fees incurred in the operation of the court system. Financing is provided by operating transfer from the General Fund.

TOURIST AND RECREATION FUND -- accounts for expenditures made to promote tourism in Vernon Parish. The activities are financed by the levy of a hotel/motel sales tax.

FIRE PROTECTION DISTRICT NO. 1 FUND -- accounts for the cost of maintaining and operating fire stations throughout Vernon Parish. Financing is provided by a one-quarter of one per cent sales and use tax dedicated for that purpose.

FIRE PROTECTION INSURANCE FUND -- accounts for the cost of maintaining and operating fire stations throughout Vernon Parish. Financing is provided by the two per cent fire insurance rebate received from the State of Louisiana.

ECONOMIC DEVELOPMENT FUND -- accounts for the operations of the economic development program in Vernon Parish. Financing is provided from state grants.

WEST LOUISIANA FORESTRY FESTIVAL FUND -- accounts for operations of the forestry festival and related activities. Financing is provided by self-generated revenues, donations, and State grants.

ANIMAL SHELTER FUND -- accounts for the operations of the animal shelter program in Vernon Parish. Financing is provided by operating transfers from the Health Unit Maintenance Fund.

VERNON PARISH POLICE JURY, PRIMARY GOVERNMENT
LEESVILLE, LOUISIANA
SUPPLEMENTAL INFORMATION SCHEDULES
GOVERNMENTAL FUNDS
NONMAJOR SPECIAL REVENUE FUNDS

COMBINING SCHEDULES
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2003

VERNON PARISH POLICE JURY
Leesville, Louisiana
NONMAJOR GOVERNMENTAL FUNDS

Combining Balance Sheet, December 31, 2003

	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	CAPITAL PROJECT FUNDS	TOTALS
	-----	-----	-----	-----
ASSETS				

Cash and cash equivalents	\$2,579,755	\$571,582		\$3,151,337
Receivables	596,633	305,269	\$84,249	986,150
	-----	-----	-----	-----
TOTAL ASSETS	\$3,176,388	\$876,851	\$84,249	\$4,137,488
	=====	=====	=====	=====
LIABILITIES AND FUND BALANCES				

Liabilities:				
Accounts payable	\$26,316	\$11,233	\$84,249	\$121,797
	-----	-----	-----	-----
Total liabilities	26,316	11,233	84,249	121,797
	-----	-----	-----	-----
Fund balance - unreserved - undesignated	3,150,072	865,618	NONE	4,015,690
	-----	-----	-----	-----
TOTAL LIABILITIES AND FUND BALANCE	\$3,176,388	\$876,851	\$84,249	\$4,137,488
	=====	=====	=====	=====

See independent auditor's report.

VERNON PARISH POLICE JURY
Leesville, Louisiana
NONMAJOR GOVERNMENTAL FUNDS

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

	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	CAPITAL PROJECTS FUNDS	TOTALS
	-----	-----	-----	-----
REVENUES				

Taxes:				
Ad valorem	\$520,717	\$321,634		\$842,351
Sales and use	1,002,331			1,002,331
Intergovernmental revenues:				
Federal grants	506,731		\$362,198	868,929
State funds	1,225,904			1,225,904
Fees, charges, and commissions for services	38,394			38,394
Use of money and property	25,138	9,421		34,559
Gifts and grants	57,800			57,800
	-----	-----	-----	-----
Total revenues	3,377,015	331,054	362,198	4,070,267
	-----	-----	-----	-----
EXPENDITURES				

Current:				
General government:				
Judicial	18,710			18,710
Finance and administrative		11,233		11,233
Public safety	1,438,402			1,438,402
Public works	1,905,915			1,905,915
Health and welfare	120,862			120,862
Culture and recreation	113,729			113,729
Capital projects			362,198	362,198
Debt service	238,444	818,624		1,057,069
	-----	-----	-----	-----
Total expenditures	3,836,063	829,857	362,198	5,028,118
	-----	-----	-----	-----
EXCESS (Deficiency) OF REVENUES OVER				

EXPENDITURES	(459,048)	(498,803)	NONE	(957,851)

(Continued)

See independent auditor's report.

VERNON PARISH POLICE JURY
Leesville, Louisiana
NONMAJOR GOVERNMENTAL FUNDS

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

	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	CAPITAL PROJECTS FUNDS	TOTALS
OTHER FINANCING SOURCES (USES)				
----- Operating transfers in	\$128,710	\$456,000		\$584,710
Total other financing sources (uses)	128,710	456,000	NONE	584,710
	-----	-----	-----	-----
SPECIAL ITEMS				
----- Sale of fixed assets	720	NONE	NONE	720
	-----	-----	-----	-----
NET CHANGE IN FUND BALANCE	(329,618)	(42,803)	NONE	(372,421)

FUND BALANCE AT BEGINNING OF YEAR	3,479,690	908,421	NONE	4,388,111

FUND BALANCE AT END OF YEAR	\$3,150,072	\$865,618	NONE	\$4,015,690
-----	=====	=====	=====	=====

(Concluded)

See independent auditor's report.

VERNON PARISH POLICE JURY
 Leesville, Louisiana
 NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS

Combining Balance Sheet, December 31, 2003

	ROAD DISTRICT MAINTENANCE	ROAD DISTRICT CONSTRUCTION	PUBLIC IMPROVEMENT CONSTRUCTION	JUDICIAL EXPENSE	TOURIST AND RECREATION	FIRE PROTECTION DISTRICT NO. 1	FIRE INSURANCE FUND
ASSETS							
Cash and cash equivalents	\$65,312	\$122,185	\$121,773	\$3,910	\$7,383	\$1,288,216	\$635,341
Receivables	451,041	145,592					
TOTAL ASSETS	\$516,353	\$267,777	\$121,773	\$3,910	\$7,383	\$1,288,216	\$635,341
LIABILITIES AND FUND BALANCE							
Liabilities:							
Accounts payable	\$20,108	\$4,810			\$29	\$164	
Total liabilities	20,108	4,810	NONE	NONE	29	164	NONE
Fund balance - unreserved - undesignated	496,245	262,966	121,773	\$3,910	7,354	1,288,052	635,341
TOTAL LIABILITIES AND FUND BALANCE	\$516,353	\$267,777	\$121,773	\$3,910	\$7,383	\$1,288,216	\$635,341

See independent auditor's report.

ECONOMIC DEVELOPMENT	WEST LOUISIANA FORESTRY	ANIMAL SHELTER	TOTALS
\$303,414	\$18,740	\$13,481	\$2,579,755 596,633
\$303,414	\$18,740	\$13,481	\$3,176,388
		\$1,205	26,316
NONE	NONE	1,205	26,316
\$303,414	18,740	12,276	3,150,072
\$303,414	\$18,740	\$13,481	\$3,176,388

VERNON PARISH POLICE JURY
 Leesville, Louisiana
 NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS

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

	ROAD DISTRICT MAINTENANCE	ROAD DISTRICT CONSTRUCTION	PUBLIC IMPROVEMENT CONSTRUCTION	JUDICIAL EXPENSE	TOURIST AND RECREATION
REVENUES					

Taxes:					
Ad valorem	\$392,245	\$128,472			
Sales and use					\$67,377
Intergovernmental revenues:					
Federal grants					
State funds	77,022	21,624			2,500
Fees, charges, and commissions for services					
Use of money and property	1,115	2,195	1,100		49
Gifts and grants					
Total revenues	470,381	152,292	1,100		69,926

EXPENDITURES					

Current:					
General government:					
Judicial				\$18,710	
Public safety					
Public works	494,290	304,180	18,538		
Health and welfare					
Culture and recreation					71,971
Debt service					
Total expenditures	494,290	304,180	18,538	18,710	71,971

EXCESS (Deficiency) OF REVENUES OVER					
EXPENDITURES	(23,910)	(151,888)	(17,438)	(18,710)	(2,045)

OTHER FINANCING SOURCES (USES)					

Operating transfers in				18,710	
Total other financing sources (uses)	NONE	NONE	NONE	18,710	

SPECIAL ITEMS					

Sale of fixed assets	720	NONE	NONE	NONE	NONE

NET CHANGE IN FUND BALANCE	(23,190)	(151,888)	(17,438)	NONE	(2,045)

FUND BALANCE AT BEGINNING OF YEAR	519,435	414,855	139,211	3,910	9,399

FUND BALANCE AT END OF YEAR	\$496,245	\$262,966	\$121,773	\$3,910	\$7,354
=====					

See independent auditor's report.

FIRE PROTECTION DISTRICT NO. 1	FIRE INSURANCE FUND	ECONOMIC DEVELOPMENT	WEST LOUISIANA FORESTRY	ANIMAL SHELTER	TOTALS
					\$520,717
\$934,954					1,002,331
506,731					506,731
	\$133,679	\$991,079			1,225,904
			\$31,650	\$6,744	38,394
10,219	4,611	\$2,355	3,063	432	25,138
			57,800		57,800
1,451,904	138,290	993,433	92,513	7,176	3,377,015
					18,710
1,326,064	112,337				1,438,402
		1,088,907			1,905,915
				120,862	120,862
			41,758		113,729
206,430			32,015		238,444
1,532,494	112,337	1,088,907	73,773	120,862	3,836,063
(80,590)	25,953	(95,473)	18,740	(113,687)	(459,048)
				110,000	128,710
NONE	NONE	NONE	NONE	110,000	128,710
					720
(80,590)	25,953	(95,473)	18,740	(3,687)	(329,618)
1,368,642	609,389	398,887	NONE	15,962	3,479,690
\$1,288,052	\$635,341	\$303,414	\$18,740	\$12,276	\$3,150,072

VERNON PARISH POLICE JURY
 Leesville, Louisiana
 NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS -
 ROAD DISTRICT MAINTENANCE FUNDS

Combining Balance Sheet, December 31, 2003

	NO. 1	NO. 2	NO. 3	NO. 4	NO. 5	NO. 6	NO. 7	NO. 8	TOTAL
ASSETS									
Cash and cash equivalents	\$10,529	\$1,694	\$17,115	\$24,930	\$1,000	\$301	\$8,362	\$1,381	\$65,312
Receivables	63,909	101,570	38,866	51,305	75,034	46,286	47,234	26,837	451,041
TOTAL ASSETS	\$74,438	\$103,265	\$55,981	\$76,236	\$76,034	\$46,587	\$55,596	\$28,218	\$516,353
LIABILITIES AND FUND BALANCE									
Liabilities:									
Accounts payable	\$2,859	\$3,111	\$3,141	\$2,153	\$2,489	\$1,523	\$2,849	\$1,982	\$20,108
Fund balance - unreserved - undesignated	71,579	100,153	52,840	74,083	73,544	45,064	52,746	26,236	496,245
TOTAL LIABILITIES AND FUND BALANCE	\$74,438	\$103,265	\$55,981	\$76,236	\$76,034	\$46,587	\$55,596	\$28,218	\$516,353

See independent auditor's report.

VERNON PARISH POLICE JURY
 Leesville, Louisiana
 NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS -
 ROAD DISTRICT MAINTENANCE FUNDS

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

	NO. 1	NO. 2	NO. 3	NO. 4	NO. 5	NO. 6	NO. 7	NO. 8	TOTALS
REVENUES									
Taxes - ad valorem	\$56,797	\$78,528	\$36,654	\$48,826	\$63,394	\$41,895	\$43,969	\$22,182	\$392,245
State funds	12,806	31,401	3,686	4,592	3,254	7,351	8,476	5,456	77,022
Use of money and property	86	219	69	188	210	83	201	59	1,115
Total revenues	69,689	110,148	40,409	53,606	66,858	49,329	52,646	27,697	470,381
EXPENDITURES									
Current - public works	63,974	127,270	27,094	47,310	69,816	53,209	77,089	28,528	494,290
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES									
	5,715	(17,123)	13,315	6,296	(2,958)	(3,880)	(24,443)	(831)	(23,910)
SPECIAL ITEMS									
Sale of fixed assets	NONE	NONE	NONE	NONE	NONE	720	NONE	NONE	720
NET CHANGE IN FUND BALANCE									
	5,715	(17,123)	13,315	6,296	(2,958)	(3,160)	(24,443)	(831)	(23,190)
FUND BALANCE AT BEGINNING OF YEAR									
	65,864	117,276	39,526	67,787	76,502	48,224	77,189	27,067	519,435
FUND BALANCE AT END OF YEAR									
	\$71,579	\$100,153	\$52,840	\$74,083	\$73,544	\$45,064	\$52,746	\$26,236	\$496,245

See independent auditor's report.

VERNON PARISH POLICE JURY
 Leesville, Louisiana
 NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS -
 ROAD DISTRICT CONSTRUCTION FUNDS

Combining Balance Sheet, December 31, 2003

	NO. 1	NO. 2	NO. 3	NO. 4	NO. 5	NO. 6	NO. 7	NO. 8	TOTAL
ASSETS									
Cash and cash equivalents	11,287	\$2,496	\$1,327	\$54,033	\$37,325	\$509	\$13,482	\$1,726	\$122,185
Receivables	25,345	15,626	15,576	20,559	30,013	6,179	18,875	13,418	145,592
TOTAL ASSETS	\$36,633	\$18,122	\$16,902	\$74,592	\$67,338	\$6,688	\$32,357	\$15,144	\$267,777
LIABILITIES AND FUND EQUITY									
Liabilities:									
Accounts payable	\$563	\$504	\$492	\$667	\$1,395	\$195	\$604	\$391	\$4,810
Fund balance - unreserved - undesignated	36,070	17,619	16,411	73,925	65,943	6,493	31,753	14,753	262,966
TOTAL LIABILITIES AND FUND BALANCE	\$36,633	\$18,122	\$16,902	\$74,592	\$67,338	\$6,688	\$32,357	\$15,144	\$267,777

See independent auditor's report.

VERNON PARISH POLICE JURY
 Leesville, Louisiana
 NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS -
 ROAD DISTRICT CONSTRUCTION FUNDS

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

	NO. 1	NO. 2	NO. 3	NO. 4	NO. 5	NO. 6	NO. 7	NO. 8	TOTALS
REVENUES									
Taxes - ad valorem	\$22,525	\$12,081	\$14,689	\$19,566	\$25,358	\$5,593	\$17,570	\$11,091	\$128,472
State funds	5,079	4,831	1,477	1,840	1,301	981	3,387	2,728	21,624
Use of money and property	382	156	120	599	435	16	367	120	2,195
Total revenues	27,986	17,068	16,286	22,005	27,094	6,590	21,325	13,939	152,292
EXPENDITURES									
Current - public works	59,743	36,328	34,847	48,899	36,986	5,507	54,386	27,484	304,180
NET CHANGE IN FUND BALANCE	(31,757)	(19,260)	(18,560)	(26,894)	(9,892)	1,083	(33,062)	(13,545)	(151,888)
FUND BALANCE AT BEGINNING									
OF YEAR	67,827	36,879	34,971	100,819	75,835	5,410	64,815	28,299	414,855
FUND BALANCE AT END OF YEAR	\$36,070	\$17,619	\$16,411	\$73,925	\$65,943	\$6,493	\$31,753	\$14,753	\$262,966

See independent auditor's report.

VERNON PARISH POLICE JURY
LEESVILLE, LOUISIANA
SUPPLEMENTAL INFORMATION SCHEDULES
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2003

GOVERNMENTAL FUNDS
NONMAJOR DEBT SERVICE FUNDS

LIBRARY -- used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related charges on the Series 1993, General Obligation Bonds in the amount of \$2,500,000. Proceeds were used to construct the Vernon Parish Library.

ROAD IMPROVEMENT -- used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related charges on the Series 1996, Certificates of Indebtedness in the amount of \$3,500,000. Proceeds were used to overlay parish roads.

VERNON PARISH POLICE JURY
 Leesville, Louisiana
 GOVERNMENTAL FUNDS - DEBT SERVICE FUNDS

Combining Balance Sheet, December 31, 2003

	LIBRARY/ JUDICIAL	ROAD IMPROVEMENT	TOTALS
	-----	-----	-----
ASSETS			

Cash and cash equivalents	\$265,338	\$306,244	\$571,582
Receivables	305,269		305,269
	-----	-----	-----
TOTAL ASSETS	\$570,607	\$306,244	\$876,851
	=====	=====	=====
LIABILITIES AND FUND BALANCE			

Liabilities - accounts payable	\$11,233	NONE	\$11,233
	-----	-----	-----
Fund balance - reserved for debt service	559,374	\$306,244	865,618
	-----	-----	-----
TOTAL LIABILITIES AND FUND BALANCE	\$570,607	\$306,244	\$876,851
	=====	=====	=====

See independent auditor's report.

VERNON PARISH POLICE JURY
Leesville, Louisiana
GOVERNMENTAL FUNDS - DEBT SERVICE FUNDS

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

	LIBRARY	ROAD IMPROVEMENT	TOTALS
	-----	-----	-----
REVENUES			

Taxes - ad valorem	\$321,634		\$321,634
Use of money and property	7,065	\$2,355	9,421
Total revenues	----- 328,699	----- 2,355	----- 331,054
EXPENDITURES			

Current - general government - finance and administration	11,233		11,233
Debt service	267,028	551,597	818,624
Total expenditures	----- 278,260	----- 551,597	----- 829,857
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	----- 50,439	----- (549,242)	----- (498,803)
OTHER FINANCING SOURCES			

Operating transfers in	NONE	456,000	456,000
NET CHANGE IN FUND BALANCE	----- 50,439	----- (93,242)	----- (42,803)
FUND BALANCE AT BEGINNING OF YEAR	----- 508,935	----- 399,486	----- 908,421
FUND BALANCE AT END OF YEAR	----- \$559,374	----- \$306,244	----- \$865,618
	=====	=====	=====

See independent auditor's report.

VERNON PARISH POLICE JURY
LEESVILLE, LOUISIANA
SUPPLEMENTAL INFORMATION SCHEDULES
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2003

GOVERNMENTAL FUNDS
NONMAJOR CAPITAL PROJECTS FUNDS

The capital projects funds are used to account for the construction of capital assets. Funding is provided by Federal grants (CFDA 14.219 - Small Cities Program) received which are passed through the Louisiana Community Development Block Grant Section of the Division of Administration -State of Louisiana.

VERNON PARISH POLICE JURY
 Leesville, Louisiana
 GOVERNMENTAL FUNDS - CAPITAL PROJECT FUNDS

Combined Balance Sheet, December 31, 2003

	WEST VERNON WATER PROJECT	WATER PROJECT	TOTAL
	-----	-----	-----
ASSETS			

Receivables	NONE	\$84,249	\$84,249
	=====	=====	=====
LIABILITIES AND FUND BALANCE			

Liabilities:			
Accounts payable	NONE	\$84,249	\$84,249
	-----	-----	-----
Fund balance - reserved for capital projects	NONE	NONE	NONE
	-----	-----	-----
TOTAL LIABILITIES AND FUND BALANCE	NONE	\$84,249	\$84,249
	=====	=====	=====

See independent auditor's report.

VERNON PARISH POLICE JURY
 Leesville, Louisiana
 GOVERNMENTAL FUNDS - CAPITAL PROJECTS FUNDS

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

	WEST VERNON WATER WORKS	WATER PROJECT	TOTAL
	-----	-----	-----
REVENUES			

Intergovernmental - federal funds	\$30,376	\$331,822	\$362,198
	-----	-----	-----
Total revenues	30,376	331,822	362,198
	-----	-----	-----
EXPENDITURES			

Capital outlay	30,376	331,822	362,198
	-----	-----	-----
Total expenditures	30,376	331,822	362,198
	-----	-----	-----
EXCESS (Deficiency) OF REVENUES OVER			

EXPENDITURES	NONE	NONE	NONE
	-----	-----	-----
FUND BALANCE AT BEGINNING OF YEAR	NONE	NONE	NONE
	-----	-----	-----
FUND BALANCE AT END OF YEAR	NONE	NONE	NONE
	=====	=====	=====

See independent auditor's report.

VERNON PARISH POLICE JURY
 Leesville, 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, not to exceed the maximum provided by Louisiana law.

Clay, Curtis L.	\$14,400
Fulton, Jr., Sam B.	14,400
Grimes, Jackie L.	14,400
Hamilton, John	14,400
Haymon, Melvin R.	14,400
Haymon, O. C.	14,400
James, Jimmy L.	14,400
McMahon, Tommy	14,400
Pynes, Ray	14,400
Tuck, James B.	10,089
Weeks, Reid W.	14,400
William, Billy	14,400

Totals	\$168,489 =====

See independent auditor's report.

**OTHER REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS**

The following pages contain reports on internal control structure and compliance with laws and regulations required by Government Auditing Standards, issued by the Comptroller General of the United States. The reports are based solely on the audit of the general purpose financial statements.

HERBIE W. WAY
CERTIFIED PUBLIC ACCOUNTANT

55 Terra Avenue
Alexandria, LA 71303
318/442-7568
Fax: 318/442-9495

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

VERNON PARISH POLICE JURY
Leesville, Louisiana

I have audited the general purpose financial statements of the Vernon Parish Police Jury as of and for the year ended December 31, 2003, and have issued my report thereon dated June 18, 2004. I conducted my 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 financial statements are free of material misstatement, I 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 my audit and, accordingly, I do not express such an opinion. The results of my 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 my audit, I considered the internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My 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. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

VERNON PARISH POLICE JURY
Leesville, Louisiana
Compliance and Internal Control Report
(Continued)

Prior Year Audit Findings

The audit for the year ended December 31, 2002, disclosed no instances of noncompliance that were required to be reported under Government Auditing Standards or matters involving the internal control over financial reporting and its operation that were considered to be material weaknesses.

General

Under Louisiana Revised Statute (LSA-R.S.) 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Herbie W. Way

Herbie W. Way
Alexandria, Louisiana
June 18, 2004

OTHER REPORTS REQUIRED BY

OFFICE OF MANAGEMENT AND BUDGET (OMB) CIRCULAR A-133

The following pages contain reports on the schedule of federal financial assistance, consideration of internal control, and compliance with laws and regulations required by OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, the Single Audit Act, and the Louisiana Governmental Audit Guide, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.

HERBIE W. WAY
CERTIFIED PUBLIC ACCOUNTANT

55 Terra Avenue
Alexandria, LA 71303
318/442-7568
Fax: 318/442-9495

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE
TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

VERNON PARISH POLICE JURY
Leesville, Louisiana

I have audited the compliance of Vernon 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 each of the major federal programs for the year ended December 31, 2003. Vernon Parish Police Jury's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the police jury's management. My responsibility is to express an opinion on the police jury's compliance based on my audit.

I conducted my audit of compliance 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 OMB Circular A-133, Audits of States, Local Governments, and Nonprofit Organizations. Those standards and OMB Circular A-133 require that I 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 police jury's compliance with those requirements and performing other procedures as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination on the police jury's compliance with those requirements.

In my opinion, the police jury complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2003.

Internal Control over Compliance

The management of the 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 my audit, I considered the police jury's internal control over compliance with requirements that could have a direct and material effect on a major program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance with OMB Circular A-133.

VERNON PARISH POLICE JURY
Leesville, Louisiana
A-133 Report
(Continued)

My 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. I noted no matters involving the internal control over compliance and its operation that I consider to be material weaknesses.

Under Louisiana Revised Statute (LSA-R.S.) 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Herbie W. Way

Herbie W. Way
Alexandria, Louisiana
June 18, 2004

VERNON PARISH POLICE JURY
Leesville, Louisiana

Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2003

VERNON PARISH POLICE JURY
 Leesville, Louisiana
 Schedule of Expenditures of Federal Awards
 For the Year Ended December 31, 2003

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR NAME PROGRAM NAME	CFDA NUMBER	GRANT NUMBER	EXPENDITURES
<hr/>			
UNITED STATES DEPARTMENT OF AGRICULTURE			
<hr/>			
Passed through Louisiana Department of Treasury - Schools and Roads - Grants to States	10.665	NFR47	\$265,566
<hr/>			
UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
<hr/>			
Passed through Louisiana Division of Administration - Office of the Governor - Community Development Block Grants:			
Small Cities Program	14.219	575721	30,376
Small Cities Program	14.219	588242	331,822
			<hr/>
Total Small Cities Programs			362,198
<hr/>			
Passed through Louisiana Department of Social Services - Emergency Shelter Grant	14.231	ESGP	10,551
<hr/>			
			<hr/>
Total United States Department of Housing and Urban Development			372,749
<hr/>			
UNITED STATES DEPARTMENT OF JUSTICE			
<hr/>			
Direct program - Drug Court Discretionary Grant Program	16.585		68,887
<hr/>			
UNITED STATES DEPARTMENT OF LABOR			
<hr/>			
Passed through Louisiana Department of Labor and the Louisiana Department of Education:			
Welfare-To-Work Grants to States and Localities	17.253	50-WTW	8,189
Workforce Investment Act:			
Adult Program	17.258	50-WIA	390,461
Youth Activities	17.259	50-WIA	476,368
Dislocated Workers	17.260	50-WIA	367,874
Employment and Training Administration Evaluations	17.262	50-WIA	116,584
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			<hr/>
Total United States Department of Labor			1,359,475
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(Continued)

See independent auditor's report.

VERNON PARISH POLICE JURY
 Leesville, Louisiana
 Schedule of Expenditures of Federal Awards
 For the Year Ended December 31, 2003

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR NAME PROGRAM NAME	CFDA NUMBER	GRANT NUMBER	EXPENDITURES
<hr/>			
UNITED STATES DEPARTMENT OF TRANSPORTATION			
<hr/>			
Passed through Louisiana Department of Transportation and Development - Formula Grants for Other than Urbanized Areas	20.509		\$69,092
<hr/>			
UNITED STATES DEPARTMENT OF HOMELAND SECURITY			
<hr/>			
Direct program - Assistance to Firefighters Grant	97.044		506,731
Passed through Louisiana Office of Emergency Preparedness - State and Local All Hazards Emergency Operations Planning	97.051	115-UOG7W	8,100
State and Local All Hazards Emergency Operations Planning	97.051	115-UOG7W	9,235
<hr/>			
Total United States Department of Homeland Security			524,066
<hr/>			
UNITED STATES DEPARTMENT OF DEFENSE			
<hr/>			
Passed through Louisiana Department of the Treasury - Military Installation Timber Sales	12.000		98,738
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UNITED STATES DEPARTMENT OF THE INTERIOR			
<hr/>			
Passed through Louisiana Department of the Treasury - Payments-in-lieu of taxes	15.000		15,550
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Total Expenditures			\$2,774,123
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(Concluded)

See independent auditor's report

HERBIE W. WAY
CERTIFIED PUBLIC ACCOUNTANT

55 Terra Avenue
 Alexandria, LA 71303
 318/442-7568
 Fax: 318/442-9495

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

VERNON PARISH POLICE JURY
 Leesville, Louisiana

Section 1 - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued.	Unqualified
Internal control over financial reporting:	
Material weakness identified?	No
Reportable condition identified not considered a material weakness?	No
Noncompliance material to the financial statements noted?	No

Federal Awards

Internal Control over major programs:	
Material weakness identified?	No
Reportable condition identified not considered to be a material weakness?	No
Type of auditor's report issued on compliance for major programs.	Unqualified
Any audit findings disclosed that are required to be reported in accordance with Circular A-133 Section 510(a)?	No
The Small Cities Program (CFDA 14.219) and Assistance to Firefighters Grant (CFDA 97.044) have been assessed as major programs.	
Dollar threshold used to distinguish between Type A and Type B Programs.	\$300,000
Auditee qualified as low risk auditee?	Yes

VERNON PARISH POLICE JURY
Leesville, Louisiana
Schedule of Findings and Questioned Costs
(Continued)

Section II - Financial Statement Findings

The results of my tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Section III - Federal Award Findings and Questioned Costs

The audit disclosed no findings or questioned costs relating to expenditure of Federal Awards.

Herbie W. Way

Herbie W. Way
Alexandria, Louisiana
June 18, 2004

HERBIE W. WAY

CERTIFIED PUBLIC ACCOUNTANT

55 Terra Avenue
Alexandria, LA 71303
318/442-7568
Fax: 318/442-9495

VERNON PARISH POLICE JURY
Leesville, Louisiana

During my audit I became aware of several matters that are opportunities for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter summarizes my comments and suggestions regarding those matters.

At your request and convenience, I will be pleased to discuss these matters in further detail, to perform any additional study of these matters, or to assist you in implementing the recommendations.

Sincerely,

Herbie W. Way

Herbie W. Way
June 18, 2004

VERNON PARISH POLICE JURY
 Management Letter Points
 For the Year Ended December 31, 2003

PARISH TRANSPORTATION ACT

Louisiana Revised Statute (LSA-R.S.) 48:751 et seq, commonly known as the "Parish Transportation Fund," requires the police jury to adopt a system of administration that provides for a unitary system of operations with no one juror expending funds without jury approval.

The police jury, to ensure compliance with Louisiana law, has adopted a policy requiring that all roads being considered for inclusion in the system of administration be inspected and approved by the parish road manager before being formally adopted into the system as a public road. Based upon correspondence from the parish road manager, it has been determined that the Vernon Parish Police jury initially accepted Sowell's Road Extension and Rodeo Drive into the system of administration without these roads being inspected and approved by the parish road manager.

The following provides a summary of the funds expended on these roads during 2003 and continuing into 2004:

DESCRIPTION	EXPENDITURES
Paul Sowell's Road Extension:	
FYE December 31, 2003	\$722
FYE December 31, 2004	7,965
Rodeo Drive:	
FYE December 31, 2003	2,000
FYE December 31, 2004	25,305
Bolgiano Loop:	
FYE December 31, 2003	NONE
FYE December 31, 2004	3,934
 Total	 <u>\$39,926</u>

A review of the minutes of the police jury and its inventory of parish roads disclosed that:

1. Paul Sowell's Road Extension (#2316), based on a review of the inventory of parish roads and the minutes of the police jury, was formally adopted into the system of administration on August 18, 2003.

This is a "dead-end" road with the adjacent land being developed as a subdivision. Substantially all improvements made to the road have been at the expense of the Vernon Parish Police Jury.

VERNON PARISH POLICE JURY
Management Letter Points
For the Year Ended December 31, 2003

2. Rodeo Drive (#1246), based on a review of the inventory of parish roads and the minutes of the police jury, was formally adopted into the system of administration on December 15, 2003.

This road makes a 1+ mile loop with the adjacent land being developed as a subdivision. Substantially all improvements to the road have been at the expense of the police jury.

3. Bolgiano Loop (#1074), based on a review of the minutes of the police jury, was formally abandoned by the parish on April 11, 1983. This road initially consisted of two sections, comprising an incomplete loop, that ended at a "dead-end" from either direction. The police jury, based upon a request of the taxpayer that owned the land, abandoned one section of this road.

Expenditure of public funds, on the section of Bolgiano Road #1074, that have been abandoned, is in possible noncompliance with Louisiana law.

RECOMMENDATIONS

The Vernon Parish Police Jury, to ensure compliance with Louisiana law, should comply with its established policies and procedures.

MANAGEMENT'S RESPONSE

The Vernon Parish Police has provided assurances that the aforementioned roads will be abandoned at the next meeting of the police jury and that future roads adopted into the system will meet parish specifications.