

**Jackson Parish Police Jury
Jonesboro, Louisiana**

**General-Purpose Financial Statements
And Independent Auditors' Report
As of and for the Year Ended December 31, 2003**

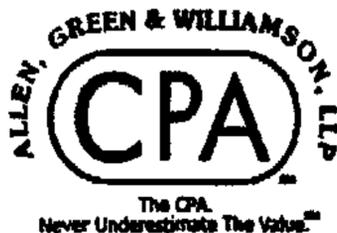
Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the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

Release Date 7-14-04

**Jackson Parish Police Jury
 General-Purpose Financial Statements
 And Independent Auditors' Report
 As of and for the Year Ended December 31, 2003**

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Independent Auditors' Report

Police Jurors
Jackson Parish Police Jury
Jonesboro, Louisiana

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

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

A primary government is a legal entity or body politic and includes all funds, organizations, institutions, agencies, departments, and offices that are not legally separate. Such legally separate entities are referred to as component units. In our opinion, except for the effect on the financial statements of the omission of certain component units as reflected in Note 1-A of the notes to the general-purpose financial statements, the financial statements present fairly, in all material respects, the financial position of the Police Jury as of December 31, 2003, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued under separate cover, our reports dated June 23, 2004, on our consideration of the Police Jury's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. These reports are an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements of the Police Jury, taken as a whole. The accompanying information identified in the table of contents as supplemental information is presented for purposes of additional analysis and is not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

The accompanying other financial information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the general-purpose financial statements of the Police Jury. Such information has not been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, accordingly, we express no opinion on it.

Allen, Green + Williamson, LLP

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
June 23, 2004

**Jackson Parish Police Jury
Jonesboro, Louisiana**

GENERAL-PURPOSE FINANCIAL STATEMENTS

JACKSON PARISH POLICE JURY
ALL FUND TYPES AND ACCOUNT GROUPS
Combined Balance Sheet
December 31, 2003

*****GOVERNMENTAL FUND TYPE*****

	<u>GENERAL</u>	<u>SPECIAL REVENUE</u>	<u>DEBT SERVICE</u>
ASSETS:			
Cash and cash equivalents	\$ 1,481,004	\$ 5,448,169	\$ 436,940
Investments	0	340,387	0
Receivables	173,429	317,251	0
Fixed assets	0	0	0
Other Debits:			
Amount available in landfill closure special revenue fund	0	0	0
Amount to be provided for general long-term obligations	0	0	0
TOTAL ASSETS AND OTHER DEBITS	<u>1,654,433</u>	<u>6,105,807</u>	<u>436,940</u>
LIABILITIES, EQUITY AND OTHER CREDITS			
Liabilities:			
Accounts, salaries and other payables	38,109	17,175	0
Community Center deposits	1,600	0	0
Deferred revenues	0	0	0
Certificates of indebtedness	0	0	0
Compensated absences payable	0	0	0
Estimated liability for landfill closure costs	0	0	0
Total Liabilities	<u>39,709</u>	<u>17,175</u>	<u>0</u>
Fund equity and other credits:			
Investment in general fixed assets	0	0	0
Fund balances:			
Unreserved - designated	0	0	0
Unreserved - undesignated	1,614,724	6,088,632	436,940
Total equity and other credits	<u>1,614,724</u>	<u>6,088,632</u>	<u>436,940</u>
TOTAL LIABILITIES, EQUITY AND OTHER CREDITS	<u>\$ 1,654,433</u>	<u>\$ 6,105,807</u>	<u>\$ 436,940</u>

THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

Statement A

*****ACCOUNT GROUPS*****				
CAPITAL PROJECTS	GENERAL FIXED ASSETS	GENERAL LONG-TERM OBLIGATIONS	TOTAL (MEMORANDUM ONLY)	
\$ 499,079	\$ 0	\$ 0	\$ 7,865,192	
0	0	0	340,387	
0	0	0	490,680	
0	8,609,444	0	8,609,444	
0	0	0	0	
0	0	4,272,682	4,272,682	
<u>499,079</u>	<u>8,609,444</u>	<u>4,272,682</u>	<u>21,578,385</u>	
50,200	0	0	105,484	
0	0	0	1,600	
0	0	0	0	
0	0	3,937,000	3,937,000	
0	0	137,447	198,235	
0	0	198,235	137,447	
<u>50,200</u>	<u>0</u>	<u>4,272,682</u>	<u>4,379,766</u>	
0	8,609,444	0	8,609,444	
0	0	0	0	
<u>448,879</u>	<u>0</u>	<u>0</u>	<u>8,589,175</u>	
<u>448,879</u>	<u>8,609,444</u>	<u>0</u>	<u>17,198,619</u>	
<u>\$ 499,079</u>	<u>\$ 8,609,444</u>	<u>\$ 4,272,682</u>	<u>\$ 21,578,385</u>	

JACKSON PARISH POLICE JURY

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

Statement B

	<u>GENERAL</u>	<u>SPECIAL REVENUE</u>	<u>DEBT SERVICE</u>	<u>CAPITAL PROJECTS</u>	<u>TOTAL (MEMORANDUM ONLY)</u>
REVENUES					
Local sources:					
Taxes:					
Ad valorem	\$ 285,546	\$ 1,144,398	\$ 0	\$ 0	\$ 1,429,944
Sales and use	0	2,109,124	0	0	2,109,124
Other taxes, penalties and interest	94,437	0	0	0	94,437
Licenses and permits	3,621	0	0	0	3,621
Intergovernmental revenues:					
State funds:					
Severance taxes	1,360,507	0	0	0	1,360,507
Parish transportation funds	0	188,575	0	0	188,575
State revenue sharing (net)	21,228	84,560	0	0	105,788
State aid grants	227,896	1,030,937	0	0	1,258,833
Federal funds - federal grants	6,750	0	0	0	6,750
Fees, charges, and commissions for services	19,709	80,175	0	0	99,884
Fines and forfeitures	0	16,810	0	0	16,810
Miscellaneous revenues	11,638	15,186	0	0	26,824
Use of money and property	20,437	70,138	3,303	2,690	96,568
Total Revenues	2,051,769	4,739,903	3,303	2,690	6,797,665
EXPENDITURES					
Current:					
General government:					
Legislative	118,586	0	0	0	118,586
Judicial	140,141	0	0	0	140,141
Elections	26,678	0	0	0	26,678
Finance and administrative	154,178	0	0	0	154,178
Other general government	256,361	28,301	0	0	284,662
Public safety	337,553	0	0	0	337,553
Public works	0	5,232,241	0	0	5,232,241
Health and welfare	196,223	42,990	0	0	239,213
Culture and recreation	41,770	393,037	0	0	434,807
Capital outlay	0	1,112,183	0	100,394	1,212,577
Debt service:					
Principal retirement	0	80,000	100,000	0	180,000
Interest and bank charges	0	47,095	66,363	0	113,458
Sewer maintenance	0	0	0	0	0
Total Expenditures	1,271,490	6,935,847	166,363	100,394	8,474,094
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ 780,279	\$ (2,195,944)	\$ (163,060)	\$ (97,704)	\$ (1,676,429)

(Continued)

JACKSON PARISH POLICE JURY

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

Statement B

	<u>GENERAL</u>	<u>SPECIAL REVENUE</u>	<u>DEBT SERVICE</u>	<u>CAPITAL PROJECTS</u>	<u>TOTAL (MEMORANDUM ONLY)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	\$ 12,000	\$ 725,000	\$ 600,000	\$ 350,000	\$ 1,687,000
Transfers out	(537,000)	(1,150,000)	0	0	(1,687,000)
Bond proceeds	0	3,472,000	0	0	3,472,000
Payments to escrow agent	0	(1,055,000)	0	0	(1,055,000)
Total Other Financing Sources (Uses)	<u>(525,000)</u>	<u>1,992,000</u>	<u>600,000</u>	<u>350,000</u>	<u>2,417,000</u>
Net Change in Fund Balances	<u>255,279</u>	<u>(203,944)</u>	<u>436,940</u>	<u>252,296</u>	<u>740,571</u>
FUND BALANCES - BEGINNING, AS ORIGINALLY REPORTED	1,380,983	5,839,622	0	196,583	7,417,188
Prior period adjustment	(21,538)	452,954	0	0	431,416
FUND BALANCES - BEGINNING, AS RESTATED	<u>1,359,445</u>	<u>6,292,576</u>	<u>0</u>	<u>196,583</u>	<u>7,848,604</u>
FUND BALANCES - ENDING	<u>\$ 1,614,724</u>	<u>\$ 6,088,632</u>	<u>\$ 436,940</u>	<u>\$ 448,879</u>	<u>\$ 8,589,175</u>

(Concluded)

THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

JACKSON PARISH POLICE JURY

**GENERAL FUND
Statement of Revenues, Expenditures,
and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2003**

	Statement C		
	VARIANCE		
	BUDGET	ACTUAL	FAVORABLE (UNFAVORABLE)
REVENUES			
Local sources:			
Taxes:			
Ad valorem	\$ 278,000	\$ 285,546	\$ 7,546
Other taxes, penalties and interest	89,000	94,437	5,437
Licenses and permits	3,600	3,621	21
Intergovernmental revenues:			
State funds:			
Severance taxes	1,350,000	1,360,507	10,507
Parish transportation funds	0	0	0
State revenue sharing (net)	21,500	21,228	(272)
State aid grants	185,225	227,898	42,671
Federal funds - federal grants	52,000	6,750	(45,250)
Fees, charges, and commissions for services	24,600	19,709	(4,891)
Fines and forfeitures	0	0	0
Miscellaneous revenues	3,000	11,638	8,638
Use of money and property	18,400	20,437	2,037
Total Revenues	2,025,325	2,051,769	26,444
EXPENDITURES			
Current:			
General government:			
Legislative	127,800	118,586	9,214
Judicial	145,500	140,141	5,359
Elections	29,000	26,678	2,322
Finance and administrative	172,100	154,178	17,922
Other general government	287,400	256,361	31,039
Public safety	417,100	337,553	79,547
Public works	0	0	0
Health and welfare	196,430	196,223	207
Culture and recreation	52,475	41,770	10,705
Capital outlay	0	0	0
Debt service:			
Principal retirement	0	0	0
Interest and bank charges	0	0	0
Sewer maintenance	0	0	0
Total Expenditures	1,427,805	1,271,490	156,315
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ 597,520	\$ 780,279	\$ 182,759

(Continued)

JACKSON PARISH POLICE JURY

**GENERAL FUND
Statement of Revenues, Expenditures,
and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2003**

	Statement C		
	VARIANCE		
	FAVORABLE		
	BUDGET	ACTUAL	(UNFAVORABLE)
OTHER FINANCING SOURCES (USES)			
Transfers in	\$ 12,000	\$ 12,000	\$ 0
Transfers out	(564,000)	(537,000)	27,000
Total Other Financing Sources (Uses)	(552,000)	(525,000)	27,000
Net Change in Fund Balances	45,520	255,279	209,759
FUND BALANCES - BEGINNING, AS ORIGINALLY REPORTED	1,042,874	1,380,983	338,109
Prior period adjustment	0	(21,538)	(21,538)
FUND BALANCES - BEGINNING, AS RESTATED	1,042,874	1,359,445	316,571
FUND BALANCES - ENDING	\$ 1,088,394	\$ 1,614,724	\$ 526,330

(Continued)

THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

JACKSON PARISH POLICE JURY

SPECIAL REVENUE

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

Statement C

VARIANCE
FAVORABLE

(UNFAVORABLE)

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>(UNFAVORABLE)</u>
REVENUES			
Local sources:			
Taxes:			
Ad valorem	\$ 1,077,773	\$ 1,144,398	\$ 66,625
Sales and use	2,010,000	2,109,124	99,124
Intergovernmental revenues:			
State funds:			
Parish transportation funds	174,000	188,575	14,575
State revenue sharing (net)	83,706	84,560	854
State aid grants	1,018,667	1,030,937	12,270
Fees, charges, and commissions for services	65,000	80,175	15,175
Fines and forfeitures	150	16,810	16,660
Miscellaneous revenues	22,400	15,186	(7,214)
Use of money and property	68,788	70,138	1,350
Total Revenues	<u>4,520,484</u>	<u>4,739,903</u>	<u>219,419</u>
EXPENDITURES			
Current:			
General government:			
Other general government	27,700	28,301	(601)
Public works	5,690,608	5,232,241	458,367
Health and welfare	54,500	42,990	11,510
Culture and recreation	472,253	393,037	79,216
Capital outlay	1,270,024	1,112,183	157,841
Debt service:			
Principal retirement	80,000	80,000	0
Interest and bank charges	47,095	47,095	0
Total Expenditures	<u>7,642,180</u>	<u>6,935,847</u>	<u>706,333</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>\$ (3,121,696)</u>	<u>\$ (2,195,944)</u>	<u>\$ 925,752</u>

(Continued)

JACKSON PARISH POLICE JURY

**SPECIAL REVENUE
Combined Statement of Revenues, Expenditures,
and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2003**

Statement C

**VARIANCE
FAVORABLE**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>(UNFAVORABLE)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	\$ 752,000	\$ 725,000	\$ (27,000)
Transfers out	(1,150,000)	(1,150,000)	0
Bond proceeds	3,474,400	3,472,000	(2,400)
Payments to escrow agent	<u>(1,054,999)</u>	<u>(1,055,000)</u>	<u>(1)</u>
 Total Other Financing Sources (Uses)	 <u>2,021,401</u>	 <u>1,992,000</u>	 <u>(29,401)</u>
 Net Change in Fund Balances	 <u>(1,100,295)</u>	 <u>(203,944)</u>	 <u>896,351</u>
 FUND BALANCES - BEGINNING, AS ORIGINALLY REPORTED	 5,688,758	 5,839,622	 150,864
 Prior period adjustments	 <u>0</u>	 <u>452,954</u>	 <u>452,954</u>
 FUND BALANCES - BEGINNING, AS RESTATED	 <u>5,688,758</u>	 <u>6,292,576</u>	 <u>603,818</u>
 FUND BALANCES - ENDING	 <u>\$ 4,588,463</u>	 <u>\$ 6,088,632</u>	 <u>\$ 1,500,169</u>

(Concluded)

THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

Jackson Parish Police Jury
Notes to the General-Purpose Financial Statements
As of and for the Year Ended December 31, 2003

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Jackson Parish Police Jury
Notes to the General-Purpose Financial Statements
As of and for the Year Ended December 31, 2003

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES The Jackson Parish Police Jury (the Police Jury) is the governing authority for Jackson Parish and is a political subdivision of the state of Louisiana. The Police Jury is governed by seven jurors representing the various districts within the parish. The jurors serve four-year terms which expire in January 2008.

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

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

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

Governmental Accounting Standards Board (GASB) Statement No. 14 establishes criteria for determining the governmental reporting entity and component units that should be considered part of the Jackson Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

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

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

**Jackson Parish Police Jury
Notes to the General-Purpose Financial Statements
As of and for the Year Ended December 31, 2003**

<u>Component Unit</u>	<u>Method of Inclusion</u>	<u>Fiscal Year End</u>	<u>Criteria Used</u>
Included within the reporting entity:			
Jackson Parish Library		December 31, 2003	1a
Jackson Parish Hospital Service District #1		September 30, 2003	1a
Jackson Parish Recreation District		December 31, 2003	1a
Ward 2 Fire Protection District		December 31, 2003	1a
Ward 3 Fire Protection District		December 31, 2003	1a
Ward 4 Fire Protection District		December 31, 2003	1a
Quitman Fire Protection District No. 1		December 31, 2003	1a
Jonesboro Fire Protection District No. 1		June 30, 2003	1a
Jackson Parish Ambulance Service District		December 31, 2003	1a
Jackson Parish Watershed District		December 31, 2003	1a

The Police Jury has chosen to include the library in the general-purpose financial statements. The other component units are not included.

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

B. FUNDS The accounts of the Police Jury are organized and operated on the basis of funds. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

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

The governmental funds are divided into separate "fund types." Governmental funds are used to account for government's general activities, where the focus of attention is on the providing of services to the public as opposed to proprietary funds where the focus of attention is on the recovering the cost of providing services to the public or other agencies through service charges or user fees. The Police Jury's current operations require the use of governmental funds. The fund types used by the Police Jury are described as follows:

Governmental funds

General fund – The general fund is the general operating fund of the Police Jury. It accounts for all activities except those required to be accounted for in other funds.

**Jackson Parish Police Jury
Notes to the General-Purpose Financial Statements
As of and for the Year Ended December 31, 2003**

Special revenue funds – are used to account for the proceeds of specific revenue sources such as ad valorem taxes, sales taxes, and state grants. Those revenues are legally restricted, either by tax proposition or by grant agreement, to expenditures for specified purposes such as road maintenance, solid waste disposal, public library operation and, operation of the health unit.

Debt Service Fund – is used to account for transactions relating to resources retained and used for the payment of principal and interest on long-term obligations.

Capital Project Fund – accounts for the acquisition of fixed assets or construction of major capital projects.

Account groups

The *general fixed assets account group* is used to account for fixed assets not accounted for in proprietary or trust funds.

The *general long-term debt account group* is used to account for general long-term debt and certain other liabilities that are not specific liabilities of proprietary or trust funds.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting revenues are recognized when susceptible to accrual (i.e., when they are "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 government considers all revenues available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for unmatured principal and interest 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.

With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The governmental funds use the following practices in recording revenues and expenditures:

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

Sales taxes are susceptible to accrual.

Federal and state grants are recognized when the Police Jury is entitled to the funds.

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Fines, forfeitures, and court costs are recognized in the year they are received by the parish tax collector.

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

Substantially all other revenues are recognized when they become available to the Police Jury.

Based on the above criteria, ad valorem taxes, sales taxes, federal and state grants, and fines, forfeitures, and court costs have been treated as susceptible to accrual.

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

Other Financing Sources (Uses) Sale of fixed assets, increases in capital lease purchases, and transfers between funds that are not expected to be repaid are accounted for as other financing sources (uses) and are recognized when the underlying events occur.

D. BUDGETS

Preliminary budgets for the ensuing year are prepared by the secretary-treasurer prior to December 31 of each year. The availability of the proposed budgets for public inspection and the date of the public hearing on the proposed budgets are then advertised in the official journal. During its regular December meeting, the Police Jury holds a public hearing on the proposed budgets in order to receive comments from residents of the parish. Changes are made to the proposed budgets based on the public hearing and the desires of the Police Jury as a whole. The budgets are then adopted during the Police Jury's regular December meeting, and a notice of the adoption is then published in the official journal.

The secretary-treasurer presents necessary budget amendments to the Police Jury during the year when, in his judgment, actual operations are differing materially from those anticipated in the original budget. During a regular meeting, the Police Jury reviews the proposed amendments, makes changes as it deems necessary, and formally adopts the amendments. The adoption of the amendments is included in Police Jury minutes published in the official journal.

The Police Jury exercises budgetary control at the functional level. Within functions the secretary-treasurer has the discretion to make changes as he deems necessary for proper control. Unexpended appropriations lapse at year end and must be reappropriated in the next year's budget to be expended.

E. ENCUMBRANCES Outstanding encumbrances lapse at year-end. Authorization for the eventual expenditure will be included in the following year's budget appropriations. Encumbrance accounting is employed in governmental funds.

Encumbrance accounting (e.g., purchase orders, contracts) is recognized within the accounting records for budgetary control purposes.

F. CASH AND CASH EQUIVALENTS Cash includes amounts in demand deposits and interest-bearing demand deposits, and time deposit accounts. Cash equivalents include amounts in time deposits and those

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investments with original maturities of 90 days or less. Under state law, the Police Jury may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

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

The investments are reflected at fair value except for the following which are required/permitted as per GASB Statement No. 31:

1. Investments in nonparticipating interest-earning contracts, such as nonnegotiable certificates of deposit with redemption terms that do not consider market rates, are reported using a cost-based measure.
2. The Police Jury reported at amortized cost money market investments and participating interest-earning investment contracts that have a remaining maturity at time of purchase of one year or less.

Definitions:

Interest-earning investment contract include time deposits with financial institutions (such as certificates of deposit), repurchase agreements, and guaranteed investment contracts.

Money market investments are short-term, highly liquid debt instruments that include U. S. Treasury obligations.

The Police Jury participates in the Louisiana Asset Management Pool, Inc., (LAMP) which is an external investment pool that is not SEC-registered. Because the LAMP is an arrangement sponsored by a type of governmental entity, it is exempt by statute from regulation by the SEC.

The investment objective of the LAMP is the preservation of capital and the maintenance of liquidity and, to the extent consistent with such objective, current yield.

The LAMP was established as a cooperative endeavor to enable public entities of the state of Louisiana to aggregate funds for investment. This pooling is intended to improve administrative efficiency and increase investment yield. The Board of Directors of LAMP provides certain management and administrative services to LAMP and, through a competitive bidding process, selects a custodial bank and an investment advisor. The custodial bank holds the assets of LAMP and the investment decisions are made by the investment advisor. Both the custodial bank and the investment advisor are subject to the review and oversight of LAMP.

An audit of LAMP is conducted annually by an independent certified public accountant. The Legislative Auditor of the state of Louisiana has full access to the records of the LAMP.

The LAMP may invest in U. S. Government Securities. The LAMP is designed to comply with restriction on investment by municipalities, parishes, and other types of political subdivisions imposed under Louisiana Revised Statute 33:2955.

The LAMP seeks to maintain a stable net asset value of \$1.00 per unit, but there can be no assurance that the LAMP will be able to achieve this objective. The LAMP's portfolio securities are valued at market value even

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though the amortized cost method is permitted by Rule 2a-7 of the Investment Company Act of 1940, as amended, which governs money market mutual funds (although the LAMP is not a money market fund and has no obligation to conform to this rule). The LAMP generally complies with other aspects of that rule, including the requirements that all portfolio securities acquired by the LAMP must have, at the time of purchase, a maximum remaining maturity of 397 days and meet certain additional quality standards and that the LAMP maintain a dollar-weighted average portfolio maturity of not more than 90 days.

The fair value of the position in the pool is the same as the value of the pool shares.

H. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES During the course of operations, numerous transactions occur between individual funds for services rendered. These receivables and payables are classified as interfund receivables/payables on the balance sheet. Short-term interfund loans are also classified as interfund receivables/payables.

I. FIXED ASSETS Fixed assets used in governmental fund types of the Police Jury are recorded in the general fixed assets account group at cost or estimated historical cost if purchased or constructed. Donated fixed assets are recorded at their estimated fair value at the date of donation. Assets in the general fixed assets account group are not depreciated nor interest during construction capitalized.

Public domain (infrastructure) general fixed assets (e.g. roads, bridges, sidewalks and other assets that are immovable and of value only to the government) are not capitalized.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not included in the general fixed assets account group.

J. COMPENSATED ABSENCES All full-time employees of the Police Jury earn annual leave at rates varying from ten to twenty days per year, depending on length of service. Employees may accumulate and carry forward no more than twenty days of annual leave. All full-time permanent employees earn five days of sick leave each year. Sick leave can be accumulated without limitation. Upon retirement, unused sick leave of up to 25 days is paid to employees. Employees that are separated from service prior to retirement are paid a maximum of 20 days of unused sick leave.

Full-time employees of the Jackson Parish Library earn from ten to 20 days of annual leave, depending on their length of service with the library. Part-time employees working 20 hours or more per week earn one-half of full-time employee leave each year. Vacation leave can be accumulated up to 25 days. All 12-month employees earn 12 days of sick leave each year. Sick leave can be accumulated up to 60 days. Sick leave lapses upon termination of employment.

The cost of leave privileges, computed in accordance with the previous codification, is recognized as a current-year expenditure within the various funds when leave is actually taken or when employees are paid for accrued vacation leave upon retirement.

The Police Jury's recognition and measurement criteria for compensated absences follows:

GASB Statement No. 16 provides that vacation leave and other compensated absences with similar characteristics should be accrued as liability as the benefits are earned by the employees if both of the following conditions are met:

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The employees' right to receive compensation are attributable to services already rendered.

It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

GASB Statement No. 16 provides that a liability for sick leave should be accrued using one of the following termination approaches:

An accrual for earned sick leave should be made only to the extent it is probable that the benefits will result in termination payments, rather than be taken as absences due to illness or other contingencies, such as medical appointments and funerals.

Alternatively, a governmental entity should estimate its accrued sick leave liability based on the sick leave accumulated at the balance sheet date by those employees who currently are eligible to receive termination payments as well as other employees who are expected to become eligible in the future to receive such payments.

K. LONG-TERM OBLIGATIONS

The Police Jury reports long-term debt of governmental funds at face value in the general long-term debt account group. Certain other governmental fund obligations not expected to be financed with current available financial resources are also reported in the general long-term debt account group.

For governmental fund types, bond premiums and discounts, as well as issuance costs, are recognized during the current period. Bond proceeds are reported as an other financing source net of the applicable premium or discount. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

L. FUND BALANCES Reserves represent those portions of fund balance that are not appropriable for expenditures or that are legally segregated for a specific purpose. Designated fund balances represent tentative management plans for future use of financial resources and are subject to change.

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

N. SALES TAXES The Police Jury has a 4/10 percent sales and use tax, which was passed by the voters on April 20, 1996, for a period of ten years. The net proceeds of the tax (after necessary costs of collection) are to be used to black top or seal parish roads and streets. The Policy Jury has a 6/10 percent sales and use tax, which was passed by the voters on April 20, 1996 for a period of 10 years. The net proceeds of the tax (after necessary costs of collection) are to be used for waste management.

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O. USE OF ESTIMATES The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires 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 statement and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

P. MEMORANDUM ONLY - TOTAL COLUMNS

The total columns on the general-purpose financial statements are captioned as "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or cash flows in accordance with generally accepted accounting principles. Interfund eliminations have not been made in the aggregation of this data.

NOTE 2 - LEVIED TAXES The Police Jury levies taxes on real and business personal property located within Jackson Parish's boundaries. Property taxes are levied by the Police Jury on property values assessed by the Jackson Parish Tax Assessor and approved by the State of Louisiana Tax Commission.

The Jackson Parish sheriff's office bills and collects property taxes for the Police Jury. Collections are remitted to the Police Jury monthly.

Property Tax Calendar

Millage rates adopted	September 8, 2003
Levy date	September 8, 2003
Tax bills mailed	November 10, 2003
Due date	December 31, 2003
Lien date	January 1, 2004
Tax sale - 2002 delinquent property	On or about May 1, 2004

Assessed values are established by the Jackson Parish Tax Assessor each year on a uniform basis at the following ratios of assessed value to fair market value.

10% land	15% machinery
10% residential improvements	15% commercial improvements
15% industrial improvements	25% public service properties, excluding land

A revaluation of all property is required after 1978 to be completed no less than every four years. The last revaluation was completed for the roll of January 1, 2003. Total assessed value was \$75,259,350 in calendar year 2003. Louisiana state law exempts the first \$7,500 of assessed value of a taxpayer's primary residence from parish property taxes. This homestead exemption was \$16,028,920 of the assessed value in calendar year 2003.

State law requires the sheriff to collect property taxes in the calendar year in which the assessment is made. Property taxes become delinquent January 1 of the following year. If taxes are not paid by the due date, taxes bear interest at the rate of 1.25% per month until the taxes are paid. After notice is given to the delinquent taxpayers, the sheriff is required by the *Constitution of the State of Louisiana* to sell the least quantity of property necessary to settle the taxes and interest owed.

Jackson Parish Police Jury
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All property taxes are recorded in the general fund, road, library, asphalt, and tourism funds. Revenues in such funds are recognized in the accounting period in which they become measurable and available. Property taxes are considered measurable in the calendar year of the tax levy. Estimated uncollectible taxes are those taxes based on past experience which will not be collected in the subsequent year and are primarily due to subsequent adjustments to the tax roll. Available means due, or past due, and receivable within the current period and collected within the current period or expected to be collected soon enough thereafter to pay liabilities of the current period. The remaining property taxes receivable are considered available because they are substantially collected within 60 days subsequent to year-end.

The tax roll is prepared by the parish tax assessor in November of each year, therefore, the amount of 2003 property taxes to be collected occurs in December and January and February of the next year. Historically, virtually all ad valorem taxes receivable were collected since they are secured by property; therefore, there is no allowance for uncollectible taxes.

The following is a summary of authorized and levied ad valorem taxes for the year ended December 31, 2003:

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
Parish-wide taxes:			
General fund	5.21	4.71	-
Road maintenance	5.14	5.14	2009
Asphalt fund	4.77	4.77	2009
Library tax	9.55	9.55	2008
Forest protection	8¢/acre	8¢/acre	-

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

NOTE 3 - CASH AND CASH EQUIVALENTS At December 31, 2003, the Police Jury had cash and cash equivalents (book balances) as follows:

Demand deposits	\$7,865,192
Classified as investments	<u>160,913</u>
Total carrying amount of deposit	<u>\$8,026,105</u>

At year-end, the Police Jury's carrying amount of deposits was \$8,026,105 and the bank balance was \$6,958,646. Of the bank balance, \$216,655 was covered by federal depository insurance or by collateral held by the Police Jury's agent in the Police Jury's name (GASB Category 1). The remaining balance, \$6,741,991 was collateralized with securities held by the pledging financial institution's trust department or agent but not in the Police Jury's name (GASB Category 3).

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.

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NOTE 4 - INVESTMENTS Investments are categorized into these three categories of credit risk:

1. Insured or registered, or securities held by the Police Jury or its agent in the Police Jury's name.
2. Uninsured and unregistered, with securities held by the counter party's trust department or agent in the Police Jury's name.
3. Uninsured and unregistered, with securities held by the counter party, or by its trust department or agent but not in the Police Jury's name.

At year end, the Police Jury investment balances were as follows:

<u>Type of investment</u>	<u>Carrying Amount</u> <u>Fair Value</u>
Investments not subject to categorization:	
External investment pool (LAMP)	\$179,474
Total investments	<u>\$179,474</u>

NOTE 5 - RECEIVABLES The following is a summary of receivables at December 31, 2003:

	<u>General</u>	<u>Special</u> <u>Revenue</u>	<u>Total</u>
Taxes:			
Ad valorem	\$ 17,346	\$ 69,383	\$ 86,729
Sales tax	0	224,964	224,964
Intergovernmental revenues			
State	151,971	17,273	169,244
Other	<u>4,112</u>	<u>5,631</u>	<u>9,743</u>
Total	<u>\$173,429</u>	<u>\$317,251</u>	<u>\$490,680</u>

Historically, virtually all ad valorem taxes receivable were collected since they are secured by property; therefore, no allowance for doubtful accounts has been established for ad valorem taxes. The balance of accounts receivable is expected to be collected in full so no allowance for doubtful accounts has been established.

NOTE 6 - FIXED ASSETS The following schedule presents changes in fixed assets for the Police Jury:

	<u>Balance,</u> <u>Beginning</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance,</u> <u>Ending</u>
Land and buildings	\$4,358,395	\$1,149,956	\$ 0	\$5,508,351
Machinery and equipment	2,444,803	177,501	397,059	2,225,245
Library circulation materials	749,167	51,398	6,767	793,798
Construction in progress	<u>1,149,956</u>	<u>82,050</u>	<u>1,149,956</u>	<u>2,381,962</u>
Total	<u>\$8,702,321</u>	<u>\$1,460,905</u>	<u>\$1,553,782</u>	<u>\$8,609,444</u>

NOTE 7 - RETIREMENT SYSTEMS Substantially all employees of the Police Jury and the Community Action Agency of Jackson Parish are members of the Parochial Employees Retirement System of Louisiana (System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. The System is composed of two district plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the Police Jury and the Community Action Agency of Jackson Parish (component unit) are members of Plan A.

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All permanent employees working at least twenty-eight hours per week who are paid wholly or in part from parish funds and all elected parish officials are eligible to participate in the System. Under Plan A, employees who retire at or after age 60 with at least ten years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to three percent of their final average salary for each year of creditable service. However, for those employees who were members of the supplemental plan only before January 1, 1980, the benefit is equal to one percent of final average salary plus \$24 for each year of supplemental-plan-only service earned before January 1, 1980, plus three percent of final-average salary for each salary for each year of service credited after the revision date. Final average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefits accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

Under Plan A, members are required by state statute to contribute 9.50 percent of their annual covered salary and the Police Jury is required to contribute at an actuarially determined rate. The current rate is 7.75 percent of annual covered payroll. Contributions to the system also include one-fourth of one percent (except Orleans and East Baton Rouge Parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Police Jury are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Police Jury's contributions to the System under Plan A for the years ending December 31, 2003, 2002, and 2001, were \$73,096, \$72,992, and \$67,748, respectively, equal to the required contribution for each year.

The System issues an annual publicly available report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Parochial Employees' Retirement System of Louisiana, Post Office Box 14619, Baton Rouge, Louisiana 70898-4619, or by calling (225) 928-1361.

NOTE 8 - ACCOUNTS, SALARIES AND OTHER PAYABLES

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>
Vendors	<u>\$38,109</u>	<u>\$17,175</u>	<u>\$ 0</u>	<u>\$50,200</u>	<u>\$105,484</u>
Total	<u>\$38,109</u>	<u>\$17,175</u>	<u>\$ 0</u>	<u>\$50,200</u>	<u>\$105,484</u>

NOTE 9 - COMPENSATED ABSENCES Employees of the Police Jury had accumulated and vested \$137,447 of employee leave benefits at December 31, 2003, computed in accordance with GASB Codification, Section C60. This amount has been recorded as a general long-term obligation.

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NOTE 10 - LONG-TERM LIABILITIES The following is a summary of the long-term liabilities transactions and balances for the year ended December 31, 2003:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
Bonds payable:				
Certificate of indebtedness	\$1,700,000	\$3,472,000	\$1,235,000	\$3,937,000
Other Liabilities:				
Compensated absences	113,392	78,928	54,873	137,447
Estimated liability for landfill closure	<u>178,412</u>	<u>19,823</u>	<u>0</u>	<u>198,235</u>
Long-term liabilities	<u>\$1,991,804</u>	<u>\$3,570,751</u>	<u>\$1,289,873</u>	<u>\$4,272,682</u>

Certificate of indebtedness series 2003 refunds the certificate of indebtedness series 2000 with a beginning balance of \$1,055,000. Both the certificate of indebtedness series 2000 and 2003 are through the same escrow agent. Certificate of indebtedness series 1999 received an interest reduction from 4.59% to 4.00% on October 1, 2003.

Certificates of Indebtedness payable at December 31, 2003, are the following issue:

	<u>Original Amount</u>	<u>Interest Rates</u>	<u>Final Payment Due</u>	<u>Interest to Maturity</u>	<u>Principal Outstanding</u>
Series 1999	\$ 850,000	4.00%	3/1/2009	\$ 70,779	\$ 565,000
Series 2003	<u>3,472,000</u>	1% - 5%	6/1/2012	<u>594,999</u>	<u>3,372,000</u>
Total	<u>\$4,322,000</u>			<u>\$665,778</u>	<u>\$3,937,000</u>

All principal and interest requirements are funded in accordance with Louisiana law by the annual ad valorem tax levy on taxable property within the parish. At December 31, 2003, the Police Jury had accumulated \$436,940 in the debt service fund for future debt requirements. The bonds are due as follows:

	<u>Certificate of Indebtedness Series 1999</u>		<u>Certificate of Indebtedness Series 2003</u>		<u>Total</u>	
	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Principal Payments</u>	<u>Interest Payments</u>
<u>Year Ending December 31,</u>						
2004	\$ 85,000	\$21,178	\$ 315,000	\$ 99,362	\$ 400,000	\$120,540
2005	90,000	17,400	329,000	99,040	419,000	116,440
2006	90,000	13,800	342,000	94,600	432,000	108,400
2007	95,000	10,100	358,000	85,403	453,000	95,503
2008	100,000	6,200	373,000	74,419	473,000	80,619
2009-2012	<u>105,000</u>	<u>2,100</u>	<u>1,655,000</u>	<u>142,176</u>	<u>1,760,000</u>	<u>144,276</u>
Total	<u>\$565,000</u>	<u>\$70,778</u>	<u>\$3,372,000</u>	<u>\$595,000</u>	<u>\$3,937,000</u>	<u>\$665,778</u>

In accordance with Louisiana Revised Statute 39:562, the Police Jury and its component units are legally restricted from incurring long-term bonded debt in excess of ten percent of the assessed value of taxable property in the parish or district. At December 31, 2003, the statutory limit is \$18,814,350 and net outstanding bonded debt totals \$3,835,745.

Jackson Parish Police Jury
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NOTE 11 - LEASES The Jackson Parish Police Jury had 2 operating leases at December 31, 2003, for equipment. Equipment provided by the leases are three caterpillar motor graders with attachments and one caterpillar wheeled excavator. The equipment is used by the Road Department and the monthly lease payments are paid out of the Road Fund. The monthly terms of the leases are \$2,993 each for the three graders and \$1,500 for the wheeled excavator.

NOTE 12 - SOLID WASTE LANDFILL COSTS State and federal laws and regulations require the Jackson Parish Police Jury to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure.

The Jackson Parish Landfill is a Type III facility that accepts only construction and demolition debris. The Jackson Parish Land fill has an estimated final closing during 2010.

The estimated liability for landfill closure and post closure care costs has a balance \$198,235 as of December 31, 2003, which is based on 52.9 percent usage of the landfill. It is estimated that an additional \$138,765 will be recognized as closure and post closure care expenses between the date of the balance sheet and the date the landfill is expected to be filled to capacity (2010).

The estimated total cost of the landfill closure and post closure care is \$337,000. This is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfill were acquired as of December 31, 2003. However, the actual cost of closure and post closure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations.

The Jackson Parish Police Jury has established a special revenue fund to account for the contributions to finance closure costs and post closure care. The Jackson Parish Police Jury is anticipating making annual contributions towards the estimated total cost of closure and post closure care.

NOTE 13 - INTERFUND TRANSFERS Operating transfers for the year ended December 31, 2003, were as follows:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General fund	\$ 12,000	\$ 537,000
Road fund	1,275,000	
Road sales tax fund		1,100,000
Landfill closure	50,000	
Solid waste		50,000
Capital fund	<u>350,000</u>	
Totals	<u>\$1,687,000</u>	<u>\$1,687,000</u>

The purpose of the interfund transfers was to assist in covering operating expenses.

Jackson Parish Police Jury
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NOTE 14 - LITIGATION AND CLAIMS

Litigation The Police Jury is involved in various litigations. The attorney's evaluation is that the resulting outcome would not have a material effect of the financial statements.

Construction The Police Jury had begun construction of the Veterans Memorial Park. The estimated cost to complete is \$116,950.

Grant Disallowances The Police Jury participates in a number of state and federally assisted grant programs. The programs are subject to compliance audits under the single audit approach. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under terms of the grant.

NOTE 15 - RISK MANAGEMENT The Police Jury is at risk for property damage, liability and theft which are covered by insurance policies.

NOTE 16 - PRIOR-PERIOD ADJUSTMENT The prior-period adjustment was made to correct the beginning balance of receivables. The following adjustments were made:

Reduce prior-year receivable for revenue sharing	\$(79,244)
Increase prior-year receivable for ad valorem tax	325,030
Increase prior-year receivable for sales tax	<u>185,630</u>
Totals	<u>\$ 431,416</u>

Jackson Parish Police Jury

SPECIAL REVENUE FUNDS

ROAD The road fund accounts for maintenance of parish highways, streets, and bridges. Funding is provided by a parish-wide ad valorem tax, state revenue sharing funds, parish transportation funds, state aid grants, operating transfers from the general fund, interest earned on investments, and miscellaneous revenues.

LIBRARY The library fund accounts for maintenance and operation of the parish library. Funding is provided by a parish-wide ad valorem tax, state revenue sharing funds, State Library of Louisiana funds, interest earned on investments, and fine and program revenues.

SOLID WASTE The solid waste fund accounts for the construction, maintenance and operation of the solid waste system. Funding is provided by a parish-wide sales tax, interest on investments, and other miscellaneous revenues.

ASPHALT The asphalt fund accounts for asphaltting parish roads. Financing is provided by a parish-wide ad valorem tax, state revenue sharing funds, and interest earned on investments.

HEALTH UNIT The health unit fund accounts for a portion of the maintenance and operation of the parish health unit. Financing is provided by a parish-wide ad valorem tax, state revenue funds, and interest earned on investments.

BLACK TOP The blacktop fund account for the blacktopping and sealing of parish roads. Financing is provided by issuance of certificates of indebtedness and interest earned on investments.

LANDFILL CLOSURE The landfill closure fund accounts for estimated closure cost and post-closure care expenses of the parish landfill site. Financing is provided by contributions and interest on investments.

ROAD SALES TAX The road sales tax fund accounts for servicing debt issued for the purpose of blacktopping and sealing of parish roads. Financing is provided by a parish-wide sales tax and interest earned on investments.

TOURISM The tourism fund accounts for promoting tourism in the parish. Financing is provided by a hotel/motel tax and interest earned on investments.

LAKESHORE DRIVE The Lakeshore Drive fund accounts for the construction of Lakeshore Drive. Financing is provided by a state grant.

JACKSON PARISH POLICE JURY

**SPECIAL REVENUE FUNDS
Combining Balance Sheet
December 31, 2003**

	<u>ROAD</u>	<u>LIBRARY</u>	<u>SOLID WASTE</u>	<u>ASPHALT</u>
ASSETS:				
Cash and cash equivalents	\$ 331,515	\$ 837,407	\$ 2,022,237	\$ 366,037
Investments	0	340,387	0	0
Receivables	35,153	34,583	140,822	16,187
Fixed assets	0	0	0	0
TOTAL ASSETS AND OTHER DEBITS	<u>366,668</u>	<u>1,212,377</u>	<u>2,163,059</u>	<u>382,224</u>
LIABILITIES, EQUITY AND OTHER CREDITS				
Liabilities:				
Accounts, salaries and other payables	<u>10,986</u>	<u>4,978</u>	<u>0</u>	<u>0</u>
Total Liabilities	<u>10,986</u>	<u>4,978</u>	<u>0</u>	<u>0</u>
Fund equity and other credits:				
Fund balances:				
Unreserved - designated	0	0	0	0
Unreserved - undesignated	<u>355,682</u>	<u>1,207,399</u>	<u>2,163,059</u>	<u>382,224</u>
Total equity and other credits	<u>355,682</u>	<u>1,207,399</u>	<u>2,163,059</u>	<u>382,224</u>
TOTAL LIABILITIES, EQUITY AND OTHER CREDITS	<u>\$ 366,668</u>	<u>\$ 1,212,377</u>	<u>\$ 2,163,059</u>	<u>\$ 382,224</u>

Schedule 1

HEALTH UNIT	BLACKTOP	LANDFILL CLOSURE	ROAD SALES TAX	TOURISM	LAKESHORE DRIVE	TOTAL
\$ 375,076	\$ 0	\$ 602,377	\$ 874,545	\$ 38,968	\$ 7	\$ 5,448,169
0	0	0	0	0	0	340,387
0	0	0	89,986	520	0	317,251
0	0	0	0	0	0	0
375,076	0	602,377	964,531	39,488	7	6,105,807
1,211	0	0	0	0	0	17,175
1,211	0	0	0	0	0	17,175
0	0	0	0	0	0	0
373,865	0	602,377	964,531	39,488	7	6,088,632
373,865	0	602,377	964,531	39,488	7	6,088,632
\$ 375,076	\$ 0	\$ 602,377	\$ 964,531	\$ 39,488	\$ 7	\$ 6,105,807

JACKSON PARISH POLICE JURY

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

	<u>ROAD</u>	<u>LIBRARY</u>	<u>SOLID WASTE</u>	<u>ASPHALT</u>
REVENUES				
Local sources:				
Taxes:				
Ad valorem	\$ 306,437	\$ 569,165	\$ 0	\$ 266,535
Sales and use	0	0	1,265,826	0
Intergovernmental revenues:				
State funds:				
Parish transportation funds	188,575	0	0	0
State revenue sharing (net)	22,570	42,347	0	19,643
State aid grants	0	4,643	0	0
Fees, charges, and commissions for services	0	0	80,175	0
Fines and forfeitures	0	16,655	155	0
Miscellaneous revenues	5,100	1,812	8,274	0
Use of money and property	14,135	10,847	18,488	2,662
Total Revenues	<u>536,817</u>	<u>645,469</u>	<u>1,372,918</u>	<u>288,840</u>
EXPENDITURES				
Current:				
General government:				
Other general government	0	18,276	0	10,025
Public works	4,068,578	0	809,235	254,363
Health and welfare	0	0	0	0
Culture and recreation	0	387,433	0	0
Capital outlay	53,975	37,415	0	0
Debt service:				
Principal retirement	0	80,000	0	0
Interest and bank charges	0	27,770	0	0
Total Expenditures	<u>4,122,553</u>	<u>550,894</u>	<u>809,235</u>	<u>264,388</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>(3,585,736)</u>	<u>94,575</u>	<u>563,683</u>	<u>24,452</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	675,000	0	0	0
Transfers out	0	0	(50,000)	0
Bond proceeds	3,472,000	0	0	0
Payments to escrow agent	(589,574)	0	0	0
Total Other Financing Sources (Uses)	<u>\$ 3,557,426</u>	<u>\$ 0</u>	<u>\$ (50,000)</u>	<u>\$ 0</u>

Schedule 2

HEALTH UNIT	BLACKTOP	LANDFILL CLOSURE	ROAD SALES TAX	TOURISM	LAKESHORE DRIVE	TOTAL
\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,261	\$ 0	1,144,398
0	0	0	843,298	0	0	2,109,124
0	0	0	0	0	0	188,575
0	0	0	0	0	0	84,560
0	0	0	0	5,500	1,020,794	1,030,937
0	0	0	0	0	0	80,175
0	0	0	0	0	0	16,810
0	0	0	0	0	0	15,186
4,301	189	5,965	13,142	403	6	70,138
4,301	189	5,965	856,440	8,164	1,020,800	4,739,903
0	0	0	0	0	0	28,301
0	92,057	0	8,008	0	0	5,232,241
42,990	0	0	0	0	0	42,990
0	0	0	0	5,604	0	393,037
0	0	0	0	0	1,020,793	1,112,183
0	0	0	0	0	0	80,000
0	0	0	19,325	0	0	47,095
42,990	92,057	0	27,333	5,604	1,020,793	6,935,847
(38,689)	(91,868)	5,965	829,107	2,560	7	(2,195,944)
0	0	50,000	0	0	0	725,000
0	0	0	(1,100,000)	0	0	(1,150,000)
0	0	0	0	0	0	3,472,000
0	0	0	(465,426)	0	0	(1,055,000)
\$ 0	\$ 0	\$ 50,000	\$ (1,565,426)	\$ 0	\$ 0	1,992,000

(Continued)

JACKSON PARISH POLICE JURY

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

	<u>ROAD</u>	<u>LIBRARY</u>	<u>SOLID WASTE</u>	<u>ASPHALT</u>
Net Change in Fund Balances	<u>\$ (28,310)</u>	<u>\$ 94,575</u>	<u>\$ 513,683</u>	<u>\$ 24,452</u>
FUND BALANCES - BEGINNING, AS ORIGINALLY REPORTED	406,900	802,655	1,537,998	377,709
Prior period adjustment	<u>(22,908)</u>	<u>310,169</u>	<u>111,378</u>	<u>(19,937)</u>
FUND BALANCES - BEGINNING, AS RESTATED	<u>383,992</u>	<u>1,112,824</u>	<u>1,649,376</u>	<u>357,772</u>
FUND BALANCES - ENDING	<u>\$ 355,682</u>	<u>\$ 1,207,399</u>	<u>\$ 2,163,059</u>	<u>\$ 382,224</u>

Schedule 2

HEALTH UNIT	BLACKTOP	LANDFILL CLOSURE	ROAD SALES TAX	TOURISM	LAKESHORE DRIVE	TOTAL
\$ (38,689)	\$ (91,868)	\$ 55,965	\$ (738,319)	\$ 2,580	\$ 7	\$ (203,944)
412,554	91,868	546,412	1,626,598	36,928	0	5,839,622
0	0	0	74,252	0	0	452,954
412,554	91,868	546,412	1,700,850	36,928	0	6,292,576
\$ 373,865	\$ 0	\$ 602,377	\$ 964,531	\$ 39,488	\$ 7	\$ 6,088,632

(Concluded)

Jackson Parish Police Jury

GENERAL

Schedule 3

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 Jackson Parish Police Jury members is included in the general administrative expenditures of the general fund. Members of the governing board receive compensation pursuant to Louisiana Revised Statute 33:1233.

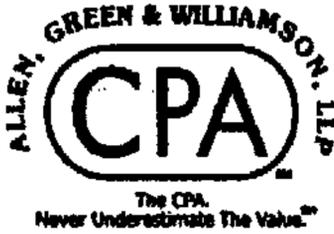
**Schedule of Compensation Paid Police Jurors
For the Year Ended December 31, 2003**

Dr. Charles Garrett, President	\$ 14,400
Troy L. Smith	14,400
Leslie Thompson	14,400
Nathaniel Zeno, Jr.	14,400
Carl L. Atkins	14,400
William T. Culpepper	14,400
Eddie M. Langston	<u>14,400</u>
Total	<u>\$100,800</u>

Jackson Parish Police Jury

OTHER REPORT REQUIRED BY GOVERNMENT AUDITING STANDARDS

The first report following this page is a report on compliance and on internal control over financial reporting based on an audit of financial statements performed in accordance with Government Auditing Standards, issued by the Comptroller General of the United States of America. The section of the report on compliance is based solely on the audit of the General-Purpose financial statements and presents, where applicable, compliance matters that would be material to the General-Purpose financial statements. The section of the report on internal control over financial reporting is, likewise, based solely on the audit of the General-Purpose financial statements and includes, where appropriate, any reportable conditions and/or material weaknesses.



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Tim Green, CPA

Margie Williamson, CPA

Ernest L. Allen, CPA
(Retired)
1963 - 2000

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

Police Jurors
Jackson Parish Police Jury
Jonesboro, Louisiana

We have audited the financial statements of Jackson Parish Police Jury, as of and for the year ended December 31, 2003, and have issued our report thereon dated June 23, 2004. Our report was qualified because certain component units were omitted from the financial statements. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States of America.

Compliance

As part of obtaining reasonable assurance about whether the Police Jury's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 03-F1.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Police Jury's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Police Jurors
Jackson Parish Police Jury
Jonesboro, Louisiana

This report is intended solely for the information and use of the Police Jurors, management, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Although the intended use of these reports may be limited, under Louisiana Revised Statute 24:513 this report is distributed by the Office of the Louisiana Legislative Auditor as a public document.

Allen, Green & Williamson, LLP

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
June 23, 2004

Jackson Parish Police Jury

**Schedule of Finding
For the Year Ended December 31, 2003**

PART II - Finding related to the financial statements which is required to be reported in accordance with Government Auditing Standards generally accepted in the United States of America:

Reference # and title: 03-F1 Compliance with State Bid Law

Entity-wide or program/department specific: Entity-wide.

Criteria or specific requirement: Public bid law LSA-R.S. 38:2212.1 states that all purchases of any materials or supplies exceeding \$15,000 to be paid out of public funds shall be advertised and let by contract to the lowest responsible bidder who has bid according to the specifications as advertised, and no such purchase shall be made except as provided in this part.

Condition found: The Police Jury purchased washed gravel from a vendor who was not the low bidder for the 2003 year.

Possible asserted effect (cause and effect):

Cause: In 2002 the Police Jury applied for the Rural Development Gravel Grant using 2002 bid figures for gravel. The grant was not approved until early 2003 at which time the project moved forward using the vendor submitting the low bid for gravel for 2002. Another vendor had submitted the low bid for gravel for 2003.

Effect: The Police Jury did not purchase gravel in 2003 for the Rural Development Gravel Project from the low bidder for 2003. The gravel was purchased from the low bidder for 2002.

Recommendations to prevent future occurrences: The Police Jury must monitor all bids and assure that the lowest bidder is used for purchasing.

Jackson Parish Police Jury

**Corrective Action Plan for Current-Year Finding
December 31, 2003**

Reference # and title: 03-F1 Compliance with State Bid Law

Condition found: Public bid law LSA-R.S. 38:2212.1 states that all purchases of any materials or supplies exceeding \$15,000 to be paid out of public funds shall be advertised and let by contract to the lowest responsible bidder who has bid according to the specifications as advertised, and no such purchase shall be made except as provided in this part. The Police Jury purchased washed gravel from a vendor who was not the low bidder for the 2003 year.

Corrective action planned: This incident occurred because our quotations for the project began in 2002, but the Rural Development Grant was not awarded until 2003. A comparison of the material bid was not made. The Police Jury has a new form that will avoid this from occurring in the future.

Person responsible for corrective action:

Kenneth Pardue, Secretary-Treasurer
Jackson Parish Police Jury
500 East Court Street
Jonesboro, LA 71251

Phone: (318) 259-2361
Fax: (318) 259-5660

Anticipated completion date: Immediately.