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Rapides Parish Police Jury

Alexandria, Louisiana

December 31, 2004

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Release Date 7-13-05

**Rapides Parish Police Jury
Alexandria, Louisiana**

December 31, 2004

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**Rapides Parish Police Jury
Alexandria, Louisiana**

December 31, 2004

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PAYNE, MOORE & HERRINGTON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditor's Report

Rapides Parish Police Jury
Alexandria, Louisiana

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Rapides Parish Police Jury, Alexandria, Louisiana, as of and for the year ended December 31, 2004, which collectively comprise the basic financial statements of the Police Jury's primary government as listed in the table of contents. These financial statements are the responsibility of the Rapides Parish Police Jury's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

The financial statements referred to above include only the primary government of the Rapides Parish Police Jury. The financial statements consist of all funds, organizations, institutions, agencies, departments, and offices that comprise the Policy Jury's legal entity. The financial statements do not include financial data for the Police Jury's legally separate component units, which accounting principles generally accepted in the United States of America require to be reported with the financial data of the Rapides Parish Police Jury's primary government. As a result, the primary government financial statements do not purport to, and do not, present fairly the financial position of the reporting entity of the Rapides Parish Police Jury, Louisiana, as of December 31, 2004, and the changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the primary government financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information for the primary government of the Rapides Parish Police Jury as of December 31, 2004, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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PAYNE, MOORE & HERRINGTON, LLP

Rapides Parish Police Jury
Alexandria, Louisiana

As discussed in Note 15, the Rapides Parish Police Jury is a defendant in several lawsuits. These lawsuits are in various stages of resolution, and their ultimate outcome cannot presently be determined. Accordingly, no provision for losses, if any, which may result from settlement of these lawsuits, is included in the accompanying primary government financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report, dated June 15, 2005, on our consideration of the Rapides Parish Police Jury's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The management's discussion and analysis and budgetary comparison information presented on pages 3 through 11 and 46 through 52 are not a required part of the basic financial statements but are supplemental information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements, which collectively comprise the basic financial statements of the Rapides Parish Police Jury's primary government. The accompanying financial information listed as "supplemental information" in the table of contents, including the schedule of expenditures of federal awards as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is presented for purposes of additional analysis and is not a required part of the basic financial statements. This information has been subjected to the auditing procedures applied in the audit of the primary government basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements of the primary government taken as a whole.

Payne, Moore & Herrington, LLP

Certified Public Accountants

June 15, 2005

Required Supplemental Information – Part I
Management’s Discussion and Analysis

**Rapides Parish Police Jury
Alexandria, Louisiana
December 31, 2004**

Management's Discussion and Analysis (MD&A)

As management of the Rapides Parish Police Jury (the Parish), we offer readers of the Police Jury's financial statements this narrative overview and analysis of the financial activities of the Rapides Parish Police Jury for the fiscal year ended December 31, 2004. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the Parish's financial statements, which follow this narrative.

Financial Highlights

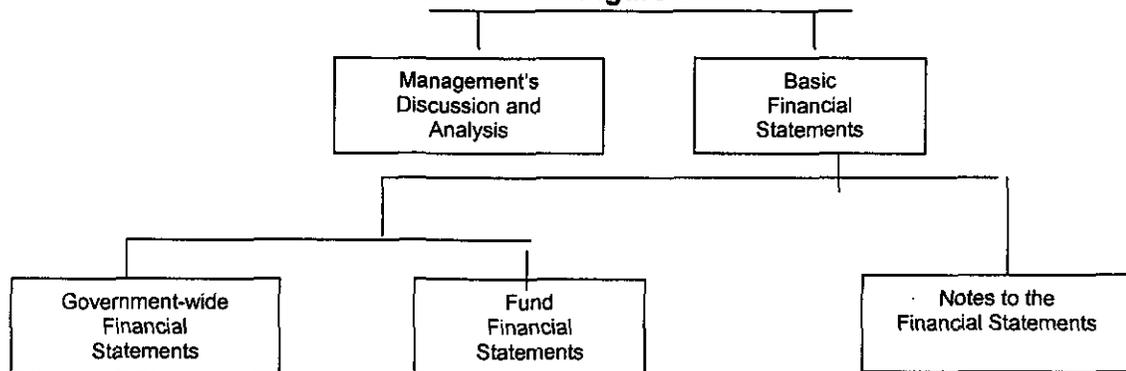
- The assets of the Police Jury exceeded its liabilities at the close of the fiscal year by \$65,849,005 (*net assets*). This compares to \$60,248,415 for the previous year.
- At the end of the current fiscal year, unreserved undesignated fund balance for the General Fund was \$1,997,908 or 30.4% of total General Fund expenditures and other financing uses for the fiscal year. At December 31, 2003 the General Funds unreserved undesignated fund balance was \$1,527,009, or 28.7% of total General Fund expenditures for the fiscal year.
- Rapides Parish's total debt decreased by \$1,114,180 during the current fiscal year. During the year the Rapides Parish Police Jury refinanced its General Obligation Public Improvement Bonds reducing interest rates from a high of 6.9% to a high of 4.5%. This should reduce interest expense for the Parish by approximately \$130,000 over the next ten years.
- Rapides Parish Police Jury maintained its Baa-1 bond rating.

Overview of the Financial Statements

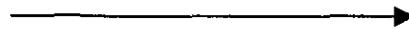
This discussion and analysis is intended to serve as an introduction to the Rapides Parish Police Jury's primary government basic financial statements. The Parish's basic financial statements consist of three components: 1) Government-Wide Financial Statements, 2) Fund Financial Statements, and 3) Notes to the Financial Statements (see Figure 1). The basic financial statements present two different views of the Parish through the use of Government-Wide Statements and Fund Financial Statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of the Rapides Parish Police Jury.

Required Components of Annual Financial Report

Figure 1



Summary



Detail

**Rapides Parish Police Jury
Alexandria, Louisiana
December 31, 2004**

Management's Discussion and Analysis (MD&A)

Basic Financial Statements

The first two statements in the basic financial statements are the **Government-Wide Financial Statements**. They provide both short and long-term information about the Parish's financial status.

The next statements are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the Parish's government. These statements provide more detail than the Government-Wide Statements. There are two parts to the Fund Financial Statements: 1) the Governmental Funds Statements and 2) The Fiduciary Fund Statements.

The next section of the basic financial statements is the **Notes**. The Notes to Basic Financial Statements explain in detail some of the data contained in those statements. After the notes, **Required Supplemental Information** is provided to show budgetary comparison for all the Parish's major governmental funds that adopt budgets. Following the Required Supplemental Information is **Supplemental Information**, which is provided to show additional details.

Government-Wide Financial Statements

The Government-Wide Financial Statements are designed to provide the reader with a broad overview of the Parish's finances, similar in format to a financial statement of a private-sector business. The Government-Wide Statements provide short and long-term information about the Parish's financial status as a whole.

The two Government-Wide Statements report the Parish's net assets and how they have changed. Net assets are the difference between the Parish's total assets and total liabilities. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Rapides Parish Police Jury is improving or deteriorating.

The governmental activities include most of the Parish's basic services such as public works, public safety, culture and recreation, and economic development and assistance. Property taxes, sales taxes, and state and federal grant funds finance most of these activities.

The Government-Wide Financial Statements are on Exhibits A and B of this report.

Fund Financial Statements

The Fund Financial Statements provide a more detailed look at the Parish's most significant activities. 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. Rapides Parish, like all other governmental entities in Louisiana, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the Revised Statutes or the Parish's budget ordinance. All of the funds of the Police Jury can be divided into two categories: governmental funds and fiduciary funds.

**Rapides Parish Police Jury
Alexandria, Louisiana
December 31, 2004**

Management's Discussion and Analysis (MD&A)

Governmental Funds – Most of the Parish's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting*. This method also has a current financial resources focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the Parish's programs.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Rapides Parish Police Jury has three fiduciary funds all of which are agency funds.

Required Supplemental Information – Required supplementary information can be found beginning on page 46 of this report. This section provides budgetary comparison schedules for all major funds that are required to prepare annual budgets.

Rapides Parish Police Jury adopts an annual budget for its General Fund and Special Revenue Funds, as required by the Revised Statutes. The budget is a legally adopted document that incorporates input from the citizens of the Parish, the Treasurer of the Parish, and the decisions of the Police Jury about which services to provide and how to pay for them. It also authorizes the Parish to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the Parish complied with the budget ordinance and whether or not the Parish succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document. The statement shows four columns: 1) the original budget as adopted by the jury; 2) the final budget as amended by the jury; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the difference or variance between the final budget and the actual resources and charges. To account for the difference between the budgetary basis of accounting and the modified accrual basis of accounting, a reconciliation showing the differences in the reported activities is on Statement M following the Budgetary Comparison Schedules.

Supplemental Information – In addition to the basic financial statements, Budgetary Comparison Schedules, and accompanying notes, this report includes certain supplemental information including a Combining Balance Sheet for other governmental funds, a Combining Statement of Revenues, Expenditures and Changes in Fund Balances for other governmental funds and compensation paid to the Rapides Parish Police Jury members. Supplemental information can be found beginning on page 52 of this report.

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 Parish, assets exceeded liabilities by \$ 65,849,005 as of December 31, 2004.

**Rapides Parish Police Jury
Alexandria, Louisiana
December 31, 2004**

Management's Discussion and Analysis (MD&A)

	Governmental Activities <u>2004</u>	Governmental Activities <u>2003</u>	<u>(%) Change</u>
Assets:			
Current and other assets	\$ 25,509,252	\$ 23,236,302	9.8%
Capital assets, net	<u>50,929,166</u>	<u>49,886,192</u>	2.1%
Total assets	<u>\$ 76,438,368</u>	<u>\$ 73,122,494</u>	4.5%
Liabilities:			
Long-term liabilities outstanding	\$ 7,215,760	\$ 8,247,415	-12.5%
Other liabilities	<u>3,373,603</u>	<u>3,572,338</u>	-5.6%
Total liabilities	<u>10,589,363</u>	<u>11,819,753</u>	-10.4%
Net assets:			
Invested in capital assets, net of related debt	\$ 44,222,951	\$ 37,043,867	19.4%
Restricted	9,862	181,061	-94.6%
Unrestricted	<u>21,616,192</u>	<u>24,077,823</u>	-10.2%
Total net assets	<u>\$ 65,849,005</u>	<u>\$ 61,302,751</u>	7.4%

The largest portion of the Parish's net assets of \$44,222,951 (67.2%) reflects its investment in *capital assets* (e.g. land, structures and improvements, infrastructure, and equipment), less any related debt used to acquire those assets that is still outstanding. The Parish uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Police Jury's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, such as tax revenues, since the capital assets cannot be used to liquidate these liabilities. Another significant portion of the Parish's net assets (32.8%) represents *unrestricted net assets* of \$ 21,616,192, which may be used to meet the Parish's ongoing obligations to citizens and creditors. The remaining balance of the Parish's net assets of \$9,862 (.1%) represents resources that are subject to external restrictions on how they may be used.

The Parish's total net assets increased by \$4,546,254. This is due to increases in spending for economic development, public safety, and public works: the LSU-A Technology Center which provides computer training for "welfare-to-work" participants went online, the construction in progress of fire station number 5 in Fire Protection District #2 near Kincaid Lake, the replacement of a bridge near the Town of Cheneyville, and approximately \$2 million of road replacement throughout the rural areas of the Parish. The following table indicates the changes in net assets for the Parish's governmental activities.

**Rapides Parish Police Jury
Alexandria, Louisiana
December 31, 2004**

Management's Discussion and Analysis (MD&A)

Rapides Parish Changes in Net Assets

	Governmental <u>Activities</u> <u>2004</u>	Governmental <u>Activities</u> <u>2003</u>	<u>(%) Change</u>
Revenues:			
Program revenues:			
Charges for services	\$ 2,844,681	\$ 2,742,468	3.7%
Operating grants and contributions	6,092,474	4,818,741	26.4%
Capital grants and contributions	3,449,196	2,326,005	48.3%
General revenues:			
Property taxes	12,045,579	10,808,164	11.4%
Other taxes	7,114,134	6,074,782	17.1%
Grants and contributions not restricted to specific programs	781,004	1,043,034	-2.5%
Other	<u>487,579</u>	<u>935,800</u>	<u>-47.9%</u>
Total Revenues	<u>\$ 32,814,647</u>	<u>\$ 28,748,994</u>	<u>14.1%</u>
Expenses:			
General government	5,704,692	5,250,596	8.6%
Public safety	9,952,358	8,323,091	19.6%
Public works	7,769,450	10,430,441	-25.5%
Health and welfare	1,574,888	1,283,219	22.7%
Culture and recreation	308,872	286,776	7.7%
Economic development and assistance	2,351,939	2,405,545	-2.2%
Miscellaneous	235,735	342,337	-31.1%
Interest on long-term debt	<u>370,459</u>	<u>426,168</u>	<u>-13.1%</u>
Total Expenses	<u>28,268,393</u>	<u>28,748,173</u>	<u>-1.7%</u>
Change in Net Assets	4,546,254	821	553645.9%
Net Assets, Beginning of Year	60,248,415	60,247,594	0.0%
Prior Period Adjustment	<u>1,054,336</u>	<u>-</u>	<u>0.0%</u>
Net assets, end of year	<u>\$ 65,849,005</u>	<u>\$ 60,248,415</u>	<u>9.3%</u>

**Rapides Parish Police Jury
Alexandria, Louisiana
December 31, 2004**

Management's Discussion and Analysis (MD&A)

Financial Analysis of the Parish's Funds

As noted earlier, the Rapides Parish Police Jury uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the Police Jury's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the Rapides Parish Police Jury's financing requirements. Specifically, unreserved fund balance can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

The General Fund is the chief operating fund of the Police Jury. At the end of the current fiscal year, unreserved undesignated fund balance of the General Fund was \$1,997,908, while total fund balance reached \$2,583,921. As a measure of the General Fund's liquidity, it may be useful to compare both undesignated fund balance and total fund balance to total fund expenditures. Unreserved undesignated fund balance represents 30.4% of total General Fund expenditures and other financing uses.

At December 31, 2004, the governmental funds of the Police Jury reported a combined fund balance of \$21,661,995.

General Fund Budgetary Highlights. During the fiscal year, the Parish revised the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State Grants; and 3) increases in appropriations that become necessary to maintain services.

Capital Asset and Debt Administration

Capital Assets. The Police Jury's capital assets for its governmental activities as of December 31, 2004 total \$50,929,116 (net of accumulated depreciation). These assets include buildings, roads and bridges, land, machinery and equipment, park facilities, and vehicles.

**Rapides Parish Police Jury
Alexandria, Louisiana
December 31, 2004**

Management's Discussion and Analysis (MD&A)

**Rapides Parish's Capital Assets
(Net of Depreciation)**

	Governmental <u>Activities</u> <u>2004</u>	Governmental <u>Activities</u> <u>2003</u>
Land	\$ 1,731,333	\$ 1,714,355
Buildings and improvements	12,288,229	11,226,949
Furniture and equipment	6,904,482	6,878,508
Construction in progress	1,055,050	526,372
Infrastructure	<u>28,950,022</u>	<u>28,485,682</u>
Total	<u>\$ 50,929,116</u>	<u>\$ 48,831,866</u>

Long-term Debt. As of December 31, 2004, the Police Jury had total long-term debt outstanding of \$7,133,235, all of which is debt backed by the full faith and credit of the Parish.

- The Police Jury's total debt decreased by \$1,114,180 during the past fiscal year, primarily due to the payment of debt principal. During the year the Rapides Parish Police Jury refinanced its General Obligation Public Improvement Bonds reducing interest rates from a high of 6.9% to a high of 4.5%. This should reduce interest expense for the Parish by approximately \$130,000 over the next ten years.

As mentioned in the financial highlight section of this document, the Rapides Parish Police Jury maintained its Baa-1 bond rating from Moody's Investor Service. A bond rating is an indication of the financial condition. Currently the bond rating for the State of Louisiana is A1 from the Moody's Investor Service.

The State of Louisiana limits the amount of general obligation debt that a unit of government can issue to 10% of the total assessed value of taxable property located within that government's boundaries.

Economic Factors and Next Year's Budgets and Rates

The following key economic indicators reflect the growth and prosperity of the Parish.

- The 2005 assessed property values (\$ 607,400,819) in Rapides Parish increased 4% over 2004
- Sales taxes are up approximately 12% over 2004.

**Rapides Parish Police Jury
Alexandria, Louisiana
December 31, 2004**

Management's Discussion and Analysis (MD&A)

Budget Highlights for the Fiscal Year Ending December 31, 2005

The following are noted features in the proposed budget for 2005:

- The Police Jury offered its employees a choice of group health plans for 2005. Under the current coverage the employee portion would increase from \$18.75 to \$38.01; while under the Managed Care Plan the employee portion would decrease to \$10.00 per month. The overall premium cost increased by 10%.
- The employer's portion of Parochial retirement increased 1.50% to 12.75%
- The employer's portion of Firefighter's retirement increased 1.75% to 22.75%.

Requests for Information

This report is designed to provide an overview of the Rapides Parish Police Jury's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Parish Treasurer, Rapides Parish Police Jury, P O Box 1150, Alexandria, LA 71309.

Basic Financial Statements

**Government-Wide
Financial Statements (GWFS)**

**Rapides Parish Police Jury
Alexandria, Louisiana
Statement of Net Assets
Governmental Activities
December 31, 2004**

Exhibit A

Assets		
Cash and cash equivalents		\$ 10,476,544
Receivables		14,813,444
Due from fiduciary funds		11,584
Other assets		207,680
Capital assets, net of depreciation		
Nondepreciable		
Land and improvements	1,731,333	
Construction in progress	1,055,050	
Depreciable		
Infrastructure	28,950,022	
Buildings	12,288,229	
Equipment and furniture	6,904,482	50,929,116
Total Assets		76,438,368
Liabilities		
Accounts payable		3,219,104
Accrued interest		82,525
Deferred revenues		154,499
Long-term liabilities		
Due within one year		
Bonds, capital leases, and contracts	1,926,233	
Due in more than one year		
Bonds, capital leases, and contracts	4,779,932	
Compensated absences	427,070	7,133,235
Total Liabilities		10,589,363
Net Assets		
Invested in capital assets, net of related debt		44,222,951
Restricted for debt service		9,862
Unrestricted		21,616,192
Total Net Assets		\$ 65,849,005

The accompanying notes are an integral part of the financial statements.

**Rapides Parish Police Jury
Alexandria, Louisiana
Statement of Activities
Governmental Activities
Year Ended December 31, 2004**

Exhibit B

Functions/Programs	Expenses	Program Revenue		Governmental Activities	Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions		
Primary Government: Governmental Activities					
General Government					
Legislative	\$ 311,529	\$ -	\$ -	\$ -	\$ (311,529)
Judicial	3,412,457	1,270,053	479,836	-	(1,662,568)
Elections	234,511	-	-	-	(234,511)
Finance and administrative	793,041	69,459	-	-	(723,582)
Other general government	953,154	985,074	179,544	-	211,464
Public safety	9,952,358	307,561	900,954	279,376	(8,464,467)
Public works	7,769,450	-	842,046	2,430,192	(4,497,212)
Health and welfare	1,574,888	-	915,539	47,718	(611,631)
Culture and recreation	308,872	129,201	-	-	(179,671)
Economic development and assistance	2,351,939	83,333	2,336,237	691,910	759,541
Miscellaneous	235,735	-	438,318	-	202,583
Debt service					
Interest and fiscal charges	370,459	-	-	-	(370,459)
Ad valorem taxes levied for general purposes					
Total Governmental Activities	\$ 28,268,393	\$ 2,844,681	\$ 6,092,474	\$ 3,449,196	(15,882,042)
General Revenues					
Taxes					
					12,045,579
Sales and use taxes authorized for general purposes					1,771,067
Sales and use taxes authorized for public works					2,222,203
Franchise and miscellaneous taxes					602,249
911 telephone tariff					1,362,860
Severance tax					1,110,643
Beer tax					45,112
Grants and contributions not restricted to specific programs					
State revenue sharing					761,823
Other unrestricted grants and contributions					19,181
Investment earnings					224,352
Rentals, leases and royalties					206,267
Other					56,960
Total General Revenues					20,428,296
Change in Net Assets					4,546,254
Net Assets, Beginning of Year					60,248,415
Prior Period Adjustment - Correction of Error					1,054,336
Net Assets, End of Year					\$ 65,849,005

The accompanying notes are an integral part of the financial statements.

Fund Financial Statements

Rapides Parish Police Jury
 Alexandria, Louisiana
 Balance Sheet
 Governmental Funds
 December 31, 2004

Exhibit C

	General Fund	Road and Bridge Fund	Fire Protection District #2 Fund	Renaissance Fund	Senior Citizens Fund	Other Governmental Funds	Total Governmental Funds
Assets							
Cash and cash equivalents	\$ 659,291	\$ 621,706	\$ 3,113,864	\$ 21,597	\$ 11,316	\$ 6,048,770	\$ 10,476,544
Receivables	2,291,880	748,309	2,746,140	900,641	454,873	7,671,601	14,813,444
Due from other funds	135,070	-	-	-	-	12,187	147,257
Other assets	-	-	-	-	-	1,382	1,382
Total Assets	\$ 3,086,241	\$ 1,370,015	\$ 5,860,004	\$ 922,238	\$ 466,189	\$ 13,733,940	\$ 25,438,627
Liabilities and Fund Balances							
Liabilities							
Accounts payable	\$ 495,162	\$ 35,740	\$ 305,543	\$ 922,238	\$ 466,189	\$ 994,232	\$ 3,219,104
Due to other funds	7,158	27,365	30,278	-	-	70,872	135,673
Deferred revenue	-	-	-	-	-	421,855	421,855
Total Liabilities	502,320	63,105	335,821	922,238	466,189	1,486,959	3,776,632
Fund Balances							
Reserved for debt service	-	-	-	-	-	9,862	9,862
Unreserved	-	-	-	-	-	-	-
Designated	-	-	-	-	-	-	-
General Fund	586,013	-	-	-	-	-	586,013
Undesignated	-	-	-	-	-	-	-
General Fund	1,997,908	-	-	-	-	-	1,997,908
Special Revenue Funds	-	1,306,910	5,524,183	-	-	12,237,118	19,068,211
Capital Projects Funds	-	-	-	-	-	1	1
Total Fund Balances	2,583,921	1,306,910	5,524,183	-	-	12,237,119	21,652,133
Total Liabilities and Fund Balances	\$ 3,086,241	\$ 1,370,015	\$ 5,860,004	\$ 922,238	\$ 466,189	\$ 13,724,078	\$ 25,428,765

The accompanying notes are an integral part of the financial statements.

**Rapides Parish Police Jury
Alexandria, Louisiana
Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Assets
December 31, 2004**

Exhibit D

Total Fund Balance, Governmental Funds **\$ 21,661,995**

Amounts reported for governmental activities in the Statement of Net Assets are different because:

Capital assets used in governmental activities are not current financial resources and therefore, are not reported in this fund financial statement but are reported in the governmental activities of the Statement of Net Assets.

Cost of capital assets	361,772,771	
Less - Accumulated depreciation	<u>310,843,655</u>	50,929,116

Long-term liabilities are not due and payable in the current period and are not included in the fund financial statement but are included in the governmental activities of the Statement of Net Assets.

Compensated absences payable	427,070	
Capital leases payable	1,651,745	
Certificates of indebtedness	1,843,421	
Bonds payable	<u>3,211,000</u>	(7,133,236)

Interest on long-term debt is accrued in the Statement of Net Assets, but not in the governmental funds. (82,525)

Certain deferred revenues are reported in the governmental funds but not in the statement of Net Assets. 267,356

Costs incurred which benefit more than one period are recorded as an expenditure in the Governmental Funds when paid. The portion relating to the next year is reported as prepaid expenses in the Statement of Net Assets.

Prepaid Insurance premiums		<u>206,299</u>
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Net Assets of Governmental Activities in the Statement of Net Assets **\$ 65,849,005**

The accompanying notes are an integral part of the financial statements.

Rapides Parish Police Jury
Alexandria, Louisiana
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended December 31, 2004

Exhibit E

	General Fund	Road and Bridge Fund	Fire Protection District #2 Fund	Renaissance Fund	Senior Citizens Fund	Other Governmental Funds	Total Governmental Funds
Revenues							
Taxes							
Property taxes	\$ 1,270,221	-	\$ 2,882,231	\$ 905,833	\$ 461,877	\$ 6,525,417	\$ 12,045,579
Sales taxes	-	2,222,203	-	-	-	1,771,067	3,993,270
Other taxes, penalties, and interest	320,713	-	-	-	-	-	320,713
Intergovernmental							
Federal funds	195,888	281,536	38,694	139,906	27,605	4,310,960	4,827,078
State funds	1,187,801	2,239,130	131,016	-	-	1,788,060	5,513,518
Local funds	16,790	-	-	-	-	762,906	768,296
Fines and forfeitures	8,714	-	-	-	-	887,727	896,441
Rents and royalties	41,000	10,167	-	-	-	155,100	206,267
Licenses and permits	597,403	-	-	-	-	597,403	597,403
Fees, charges, and commissions for services	931,230	-	-	-	-	1,758,084	2,689,314
Investment earnings	28,416	7,011	61,779	5,171	1,255	120,720	224,352
Miscellaneous	468,545	13,621	1,841	-	-	79,639	564,846
Total Revenues	\$ 5,066,721	\$ 4,773,668	\$ 3,115,561	\$ 1,050,910	\$ 490,737	\$ 18,149,280	\$ 32,646,877
Expenditures							
Current							
General government							
Legislative	311,529	-	-	-	-	-	311,529
Judicial	1,262,710	-	-	-	-	2,146,405	3,409,115
Elections	128,801	-	-	57,542	-	47,168	234,511
Finance and administrative	791,520	-	-	-	-	791,520	791,520
Other	69,923	-	82,634	29,653	13,966	426,292	616,468
Public safety	2,720,392	-	2,672,675	961,882	-	2,852,808	9,207,757
Health and welfare	-	3,364,604	-	-	475,806	1,680,077	5,044,681
Culture and recreation	19,136	-	-	-	-	954,178	1,449,120
Economic development and assistance	46,210	-	-	-	-	233,846	233,846
Miscellaneous	235,735	-	-	-	-	2,292,900	2,339,110
Capital outlay	1,942	547,202	338,053	-	-	3,764,984	4,852,181
Debt service	58,276	193,528	-	-	-	1,855,873	2,107,677
Total Expenditures	\$ 5,647,174	\$ 4,105,334	\$ 3,093,362	\$ 1,049,077	\$ 489,772	\$ 16,248,531	\$ 30,633,260
Excess (Deficiency) of Revenues over Expenditures	(580,453)	668,334	22,199	1,833	965	1,900,749	2,013,627
Other Financing Sources (Uses)							
Transfers in							
Transfers out	2,009,197	-	-	-	-	1,228,925	3,238,122
Proceeds from long-term debt	(917,062)	(224,824)	(32,300)	(1,835)	(965)	(2,061,136)	(3,238,122)
Proceeds from refunded debt	-	-	-	-	-	580,503	580,503
Proceeds from sale of assets	-	20,803	-	-	-	601,000	601,000
Payments to refund escrow agent	-	-	-	-	-	12,185	32,988
Total Other Financing Sources and Uses	\$ 1,092,135	\$ (204,021)	\$ (32,300)	\$ (1,835)	\$ (965)	\$ (601,000)	\$ (601,000)
Net Change in Fund Balances	511,682	464,313	(10,101)	(2)	-	1,661,226	2,627,118
Fund Balances, Beginning of Year	2,076,869	878,666	5,534,284	2	-	11,025,418	19,515,228
Prior Period Adjustment - Correction of Error	(4,630)	(36,058)	-	-	-	(449,525)	(490,213)
Fund Balances, Beginning of Year as Adjusted	2,072,239	842,597	5,534,284	2	-	10,575,893	19,025,015
Fund Balances, End of Year	\$ 2,583,921	\$ 1,306,910	\$ 5,524,183	\$ -	\$ -	\$ 12,237,119	\$ 21,652,133

The accompanying notes are an integral part of the financial statements.

**Rapides Parish Police Jury
Alexandria, Louisiana
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of
Governmental Funds to the Statement of Activities
Year Ended December 31, 2004**

**Exhibit F
Page 1 of 2**

Net change in fund balances - Governmental Funds \$ 2,627,118

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period.

Capital outlays	4,653,645	
Less - Depreciation expense	<u>(4,057,246)</u>	596,399

Governmental funds report the entire net sales price (proceeds) from sale of an asset as revenue because it provides current financial resources. In contrast, the Statement of Activities reports only the gain on the sale of the assets. Thus, the change in net assets differs from the change in fund balance by the cost of the asset sold.

Gain (Loss) on sale of assets	(10,700)	
Less - Proceeds from sale of asset	<u>32,988</u>	(43,688)

Proceeds from financing arrangements entered into are included in the Governmental Funds as other financing sources. Debt proceeds are not reported on the Statement of Activities, but are reported as long-term liabilities on the Statement of Net Assets. Proceeds from indebtedness during the year were as follows.

New issues		(580,503)
Refunded bonds		(601,000)

Repayment of long-term liabilities is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.

Principal retirement		1,733,409
Refunded bonds payment to escrow agent		601,000

The accompanying notes are an integral part of the financial statements.

**Rapides Parish Police Jury
Alexandria, Louisiana
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of
Governmental Funds to the Statement of Activities
Year Ended December 31, 2004**

**Exhibit F
Page 2 of 2**

In the Statement of Activities, certain operating expenses, such as compensated absences (vacation, compensatory, and sick leave), are measured by the amounts earned during the year. In the Governmental Funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid).

(Increase) decrease in vacation and compensatory leave accrued	(38,726)
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Governmental funds do not present revenues that are not available to pay current obligations. In contrast, such revenues are reported in the Statement of Activities when earned.	267,356
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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.

(Increase) decrease in accrued interest on capital leases, certificates of indebtedness, and bonds payable	3,809
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Prepaid costs are recognized as an expenditure when paid in the Governmental Funds. In the Statement of Activities, however, prepaid expenses are allocated over the period for which the expense is related.

Increase (decrease) in insurance premiums paid prior to fiscal year-end that relate to the next year.	(18,920)
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Change in Net Assets of Governmental Activities	\$ 4,546,254
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The accompanying notes are an integral part of the financial statements.

Rapides Parish Police Jury
Alexandria, Louisiana
Statement of Assets and Liabilities
Fiduciary Funds
Sales Tax Agency Funds
December 31, 2004

Exhibit G

	Assets	
Cash and cash equivalents (deficit)		\$ (18,183)
Receivables		8,663,681
		<hr/>
Total Assets		\$ 8,645,498
		<hr/> <hr/>
	Liabilities	
Accounts payable		\$ 34,460
Due to taxing bodies and others		8,599,452
Due to other funds		11,586
		<hr/>
Total Liabilities		\$ 8,645,498
		<hr/> <hr/>

The accompanying notes are an integral part of the financial statements.

Notes To Basic Financial Statements

**Rapides Parish Police Jury
Alexandria, Louisiana
December 31, 2004**

Notes To Basic Financial Statements

1. Reporting Entity and Significant Accounting Policies

The Financial Reporting Entity

The Rapides Parish Police Jury (Police Jury) is the governing authority for Rapides Parish and is a political subdivision of the State of Louisiana. Nine jurors, representing the various districts within the parish, govern the Police Jury. The jurors serve four-year terms that expire on the second Monday of January 2008. As the governing authority of the parish, for reporting purposes, the Rapides Parish Police Jury is the financial reporting entity for Rapides 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) 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.

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. Ad valorem taxes, sales taxes, beer and alcoholic beverage permits, state revenue sharing, and various other state and federal grants provide funding to accomplish these tasks. Thus the Police Jury is considered the 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. 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, The Financial Reporting Entity, as amended, provides for the issuance of primary government financial statements that are separate from those of the reporting entity. However, the primary government's (Police Jury) financial statements are not a substitute for the reporting entity's financial statements. The financial statements of the Rapides Parish Police Jury have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units except for the exclusion of component units as discussed in the next paragraph. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards, which, along with subsequent GASB pronouncements (Statements and Interpretations) constitutes GAAP for governmental units.

The accompanying financial statements include only the primary government of the Rapides Parish Police Jury. The financial statements consist of all funds, organizations, institutions, agencies, departments, and offices that comprise the Jury's legal entity. The financial statements do not include financial data for the Jury's legally separate component units, which accounting principles generally accepted in the United States of America require to be reported with the financial data of the Rapides Parish Police Jury's primary government. As a result, the primary government financial statements do not purport to, and do not, present fairly the financial position of the reporting entity of the Rapides Parish Police Jury, Louisiana, and the changes in financial position in conformity with accounting principles generally accepted in the United States of America.

**Rapides Parish Police Jury
Alexandria, Louisiana
December 31, 2004**

Notes To Basic Financial Statements

Basis of Presentation

The Police Jury's Primary Government Basic Financial Statements consist of Government-Wide Financial Statements, including a Statement of Net Assets and a Statement of Activities, and Fund Financial Statements, which provide a more detailed level of financial information.

Government-Wide Financial Statements – The Government-Wide Financial Statements, "Statement of Net Assets" and "Statement of Activities", report information on all non-fiduciary activities of the Police Jury. Fiduciary activities are not included at the government-wide reporting level. Fiduciary funds are reported only in the "Statement of Assets and Liabilities" at the Fund Financial Statement level. Individual funds are not displayed but the statements distinguish governmental activities, generally supported by taxes and Police Jury general revenues, from business-like activities (if any), generally financed in whole or in part with fees charged to external customers. The activity of *internal service funds (if any) is eliminated to avoid duplicating revenues and expenses.* The Statement of Net Assets presents the financial position of the governmental activities at year-end. The Rapides Parish Police Jury does not have any business-like activities or internal service funds.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the Police Jury's governmental activities. Direct expenses are those that are specifically associated with a function and therefore clearly identifiable to that particular function. The Police Jury does not allocate indirect expenses to functions in the Statement of Activities. The Statement of Activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees and other charges to users of the Police Jury's services; (2) operating grants and contributions which finance annual operating activities including restricted investment income; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses. For identifying to which function program revenue pertains, the determining factor for charges for services is which function generates the revenue. For grants and contributions, the determining factor is to which functions the revenues are restricted. Revenues not classified as program revenues are presented as general revenues, which include *ad valorem taxes, sales taxes, franchise taxes, 911 telephone tariff, severance taxes, beer taxes, state revenue sharing, interest, and other unrestricted revenues.* The comparison of program revenues and expenses identifies the extent to which each program is self-financing or draws from the general revenues of the Police Jury.

Fund Financial Statements – The accounting system is organized on the basis of funds. The financial transactions of the Police Jury are recorded in individual funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing set of accounts that include its assets, liabilities, fund equity, revenues, and expenditures. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions.

Rapides Parish Police Jury
Alexandria, Louisiana
December 31, 2004

Notes To Basic Financial Statements

Funds of the Rapides Parish Police Jury are classified into two categories: governmental and fiduciary. In turn, each category is subdivided into separate "fund types". The Police Jury uses the Governmental funds to account for all or most of the Police Jury's general activities, including the collection and disbursement of specifically or legally restricted monies (special revenue funds), the acquisition or construction of general fixed assets (capital project funds), and the servicing of general long-term debt (debt service funds). The Fund Financial Statements report financial information by major funds and nonmajor funds.

The following governmental funds are considered major funds:

General Fund – This is the Police Jury's primary operating fund. The General Fund accounts for all financial resources, except those required to be accounted for in other funds.

Road and Bridge Fund – This fund accounts for the operations and maintenance of the road and bridge department and the maintenance of roads and bridges in the various road districts. Ad valorem taxes, state revenue sharing, State of Louisiana parish transportation funds, federal grants, severance taxes, and sales and use taxes provide financing.

Fire Protection District #2 Fund – This fund accounts for the operations and maintenance of Fire District #2 protecting 43,000 Rapides Parish citizens living in the District's 247 square mile area. Financing is primarily provided by ad valorem taxes and state revenue sharing.

Renaissance Fund – The Renaissance Fund accounts for the maintenance and operation of a juvenile community correction and detention center. Ad valorem taxes and state revenue sharing provide financing.

Senior Citizens Fund – This fund accounts for activities that benefit senior citizens. Ad valorem taxes and state revenue sharing provide financing.

All other governmental funds are considered nonmajor funds.

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the Rapides Parish Police Jury. The Police Jury accounts for its agency funds in this category. While these funds are under the supervision of the Rapides Parish Police Jury, they belong to other entities and are unavailable for use by the Rapides Parish Police Jury. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The three agency funds maintained include the following:

Sales Tax Fund – This fund accounts for the collection and distribution of various sales and use taxes dedicated to the Rapides Parish Police Jury, Rapides Parish School Board, and various other governmental entities within Rapides Parish.

Protested Sales Tax Fund – The Protested Sales Tax Fund accounts for sales taxes held separately until resolution of taxpayer protests. Upon resolution of the protests, funds are either transferred to the Sales Tax Agency Fund or refunded to the taxpayers.

**Rapides Parish Police Jury
Alexandria, Louisiana
December 31, 2004**

Notes To Basic Financial Statements

Hotel-Motel Tax Fund – The Hotel-Motel Tax Fund accounts for the collection of a two percent tax levied on all revenues received from the occupancy of hotel and motel rooms located within Rapides Parish and the distribution of the proceeds to the Alexandria/Pineville Area Convention and Visitors Bureau for the promotion of tourism in Rapides Parish. Effective April of 2004, the Greater Alexandria Economic Development Authority levied an additional 3% occupancy tax on hotels, motels, and overnight camping facilities located within the city of Alexandria.

The more significant of the Rapides Parish Police Jury's accounting policies are described below.

Basis of Accounting/Measurement Focus

Government-Wide Financial Statements (GWFS)

The Government-Wide Financial Statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Non-exchange Transactions*.

Fund Financial Statements (FFS)

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

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. Non-major funds are aggregated and presented in a single column.

Governmental Funds

All 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. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets. The Police Jury's records are maintained on a cash basis of accounting. Budgets are prepared and adopted using the same basis of accounting. However, with the exception of the Budgetary Comparison Schedules, presented for major funds as required supplemental information, the funds reported in the accompanying fund financial statements have been converted to a modified accrual basis of accounting to conform to accounting principles generally accepted in the United States of America.

**Rapides Parish Police Jury
Alexandria, Louisiana
December 31, 2004**

Notes To Basic Financial Statements

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 the amount is collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period (collected within ninety days after year-end). Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debts are recorded as fund liabilities when due. At year-end, various journal entries are made to the governmental funds using the following practices in recording revenues and expenditures:

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

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 become delinquent on January 1. The taxes are generally collected in December, January, and February of the fiscal year.

Sales and use tax revenues are recorded in the month of the sales or use transaction.

Interest earnings on time deposits are recorded when earned.

Those revenues subject to accrual are sales taxes, property taxes, franchise taxes, grants, interest revenue, and charges for services. Substantially all other revenues, including fines, permits, and license revenues, are not susceptible to accrual because they are not generally measurable until received in cash.

Salaries are recorded as expenditures when earned.

Purchases of various operating supplies are recorded as expenditures in the accounting period in which 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, sales of assets, proceeds from the sale of bonds, capitalized leases, and proceeds from accrued interest on the sale of bonds are accounted for as other financing sources (uses) in the Statement of Revenues, Expenditures, and Changes in Fund Balances. These other financing sources (uses) are recognized at the time the underlying events occur.

**Rapides Parish Police Jury
Alexandria, Louisiana
December 31, 2004**

Notes To Basic Financial Statements

Fiduciary Funds

The Police Jury has three agency funds. Unlike other types of funds, agency funds report only assets and liabilities. Therefore, agency funds cannot be said to have measurement focus; however, they use the modified accrual basis of accounting to recognize receivables and payables.

Budgets and Budgetary Accounting

Budgets for most governmental funds are adopted annually on the cash basis of accounting. However, budgets for certain special revenue funds are adopted on a grant-length basis, and budgets for all capital project funds are adopted on a project-length basis. Because the budgets adopted on a grant-length or project-length basis primarily serve as a management control function, no comparison between budgeted and actual amounts for major funds (if any) budgeted on this basis is provided in this document. Budgets prepared on the cash basis of accounting are not prepared in accordance with accounting principles generally accepted in the United States of America, which requires that budgets for governmental funds be adopted on the modified accrual basis of accounting.

The treasurer prepares preliminary budgets for the ensuing year beginning in October. The finance committee reviews the proposed budgets and makes changes, as it deems appropriate. The availability of the proposed budgets for public inspection and the date of the public hearing on the budgets are then advertised in the official journal. Usually during its regular December meeting, the Police Jury holds a public hearing on the proposed budgets in order to receive comments from citizens. 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 usually adopted during the regular December meeting, and notice is published in the official journal.

During the year, the Police Jury receives monthly budget comparison statements that are used as a tool to monitor the operations of the parish. The treasurer proposes necessary budget amendments to the jury when he determines that actual operations are differing materially from those anticipated in the original budget. The Police Jury, in regular session, reviews the proposed amendments, makes necessary changes, and formally adopts the amendments. The adoption of amendments is included in the minutes published in the official journal. Budget comparison statements included in the accompanying required supplemental information include both the original adopted budgets and the final budget including all subsequent amendments. The variances presented for major fund budget comparison statements use the final budget.

The Police Jury exercises budgetary control at the functional level. Within functional levels, the treasurer has the authority to make amendments as necessary. The Police Jury does not utilize encumbrance accounting in its budget practices.

Cash, Cash Equivalents, and Investments

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Management considers all highly liquid investments with a maturity of 90 days or less when purchased to be cash equivalents. 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, or any other state of the United States, or under laws of the United States.

**Rapides Parish Police Jury
Alexandria, Louisiana
December 31, 2004**

Notes To Basic Financial Statements

Investments are limited by RS 33:2955. If the original maturities of financial instruments exceed 90 days, they are classified as investments. At year-end, the Police Jury did not have any financial instruments classified as investments.

Receivables

Receivables are charged against income as they become uncollectible. In the opinion of management, all accounts at year-end were considered collectible, and an allowance for doubtful accounts was not considered necessary.

Due From/To Other Funds

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "Due from other funds" or "Due to other funds" on the Balance Sheet of the Governmental Funds. These interfund receivables/payables are eliminated for reporting in the Statement of Net Assets, except for fiduciary interfunds.

Prepaid Expenses

In the Government-Wide Financial Statements insurance premiums paid prior to year-end that relate to the next year are set up as prepaid expenses since the expense benefits the next fiscal year. In the Fund Financial Statements these premiums are recorded as expenditures when paid.

Capital Assets

In the Government-Wide Financial Statements capital assets are capitalized and depreciated on a straight line method over their estimated useful lives. Public domain ("infrastructure") capital assets, consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems are capitalized. All purchased and constructed capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets, if any, are valued at their estimated fair market value on the date received. The Police Jury has adopted a capitalization threshold of \$250,000 on infrastructure capital assets and \$5,000 on other capital assets for reporting purposes. Expenditures that extend the useful lives of capital assets beyond their initial estimated useful lives or improve their efficiency or capacity are capitalized, whereas expenditures for repairs and maintenance are expensed.

Interest costs on debt used to finance the construction of assets are capitalized in the Government-Wide Financial Statements. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of the borrowing until completion of the project with interest earned on invested proceeds over the same period. No construction was financed with debt in 2004.

**Rapides Parish Police Jury
Alexandria, Louisiana
December 31, 2004**

Notes To Basic Financial Statements

In the Fund Financial Statements assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds.

No provision is made for depreciation on assets in the Fund Financial Statements since the full cost is expensed at the time of purchase.

Deferred Revenues

The Police Jury may report deferred revenue on its financial statements. Deferred revenues arise when potential revenues do not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when the Police Jury receives resources before it has a legal claim to them, as when grant monies are received prior to the occurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria have been met or when the Police Jury has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and revenue is recognized.

Long-Term Liabilities

Long-term obligations expected to be financed from governmental funds are not reported in the Balance Sheet for the Fund Financial Statements. All liabilities, including long-term debt, are included on the face of the Statement of Net Assets in the Government-Wide Financial Statements. Interest expense on long-term debt is recognized in the Government-Wide Financial Statements as the interest accrues, regardless of when it is due.

Compensated Absences

Vested or accumulated vacation leave or compensatory time earned that is expected to be liquidated with expendable, available financial resources are reported as expenditures and a fund liability of the governmental fund that will pay it. Amounts of compensated absences not expected to be liquidated with expendable, available financial resources are not reported in the Fund Financial Statements. No accrued current expenditures are reported in the governmental funds, as the amounts are considered immaterial. The full liability and related costs are reported in the Government-Wide Financial Statements. No liability is recorded for compensated absences that relate to future services or that are contingent on a specific event that is outside the control of the employer and employee.

All employees earn from 80 to 200 hours of vacation leave each year, depending on their length of service with the Rapides Parish Police Jury. Because 160 hours is the maximum amount of vacation leave that can be accumulated, the amount of vacation leave the employee accumulates over this amount is rolled over into their sick leave.

Net Assets

Net assets are reported as restricted when constraints placed on net asset use are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

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In cases where the Police Jury, for the same function or purpose, receives restricted and unrestricted monies, the restricted monies are used first.

Fund Balances

Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use. Designated fund balances represent tentative plans for the future use of financial resources.

Interfund Transactions

In the governmental funds, 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 are reported as transfers.

Interfund balances are eliminated in the Government-Wide Financial Statements.

Sales Taxes

The Rapides Parish Police Jury collects the following sales and use taxes:

1. A one percent sales and use tax that is dedicated to the Police Jury and various other governmental units. The sales tax ordinance, approved by the voters of Rapides Parish on September 19, 1967, requires the parish's portion of the sales tax to be used to construct and maintain public roads, highways, bridges, and other capital improvements; to pay salaries of parish employees; and for any other lawful purposes, including funding bonds in the manner provided by Louisiana Revised Statutes 33:2721-2734 for capital improvements. The tax was approved for an indefinite period.
2. A one-half percent sales and use tax that is dedicated to the Police Jury and various other governmental units. The sales tax is collected in the area within Rapides Parish that is outside the corporate limits of the cities of Alexandria and Pineville (Sales Tax District No. 3). The sales tax ordinance, initially approved by the voters of Sales Tax District No. 3 on April 3, 1987, and renewed by the voters on November 17, 2000, requires that the parish's portion of the sales tax be used to construct and maintain public streets, roads, highways, bridges, and drainage. The tax, which expires on May 31, 2007, is recognized as revenue in the Road and Bridge Special Revenue Fund.
3. A one percent sales and use tax was approved by the voters on May 2, 1987, to be used for salary supplements for all employees of the Rapides Parish School Board and to give additional support for the operation of public schools of Rapides Parish. The tax was approved for an indefinite period.

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4. The Police Jury is also authorized to collect and remit to the City of Alexandria (two percent), the City of Pineville (two percent), the Town of Glenmora (one and one-half percent), the Town of Boyce (one percent), the Town of Lecompte (one and one-half percent), the Village of Forest Hill (one-half percent), the Town of Woodworth (one percent) and the Town of Ball (one and one-half percent) additional sales and use taxes collected within the city limits of those municipalities.
5. Starting in 2003, the Police Jury began collecting a one-half percent sales and use tax approved by the voters on October 5, 2002. The tax is to be used to fund salaries and related benefits for employees of the Rapides Parish Sheriff, and to fund the purchase, lease, operation, and maintenance of vehicles, furniture, fixtures, and equipment for the Rapides Parish Sheriff's office. The tax was approved for an indefinite time period.
6. The Police Jury is entitled to retain a prorata portion of all reasonable and necessary costs of administrating and collecting these taxes. The cost associated with collecting the sales taxes is deducted from collections prior to remittance to the various entities.

Hotel/Motel Tax

As provided by Louisiana Revised Statute 33:4574, the Police Jury has levied a two percent tax on the occupancy of all hotel/motel rooms in the parish. Proceeds of the tax, less collection costs, are distributed to the Alexandria/Pineville Convention and Visitors Bureau for the promotion of tourism in Rapides Parish. In addition, the Greater Alexandria Economic Development Authority levied an additional 3% occupancy tax on hotels, motels, and overnight camping facilities located within the city of Alexandria. Proceeds of this tax, less collection costs, are distributed to the Greater Alexandria Economic Development Authority for economic development for the City of Alexandria. The Hotel-Motel Tax Agency Fund accounts for the collection and distribution of the tax.

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 at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. Excess of Expenditures over Appropriations

The following individual governmental funds had expenditures exceeding appropriations as approved in the budget:

	<u>Expenditures</u>	<u>Appropriations</u>	<u>Excess</u>
Teen Court Grant Fund	\$ 87,246	\$ 63,360	\$ 23,886
State FINS Program	46,065	39,793	6,272
Public Safety Fund	3,691	3,191	500

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3. Levied Taxes

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

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
Parishwide taxes:			
Constitutional	3.88	3.88	None
Senior Citizens - Maintenance	1.03	1.03	2006
Health Unit - Maintenance	1.03	1.03	2009
Parish Library	6.08	6.08	2013
Juvenile Community Correction Center and Juvenile Detention Home	2.02	2.02	2014

Property tax millages must be adjusted after each property tax reassessment so that tax collections do not increase or decrease due to reassessment. After a two-thirds vote at a public hearing, the Police Jury may raise a rolled back millage up to its former level. On September 13, 2004, the Police Jury elected to adjust the millage rates adopted on May 10, 2004.

	<u>Authorized Millage</u>		<u>Levied Millage</u>		<u>Expiration Date</u>
	<u>Low</u>	<u>High</u>	<u>Low</u>	<u>High</u>	
District taxes:					
Constitutional	1.93	1.93	1.93	1.93	None
Fire Districts	13.13	123.06	13.13	123.06	2005-2013
Road Maintenance Districts	5.40	69.84	5.40	69.84	2005-2013
Buckeye Recreation District		5.90		5.90	2006

The Sheriff of Rapides Parish, as provided by the state law, is the official tax collector of general property taxes levied by the Rapides Parish Police Jury. The 2004 property tax calendar was as follows:

Millage rates adopted	May 10, 2004
Levy date	May 10, 2004
Millage rates adjusted	September 13, 2004
Levy date for adjustment	September 13, 2004
Tax bills mailed	November 15, 2004
Due date	December 31, 2004
Delinquent date	January 1, 2005

4. Cash And Cash Equivalent

Cash and cash equivalents – Governmental Funds	\$ 10,476,544
Cash and cash equivalents – Agency Funds	<u>(18,181)</u>
	\$ 10,458,361

At year-end, cash and cash equivalents consisted of only demand deposits totaling \$10,458,363. All certificates of deposit had been redeemed prior to year-end.

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These deposits are stated at cost, which equals market value. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or 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 at least equal the amount on deposit with the fiscal agent. Pledged securities are held in a holding or custodial bank that is mutually acceptable to both parties.

The Police Jury's deposits at year-end were entirely covered by federal depository insurance or by collateral held by the Police Jury or its agent in the Police Jury's name.

The Police Jury uses a master bank account for cash management purposes. At year-end certain individual funds report negative cash balances. These are not bank overdrafts but rather reflect the individual funds allocated share of the master bank accounts deposit balances.

5. Receivables

Receivables - Governmental Funds	\$ 14,813,444
Receivables - Agency Funds	<u>8,663,681</u>
	\$ 23,477,125

	<u>Ad Valorem Taxes</u>	<u>Sales and Use Taxes</u>	<u>Federal and State Grants/ Appropriations</u>	<u>Other</u>	<u>Totals</u>
General Fund	\$ 1,200,497	\$ -	\$ 360,844	\$ 730,539	\$ 2,291,880
Road and Bridge Fund	-	212,399	530,679	5,231	748,309
Fire Protection District #2 Fund	2,703,695	-	41,857	588	2,746,140
Renaissance Fund	855,734	-	44,907	-	900,641
Senior Citizens Fund	436,470	-	18,403	-	454,873
Other Governmental Funds	6,138,199	193,318	933,139	406,945	7,671,601
Agency Funds	-	<u>8,663,681</u>	-	-	<u>8,663,681</u>
	<u>\$11,334,595</u>	<u>\$ 9,069,398</u>	<u>\$ 1,929,829</u>	<u>\$ 1,143,303</u>	<u>\$ 23,477,125</u>

All receivables were considered collectible at year-end.

6. Interfund Assets, Interfund Liabilities, and Operating Transfers

Due From/To Other Funds

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
General Fund	Road and Bridge Fund	\$ 27,365
General Fund	Fire Protection District #2 Maintenance Fund	30,278
General Fund	Other Governmental Funds	65,842
General Fund	Fiduciary Funds	11,584
Other Governmental Funds	Other Governmental Funds	5,030
Other Governmental Funds	General Fund	<u>7,158</u>
		\$ 147,257

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Balances at December 31, 2004, resulted from the routine lag between the dates that interfund goods or services are provided and reimbursable expenditures occur. Transactions are recorded in the accounting system, and payments between funds are made to satisfy the balances.

Transfers

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>
General Fund	Road and Bridge Fund	\$ 224,824
General Fund	Fire Protection District #2 Fund	32,300
General Fund	Renaissance Fund	1,835
General Fund	Senior Citizens Fund	965
General Fund	Other Governmental Funds	1,749,273
Other Governmental Funds	General Fund	917,062
Other Governmental Funds	Other Governmental Funds	<u>311,863</u>
		<u>\$ 3,238,122</u>

Transfers are used to 1) move revenues from the fund required by statute or budget to collect them to the fund required by statute or budget to expend them, and 2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

7. Capital Assets

Capital asset activity for the year ended December 31, 2004, was as follows:

	<u>Restated Balance, Beginning of Year</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance, End of Year</u>
Governmental Activities				
Capital assets not being depreciated				
Land and improvements	\$ 1,730,683	\$ 650	\$ -	\$ 1,731,333
Construction in progress	<u>1,515,105</u>	<u>1,461,823</u>	<u>(1,921,878)</u>	<u>1,055,050</u>
Total assets not being depreciated	3,245,788	1,462,473	(1,921,878)	2,786,383
Other capital assets				
Buildings and improvements	22,592,933	1,332,999	-	23,925,932
Furniture and equipment	13,377,930	1,045,199	(412,361)	14,010,768
Infrastructure	<u>318,314,835</u>	<u>2,734,853</u>	<u>-</u>	<u>321,049,688</u>
Total Other Capital Assets	354,285,698	5,113,051	(412,361)	358,986,388
Less:				
Accumulated depreciation				
Buildings and improvements	11,092,801	544,902	-	11,637,703
Furniture and equipment	6,490,190	984,768	(368,672)	7,106,286
Infrastructure	<u>289,572,090</u>	<u>2,527,576</u>	<u>-</u>	<u>292,099,666</u>
Total accumulated depreciation	<u>307,155,081</u>	<u>4,057,246</u>	<u>(368,672)</u>	<u>310,843,655</u>
Other Capital Assets, Net	<u>47,130,617</u>	<u>1,055,805</u>	<u>(43,689)</u>	<u>48,142,733</u>
Governmental Activities Capital Assets, Net	\$ 50,376,405	\$ 2,518,278	\$ (1,965,567)	\$50,929,116

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Depreciation expense was charged to functions as follows:

Governmental Activities	
General government	\$ 279,040
Public safety	779,245
Public works	2,781,062
Health and welfare	125,768
Culture and recreation	75,026
Economic development and assistance	17,105
Total Depreciation Expense for Governmental Activities	<u>\$ 4,057,246</u>

A certain portion of the costs of the assets has been estimated based upon estimated historical costs. Approximately 92% of infrastructure has been valued based on estimated historical cost. The amount of capital assets that is valued at actual historical cost and those valued at estimated historical cost are detailed below:

Actual historical cost	\$ 46,126,308
Estimated historical cost	\$ 315,646,462

The Police Jury looks at individual projects in considering infrastructure capitalization. To be capitalized, the project cost must be \$250,000 or greater. Donated assets, such as by developers, are subject to the threshold. Actual cost is used when available and estimated cost is used otherwise.

Estimations of useful lives are as follows:

Streets	40 – 60 years
Bridges	30 – 70 years
Buildings and improvements	20 – 40 years
Equipment	5 – 20 years
Vehicles	5 – 15 years
Furniture and fixtures	5 years

A summary of significant construction projects is presented below:

<u>Commitment Financing</u>	<u>Project Authorization</u>	<u>Expended To Date</u>	<u>Commitments</u>	<u>Required Further Financing</u>
Fire District No. 2	\$ 472,815	\$ 270,292	\$ 202,523	None
Fire District No. 6	40,840	30,875	9,965	None
Roof on coliseum building	48,890	44,003	4,887	None
Mitchell Plastic	300,000	97,000	203,000	Pending
Lena Water System	346,145	294,494	51,651	None
Kellyland Sewer System	<u>941,390</u>	<u>256,600</u>	<u>684,790</u>	None
	<u>\$ 2,150,080</u>	<u>\$ 993,264</u>	<u>\$ 1,156,816</u>	

**Rapides Parish Police Jury
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Notes To Basic Financial Statements

8. Compensated Absences, Capitalized Leases, and Other Long-Term Debt

The following is a summary of the long-term debt obligation transactions for the year ended December 31, 2004:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Within One Year</u>
Compensated absences – net	\$ 388,344	\$ 38,726	\$ -	\$ 427,070	\$ -
Capital leases	1,601,650	580,503	(530,409)	1,651,744	773,788
Certificates of indebtedness	2,457,421	-	(614,000)	1,843,421	646,445
Public improvement bonds	<u>3,800,000</u>	<u>601,000</u>	<u>(1,190,000)</u>	<u>3,211,000</u>	<u>506,000</u>
	<u>\$ 8,247,415</u>	<u>\$ 1,220,229</u>	<u>\$(2,334,409)</u>	<u>\$ 7,133,235</u>	<u>\$1,926,233</u>

General Obligation Liabilities

General obligation liabilities are direct obligations and pledges the full faith and credit of the Police Jury. These liabilities include compensated absences, capitalized leases, and certificates of indebtedness.

Compensated Absences

Compensated absences represent accumulated and vested employee leave benefits computed in accordance with accounting principles generally accepted in the United States of America. The liability for compensated absences is computed only at the end of each fiscal year. Compensated absences are paid by the fund that pays the salaries related to the liability.

Capital Leases

The Police Jury incurred various capital lease obligations for the acquisition of equipment for the General Fund and various Special Revenue Funds. The related fund provides debt service for the capital leases. Equipment acquired by capital leases is included in capital assets. The related capital lease obligations are included in long-term liabilities.

The annual requirements to amortize capital lease obligations payable as of December 31, 2004, are as follows:

<u>Year Ending December 31,</u>	<u>Principal Payments</u>	<u>Interest Payments</u>
2005	\$ 773,788	\$ 64,888
2006	343,399	35,728
2007	226,286	22,042
2008	49,175	12,839
2009	51,421	10,593
2010-2014	<u>207,675</u>	<u>25,376</u>
	<u>\$ 1,651,744</u>	<u>\$ 171,466</u>

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Certificates of Indebtedness

The Police Jury issued certificates of indebtedness for:

- Constructing, improving, and maintaining public roads, highways, and bridges. Various road maintenance district special revenue funds provide debt service for these certificates,
- Construction of fire protection facilities. Various fire protection district special revenue funds provide debt service for these certificates,
- Constructing, operating, and maintaining recreation facilities of the Buckeye Recreation District. The Buckeye Recreation District Special Revenue Fund provides debt service for this certificate, and
- Constructing, operating, and maintaining facilities for the Rapides 911 Communications District. The 911 Communications District Fund provides debt service for this certificate.

The annual requirements to amortize certificates of indebtedness as of December 31, 2004, are as follows:

<u>Year Ending December 31,</u>	<u>Principal Payments</u>	<u>Interest Payments</u>
2005	\$ 646,445	\$ 73,869
2006	578,124	42,607
2007	168,852	24,225
2008	105,000	17,888
2009	110,000	13,050
2010-2011	235,000	10,688
	<u>\$ 1,843,421</u>	<u>\$ 182,327</u>

Public Improvement Bonds

The Police Jury issued public improvement bonds for construction of buildings and for repairs to the parish courthouse. The Police Jury pledged revenue from sales tax collections to pay debt service on these bonds. The annual requirements to amortize public improvement bonds as of December 31, 2004, are as follows:

<u>Year Ending December 31,</u>	<u>Principal Payments</u>	<u>Interest Payments</u>
2005	\$ 506,000	\$ 121,674
2006	460,000	106,621
2007	487,000	90,746
2008	505,000	72,628
2009	532,000	52,392
2010-2013	721,000	44,812
	<u>\$ 3,211,000</u>	<u>\$ 488,873</u>

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A summary of long-term debt at year-end is presented below:

	Maturity Date	Interest Rates	Balance
Compensated absences			\$ 427,070
Capital leases	Various	3.75-7.00%	1,651,744
Certificates of indebtedness			
Road Maintenance District 1-A (2001)	03/01/05	4.96%	20,988
Road Maintenance District 2-B (1996)	03/01/06	5.00%	309,681
Road Maintenance District 2-C (1997)	03/01/07	5.00%	197,852
Road Maintenance District 9-B (1996)	03/01/05	5.00%	49,978
Road Maintenance District 10-A (1997)	03/01/06	5.15%	354,444
Road Maintenance District 10-A (1999)	03/01/06	5.00%	85,000
Road Maintenance District 36 (2000)	03/01/06	4.75%	55,000
Fire Protection District 7 (1995)	03/01/05	6.00%	25,478
911 Communications District (2001)	02/01/11	4.50%	745,000
Public improvement bonds			
Parish sales tax office and courthouse repairs (2004)	12/01/13	0.10-4.50%	536,000
Parish health unit and motor vehicles office (2001)	12/01/10	2.75-4.40%	<u>2,675,000</u>
			\$ 7,133,235

In accordance with Louisiana Revised Statute 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 in the parish. At December 31, 2004, the statutory limit was \$60,740,082.

Industrial districts within the parish issued bonds; however, the Police Jury does not guarantee these bonds, nor does the name of the Police Jury appear on the face of these bonds.

9. Changes in Agency Funds

Balance, Beginning of Year	\$ 8,989,442
Additions	
Sales tax collections	82,613,242
Occupational licenses	2,170,735
Insurance licenses	670,201
Interest earned	18,613
Protested taxes settled	5,892
Other additions	<u>10</u>
Total Additions	85,478,693
Reductions	
Salaries and related benefits	698,923
Operating expenses	382,167
Protested taxes settled	1,220,953
Settled to taxing bodies and others	<u>83,520,594</u>
Total Reductions	85,822,637
Balance, End of Year	\$ 8,645,498

**Rapides Parish Police Jury
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10. Prior Period Adjustment

The Government-Wide Financial Statements include a prior period adjustment increasing net assets by \$1,054,336 to record donated building, construction in progress, retainage payable, and related depreciation from prior periods. The prior period adjustment in the Fund Financial Statements is a decrease of fund balance by \$490,213 to record capital outlay expenditure for construction in progress unrecorded in prior periods.

11. Net Assets and Fund Balances

At December 31, 2004, the Rapides Parish Police Jury has designated \$510,391 of the fund balance of the General Fund for unemployment compensation. Also, the Police Jury designated \$75,622 of the fund balance of the General Fund for possible automobile and property insurance claims. The following is an analysis of the changes in the designated fund balances for the year ended December 31, 2004:

	Balance, Beginning of Year	Additions	Balance, End of Year
Unemployment compensation	\$ 474,998	\$ 35,393	\$ 510,391
Auto/property insurance	74,859	763	75,622
Total designated fund balance of the General Fund	\$ 549,857	\$ 36,156	\$ 586,013

12. Operating Leases

On September 11, 2002, the 911 Communications District entered into a commitment for more than a single year under a lease for the 911 emergency service software and equipment. The lease is for a five-year term, beginning March 1, 2003, and terminating March 1, 2007. The lease is considered for accounting purposes to be an operating lease. Lease expenditures for the year ended December 31, 2004 amounted to \$37,118.

Future minimum lease payments are as follows:

<u>Year ending</u>	
12/31/05	\$ 37,118
12/31/06	37,118
12/31/07	37,118
	\$ 111,354

13. Pension Plans

The Police Jury contributes to two statewide cost-sharing, multiple-employer defined benefit public employee retirement systems. These two systems are the Parochial Employees Retirement System of Louisiana and the Louisiana Firefighters Retirement System.

Parochial Employees Retirement System of Louisiana

Substantially all employees of the Police Jury, excluding employees of the Rapides Parish Fire Protection Districts, 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 A.

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All permanent parish government employees who work at least 28 hours per week are required to become members on the date of employment, with limited defined exceptions. As of January 1, 1997, elected parish officials, except coroners and justices of the peace, may no longer join the retirement system. Those elected officials enrolled as of that date will maintain membership as long as they hold office. Under Plan A, employees who retire at or after age 60 with at least 10 years of credited service, at or after age 55 with 25 years of credited service, or at any age with at least 30 years of credited service are entitled to a retirement benefit, payable monthly for life, equal to 3% of their final compensation multiplied by the employee's years of credited service. However, for those employees who were members of the supplemental plan only prior to January 1, 1980, the benefit is equal to 1% of final compensation, plus a \$24 monthly increase for each year of supplemental plan only service earned prior to January 1, 1980. Final compensation is the employee's monthly earnings during the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of credited service stated previously and who do not withdraw their employee contributions, may require at the ages specified previously and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established by state statute.

The System issues a publicly available financial report annually 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 (225) 928-1361.

Under Plan A, members are required by state statute to contribute 9.5% of their annual covered salary, and the employer is required to contribute at an actuarially determined rate. The rate for this year is 11.75% 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 employer contributions to the System under Plan A for the years ending December 31, 2004, 2003, and 2002, were \$663,351, \$426,637, and \$425,826, respectively, equal to the required contributions for each year.

Louisiana Firefighters Retirement System

Substantially all employees of the Rapides Parish Fire Protection Districts are members of the Louisiana Firefighters Retirement System (System), a multiple-employer, public employee retirement system (PERS), controlled and administered by a separate board of trustees. Membership in the System is mandatory for all full-time firefighters employed by a municipality, parish, or fire protection district that did not enact an ordinance prior to January 1, 1980, exempting itself from participation in the System. Employees are eligible to retire at or after age 55 with at least 12 years of creditable service. Upon retirement, members are entitled to a retirement benefit, payable monthly for life, equal to three and one-third percent of their final-average salary for each year of creditable service, not to exceed 100% of their final-average salary. 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 12 years of service and do not withdraw their employee contributions may retire at or after age 55 (or at or after age 50 if they had at least 20 years of creditable service at termination) and receive their benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established by state statute.

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The System issues a publicly available financial report annually that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Firefighters' Retirement System, 2722 Wooddale Blvd., Suite D, Baton Rouge, LA 70805, or by calling (225) 925-4060.

Members are required to contribute 9% of their annual covered salary to this plan, while the employer's contribution rate is 21% at year-end. The contribution requirements of plan members and the employer 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 employer contributions to the System under Plan A for the years ended December 31, 2004, 2003, and 2002, were \$362,323, \$298,293, and \$159,474, respectively, equal to the required contributions for each year.

14. Postretirement Health Care

The Police Jury provides certain continuing health care benefits for its retired employees. Substantially all of the Police Jury's employees become eligible for these benefits if they reach normal retirement age while working for the Police Jury. These benefits for retirees and similar benefits for active employees are provided through an insurance company whose monthly premiums are paid jointly by retirees or employees, and the Police Jury. The Police Jury recognizes the cost of providing these benefits to employees and retirees (Police Jury's portion of premiums) as expenditures when paid during the year, which was approximately \$2,139,595. The Police Jury's cost of providing retiree health care benefits (Police Jury's portion of premiums) totaled \$319,593 for the year. At December 31, 2004, there were 46 retirees receiving these benefits.

15. 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 Police Jury's General Fund. The Police Jury does not transfer the balances due at year end to the General Fund because the Police Jury appropriates funds in excess of this amount on an annual basis. Accordingly, this amount, if any, has not been recorded as a liability of the Criminal Court Fund or as a receivable of the General Fund.

16. Risk Management

The Police Jury is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; and natural disasters.

With the exceptions of general liability and errors and omissions insurance coverage, which have not been obtained, the Police Jury carries commercial insurance for all the aforementioned risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

**Rapides Parish Police Jury
Alexandria, Louisiana
December 31, 2004**

Notes To Basic Financial Statements

17. Commitments and Contingencies

Lawsuits

At December 31, 2004, the Police Jury is involved in numerous lawsuits. The District Attorney's legal counsel for the Police Jury, has opined that the likelihood that the Police Jury will prevail in these lawsuits is good, even though the Police Jury does not have general liability insurance to cover any damages awarded the plaintiffs involved in these lawsuits. Based on the aforementioned opinion of legal counsel, no provision for any liability that may arise from settlement of these lawsuits is included in the accompanying financial statements.

Arbitrage Interest

Management has not calculated the possible rebate of arbitrage interest, as of December 31, 2004, on each of the recent tax-exempt bond issues. The contingent liability, simply stated, is the interest earned from the investment of unspent bond proceeds that is in excess of the amount of earnings that would have been obtained had the investment rate been equal to the yield on the bonds. Since the rebate calculation is a cumulative calculation performed until all proceeds have been expended, management believes that the amount of the contingent liability for arbitrage interest, if any, will be eliminated in future years. In the event that the contingent liability for arbitrage interest is not eliminated, the Police Jury will be liable for remittance of the rebate amount, as subsequently calculated, to the federal government.

Grant Audit

The Police Jury receives grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could result in a request for reimbursement for disallowed costs under the terms of the grant agreements. In the opinion of management, such disallowance, if any, would be insignificant.

LSU-A Technology Grant

During a prior fiscal year, the Police Jury entered into a federal grant agreement and various cooperative endeavor agreements to build, maintain and operate a technology building located on the campus of Louisiana State University at Alexandria. The project was completed in 2004. The Police Jury is contingently liable for repayment of construction grant funds received if the project is not maintained and operated in accordance with the terms of the various agreements. Under these agreements the Police Jury is required to provide funding for the Center's operations. Such funding is currently being provided under a funding agreement with the Rapides Finance Authority.

18. Accumulated Deficit

An accumulated deficit existed in the Criminal Court Fund and the Watershed Maintenance Fund at year-end in the amounts of \$13,467 and \$3,017, respectively. The deficits are attributable to certain year-end journal entries prepared as a result of the audit engagement. The deficit is expected to be funded by subsequent revenues or transfers from the General Fund.

19. Legal Compliance

The Police Jury did not timely adopt the budget for 2004 in accordance with the Louisiana Local Government Budget Act.

**Rapides Parish Police Jury
Alexandria, Louisiana
December 31, 2004**

Notes To Basic Financial Statements

20. Subsequent Event

GASB Statement No. 45 *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* requires governments to report postemployment benefits including healthcare costs and insurance premiums. This pronouncement could have a material impact on the Government-Wide Financial Statements. The Statement is effective for periods beginning after December 15, 2007 for Phase 2 governments (those with revenues between ten million and one hundred million.)

Required Supplemental Information – Part II

Rapides Parish Police Jury
Alexandria, Louisiana
Budgetary Comparison Schedules
General Fund
Year Ended December 31, 2004

Statement H

	Budgeted Amounts		Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes				
Property taxes	\$ 1,153,000	\$ 1,175,000	\$ 1,161,862	\$ (13,138)
Other taxes, penalties, and interest	300,000	316,900	317,626	726
Intergovernmental				
Federal funds	230,026	249,939	203,298	(46,641)
State funds	671,824	1,005,020	1,023,825	18,805
Local funds	19,600	27,982	24,172	(3,810)
Fines and forfeitures	22,800	7,800	8,587	787
Rents and royalties	41,000	41,000	41,000	-
Licenses and permits	560,999	576,500	577,868	1,368
Fees, charges, and commissions for services	769,235	848,594	864,691	16,097
Investment earnings	15,000	17,850	23,725	5,875
Miscellaneous	5,500	14,581	33,640	19,059
Total Revenues	<u>3,788,984</u>	<u>4,281,166</u>	<u>4,280,294</u>	<u>(872)</u>
Expenditures				
Current				
General government				
Legislative	291,285	448,464	297,294	151,170
Judicial	1,321,301	1,294,838	1,265,077	29,761
Elections	134,406	135,776	129,721	6,055
Finance and administrative	69,609	795,919	790,170	5,749
Other	561,914	638,334	69,923	568,411
Public safety	2,182,569	2,666,497	2,394,030	272,467
Health and welfare	15,576	19,096	19,092	4
Economic development and assistance	91,592	65,647	49,578	16,069
Capital outlay	6,500	8,860	6,531	2,329
Debt service	58,276	58,276	58,276	-
Total Expenditures	<u>4,733,028</u>	<u>6,131,707</u>	<u>5,079,692</u>	<u>1,052,015</u>
Excess (Deficiency) of Revenues over Expenditures	(944,044)	(1,850,541)	(799,398)	1,051,143
Other Financing Sources (Uses)				
Transfers in	1,945,700	2,802,927	2,857,038	54,111
Transfers out	(1,731,629)	(1,712,221)	(1,698,071)	14,150
Total Other Financing Sources (Uses)	<u>214,071</u>	<u>1,090,706</u>	<u>1,158,967</u>	<u>68,261</u>
Net Change in Fund Balances	(729,973)	(759,835)	359,569	1,119,404
Fund Balances, Beginning of Year	<u>24,951</u>	<u>477,465</u>	<u>477,465</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ (705,022)</u>	<u>\$ (282,370)</u>	<u>\$ 837,034</u>	<u>\$ 1,119,404</u>

See independent auditor's report.

Rapides Parish Police Jury
Alexandria, Louisiana
Budgetary Comparison Schedules
Road and Bridge Fund
Year Ended December 31, 2004

Statement I

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis) (See Note 1)</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes				
Sales taxes	\$ 1,806,947	\$ 2,134,096	\$ 2,184,618	\$ 50,522
Intergovernmental				
Federal funds	270,000	272,176	272,176	-
State funds	1,255,733	1,280,733	1,262,694	(18,039)
Rents and royalties	4,500	9,500	12,793	3,293
Investment earnings	1,000	2,000	7,013	5,013
Miscellaneous	15,500	39,000	36,752	(2,248)
Total Revenues	<u>3,353,680</u>	<u>3,737,505</u>	<u>3,776,046</u>	<u>38,541</u>
Expenditures				
Current				
Public works	3,127,756	3,451,883	2,877,257	574,626
Capital outlay	-	45,778	37,258	8,520
Debt service	193,528	193,528	193,528	-
Total Expenditures	<u>3,321,284</u>	<u>3,691,189</u>	<u>3,108,043</u>	<u>583,146</u>
Excess (Deficiency) of Revenues over Expenditures	32,396	46,316	668,003	621,687
Other Financing Sources (Uses)				
Transfers out	(227,070)	(224,834)	(224,824)	10
Proceeds from sale of assets	-	1,768	1,768	-
Total Other Financing Sources (Uses)	<u>(227,070)</u>	<u>(223,066)</u>	<u>(223,056)</u>	<u>10</u>
Net Change in Fund Balances	(194,674)	(176,750)	444,947	621,697
Fund Balances, Beginning of Year	<u>194,674</u>	<u>176,760</u>	<u>176,759</u>	<u>(1)</u>
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ 10</u>	<u>\$ 621,706</u>	<u>\$ 621,696</u>

See independent auditor's report.

**Rapides Parish Police Jury
Alexandria, Louisiana
Budgetary Comparison Schedules
Fire Protection District #2 Fund
Year Ended December 31, 2004**

	Budgeted Amounts		Actual Amounts (Budgetary Basis) (See Note 1)	Statement J
	Original	Final		Variance with Final Budget Favorable (Unfavorable)
Revenues				
Taxes				
Property taxes	\$ 2,490,000	\$ 2,550,000	\$ 2,587,663	\$ 37,663
Intergovernmental				
Federal funds	-	38,694	38,694	-
State funds	123,400	131,630	131,134	(496)
Investment earnings	50,000	61,700	61,779	79
Miscellaneous	1,500	1,500	1,269	(231)
Total Revenues	<u>2,664,900</u>	<u>2,783,524</u>	<u>2,820,539</u>	<u>37,015</u>
Expenditures				
Current				
General government				
Other	79,000	82,634	82,634	-
Public safety	3,819,911	5,540,628	2,583,958	2,956,670
Capital outlay	1,733,689	349,000	228,821	120,179
Total Expenditures	<u>5,632,600</u>	<u>5,972,262</u>	<u>2,895,413</u>	<u>3,076,849</u>
Excess (Deficiency) of Revenues over Expenditures	(2,967,700)	(3,188,738)	(74,874)	3,113,864
Other Financing Sources (Uses)				
Transfers out	(32,300)	(32,300)	(32,300)	-
Net Change in Fund Balances	(3,000,000)	(3,221,038)	(107,174)	3,113,864
Fund Balances, Beginning of Year	3,000,000	3,221,038	3,221,038	-
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,113,864</u>	<u>\$ 3,113,864</u>

Notes: The final budget for public safety expenditures includes a contingency line item of \$2,925,211. This line item represents the prior year available fund balance.

See independent auditor's report.

Rapides Parish Police Jury
 Alexandria, Louisiana
 Budgetary Comparison Schedules
 Renaissance Fund
 Year Ended December 31, 2004

Statement K

	Budgeted Amounts		Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes				
Property taxes	\$ 855,000	\$ 855,000	\$ 856,546	\$ 1,546
Intergovernmental				
State funds	70,790	137,902	137,935	33
Investment earnings	5,000	5,000	5,173	173
Total Revenues	<u>930,790</u>	<u>997,902</u>	<u>999,654</u>	<u>1,752</u>
Expenditures				
Current				
General government				
Elections	50,000	50,000	57,542	(7,542)
Other	28,000	28,000	29,653	(1,653)
Public safety	900,955	1,008,564	979,522	29,042
Total Expenditures	<u>978,955</u>	<u>1,086,564</u>	<u>1,066,717</u>	<u>19,847</u>
Excess (Deficiency) of Revenues over Expenditures	(48,165)	(88,662)	(67,063)	21,599
Other Financing Sources (Uses)				
Transfers out	<u>(1,835)</u>	<u>(1,835)</u>	<u>(1,835)</u>	<u>-</u>
Net Change in Fund Balances	(50,000)	(90,497)	(68,898)	21,599
Fund Balances, Beginning of Year	<u>50,000</u>	<u>90,497</u>	<u>90,495</u>	<u>(2)</u>
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,597</u>	<u>\$ 21,597</u>

See independent auditor's report.

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**Rapides Parish Police Jury
Alexandria, Louisiana
Budgetary Comparison Schedules
Senior Citizens Fund
Year Ended December 31, 2004**

Statement L

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Amounts (Budgetary Basis) (See Note 1)	
Revenues				
Taxes				
Property taxes	\$ 436,000	\$ 436,000	\$ 436,637	\$ 637
Intergovernmental				
State funds	27,625	27,625	27,644	19
Investment earnings	1,000	1,000	1,255	255
Total Revenues	<u>464,625</u>	<u>464,625</u>	<u>465,536</u>	<u>911</u>
Expenditures				
Current				
General government				
Other	14,500	14,500	13,966	534
Health and welfare	477,160	489,871	480,000	9,871
Total Expenditures	<u>491,660</u>	<u>504,371</u>	<u>493,966</u>	<u>10,405</u>
Excess (Deficiency) of Revenues over Expenditures	(27,035)	(39,746)	(28,430)	11,316
Other Financing Sources (Uses)				
Transfers out	(965)	(965)	(965)	-
Net Change in Fund Balances	(28,000)	(40,711)	(29,395)	11,316
Fund Balances, Beginning of Year	<u>28,000</u>	<u>40,711</u>	<u>40,711</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,316</u>	<u>\$ 11,316</u>

See independent auditor's report.

**Rapides Parish Police Jury
Alexandria, Louisiana
Reconciliation of Non GAAP Budgetary Comparison Schedules
to GAAP Basis Financial Statements
Year Ended December 31, 2004**

Statement M

The following reconciles the excess of revenues and other financing sources over expenditures and other financing uses as shown on the preceding non GAAP budgetary comparison financial schedules (Statement H through Statement L) to the same amounts shown on GAAP basis financial statement (Exhibit E).

	<u>General Fund</u>	<u>Road and Bridge Fund</u>	<u>Fire Protection District #2 Fund</u>	<u>Renaissance Fund</u>	<u>Senior Citizens Fund</u>
Budgetary Basis Fund Balance, December 31, 2003	\$ 477,465	\$ 176,759	\$ 3,221,038	\$ 90,495	\$ 40,711
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses (Budgetary basis)	<u>359,569</u>	<u>444,947</u>	<u>(107,174)</u>	<u>(68,898)</u>	<u>(29,395)</u>
Budgetary basis fund balance, December 31, 2004	837,034	621,706	3,113,864	21,597	11,316
Basis differences:					
Revenues/Receivables	2,426,950	748,309	2,746,140	900,641	454,873
Expenditures/Payables	(502,320)	(63,105)	(335,821)	(922,238)	(466,189)
Unbudgeted items	<u>(177,743)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
GAAP Basis Fund Balance, December 31, 2004	<u>\$ 2,583,921</u>	<u>\$ 1,306,910</u>	<u>\$ 5,524,183</u>	<u>\$ -</u>	<u>\$ -</u>

See independent auditor's report.

Supplemental Information

Rapides Parish Police Jury
 Alexandria, Louisiana
 Combining Balance Sheet
 Other Governmental Funds
 December 31, 2004

Schedule 1
 Page 1 of 6

Special Revenue Funds

	Criminal Court Fund	Watershed Maintenance	Rapides Health Grant	Mental Health Grant	Grant/Rapides Line	Truancy		Non Support Fund	Courtthouse Parking	Sales Tax and Bond Fund	Coliseum Office Complex
						Assessment Grant					
Assets											
Cash and cash equivalents	\$ -	\$ 5	\$ 52,133	\$ -	\$ 1,255	\$ -	\$ 1,619	\$ 23,593	\$ -	\$ -	\$ 23,054
Receivables	54,472	1,155	-	-	6,835	-	4,033	720	-	193,319	3,600
Due from other funds	-	-	-	-	2,278	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-	-	-
Total Assets	\$ 54,472	\$ 1,160	\$ 52,133	\$ -	\$ 10,368	\$ -	\$ 5,652	\$ 24,313	\$ 193,319	\$ -	\$ 26,654
Liabilities and Fund Balances											
Liabilities											
Accounts payable	\$ 40,970	\$ 3,037	\$ 2,494	\$ -	\$ -	\$ -	\$ 3,061	\$ -	\$ -	\$ -	\$ 6,034
Due to other funds	26,969	1,140	67	-	-	-	2,591	26	-	-	-
Deferred revenue	-	-	49,572	-	-	-	-	-	-	-	-
Total Liabilities	67,939	4,177	52,133	-	-	-	5,652	26	-	-	6,034
Fund Balances											
Reserved for debt service	-	-	-	-	-	-	-	-	-	-	-
Unreserved											
Undesignated											
Special Revenue Funds	(13,467)	(3,017)	-	-	10,368	-	-	24,287	193,319	-	20,620
Capital Projects Funds	-	-	-	-	-	-	-	-	-	-	-
Total Fund Balances	(13,467)	(3,017)	-	-	10,368	-	-	24,287	193,319	-	20,620
Total Liabilities and Fund Balances	\$ 54,472	\$ 1,160	\$ 52,133	\$ -	\$ 10,368	\$ -	\$ 5,652	\$ 24,313	\$ 193,319	\$ -	\$ 26,654

See independent auditor's report.

Rapides Parish Police Jury
 Alexandria, Louisiana
 Combining Balance Sheet
 Other Governmental Funds
 December 31, 2004

Schedule 1
 Page 2 of 6

	Special Revenue Funds								
	Drug Court Fines and Bonds	Court Reporter Fund	Buckeye Recreation District	Rapides Health Unit	Road Maintenance Funds	Fire Protection District Funds	Public Safety Fund	911 Communications District	Juvenile Expense Funds
Assets									
Cash and cash equivalents	\$ 75,523	\$ 10,978	\$ 41,904	\$ 532,791	\$ 2,115,313	\$ 1,400,846	\$ (532)	\$ 1,280,150	\$ 14,097
Receivables	-	138	42,592	436,470	3,641,834	2,375,955	3,000	242,691	7,963
Due from other funds	-	-	-	-	-	5,000	-	-	30
Other assets	-	-	-	-	-	-	-	-	-
Total Assets	\$ 75,523	\$ 11,116	\$ 84,496	\$ 969,261	\$ 5,757,147	\$ 3,781,801	\$ 2,468	\$ 1,522,841	\$ 22,090
Liabilities and Fund Balances									
Liabilities									
Accounts payable	\$ 7,387	\$ 1,033	\$ 1,515	\$ 18,013	\$ 168,594	\$ 166,247	\$ -	\$ 49,699	\$ 234
Due to other funds	-	-	-	-	-	12,722	-	7,166	1,285
Deferred revenue	-	-	-	-	-	-	-	-	-
Total Liabilities	7,387	1,033	1,515	18,013	168,594	178,969	-	56,865	1,519
Fund Balances									
Reserved for debt service	-	-	-	-	-	-	-	-	-
Undesignated	-	-	-	-	-	-	-	-	-
Special Revenue Funds	68,126	10,083	82,981	951,248	5,588,553	3,602,832	2,468	1,465,976	20,571
Capital Projects Funds	-	-	-	-	-	-	-	-	-
Total Fund Balances	68,126	10,083	82,981	951,248	5,588,553	3,602,832	2,468	1,465,976	20,571
Total Liabilities and Fund Balances	\$ 75,523	\$ 11,116	\$ 84,496	\$ 969,261	\$ 5,757,147	\$ 3,781,801	\$ 2,468	\$ 1,522,841	\$ 22,090

See independent auditor's report.

Rapides Parish Police Jury
 Alexandria, Louisiana
 Combining Balance Sheet
 Other Governmental Funds
 December 31, 2004

Schedule 1
 Page 3 of 6

	Special Revenue Funds									
	Louisiana Jobs Employment Training	Workforce Investment Act	State Adult Drug Court Grant	Emergency Homeless Shelter Grant	Teen Drug Court Grant	Court Delayed Docket	National Forest Title III Grant	FEMA Flood Map Grant	TASC Grant	
Assets										
Cash and cash equivalents	\$ 44,772	\$ 5,430	\$ (24,445)	\$ 1,702	\$ (19,827)	\$ -	\$ 108,752	\$ 14,892	\$ (8,019)	
Receivables	29,055	74,173	35,240	-	20,059	-	45,747	35,893	9,089	
Due from other funds	-	-	-	-	-	-	-	4,879	-	
Other assets	1,382	-	-	-	-	-	-	-	-	
Total Assets	\$ 75,209	\$ 79,603	\$ 10,795	\$ 1,702	\$ 232	\$ -	\$ 154,499	\$ 55,664	\$ 1,070	
Liabilities and Fund Balances										
Liabilities										
Accounts payable	\$ 1,841	\$ 79,605	\$ -	\$ 1,663	\$ 223	\$ -	\$ -	\$ -	\$ -	\$ 301
Due to other funds	18,500	-	207	-	9	-	-	-	-	190
Deferred revenue	16,611	-	10,588	39	-	-	154,499	-	-	579
Total Liabilities	36,952	79,605	10,795	1,702	232	-	154,499	-	-	1,070
Fund Balances										
Reserved for debt service	-	-	-	-	-	-	-	-	-	-
Unreserved	-	-	-	-	-	-	-	-	-	-
Undesignated	-	-	-	-	-	-	-	-	-	-
Special Revenue Funds	38,257	(2)	-	-	-	-	-	55,664	-	-
Capital Projects Funds	-	-	-	-	-	-	-	-	-	-
Total Fund Balances	38,257	(2)	-	-	-	-	-	55,664	-	-
Total Liabilities and Fund Balances	\$ 75,209	\$ 79,603	\$ 10,795	\$ 1,702	\$ 232	\$ -	\$ 154,499	\$ 55,664	\$ 1,070	

See independent auditor's report.

Rapides Parish Police Jury
 Alexandria, Louisiana
 Combining Balance Sheet
 Other Governmental Funds
 December 31, 2004

Schedule 1
 Page 4 of 6

		Special Revenue Funds					LSU-A Technology Center		Total
911 Wireless	Mosquito Grant	Motor Vehicle Fund	Title IV Juvenile Grant	Esler Field Sewer	STEP				
\$ 860	\$ 11,596	\$ 106,788	\$ 62,616	\$ -	\$ (151)	\$ 112,963	\$ 5,990,658		
-	-	11,288	24,435	-	869	-	7,300,625		
-	-	-	-	-	-	-	12,187		
-	-	-	-	-	-	-	1,382		
Total Assets	\$ 11,596	\$ 118,076	\$ 87,051	\$ -	\$ 718	\$ 112,963	\$ 13,304,852		
Liabilities and Fund Balances									
Liabilities									
\$ -	\$ 225	\$ 685	\$ 8,589	\$ -	\$ 718	\$ 19,625	\$ 581,803		
-	-	-	-	-	-	-	70,872		
-	11,371	-	78,462	-	-	93,338	415,059		
-	11,596	685	87,051	-	718	112,963	1,067,734		
Fund Balances									
Reserved for debt service									
Unreserved									
Undesignated									
Special Revenue Funds									
860	-	117,391	-	-	-	-	12,237,118		
Capital Projects Funds									
860	-	117,391	-	-	-	-	12,237,118		
Total Liabilities and Fund Balances	\$ 11,596	\$ 118,076	\$ 87,051	\$ -	\$ 718	\$ 112,963	\$ 13,304,852		

See independent auditor's report.

	Debt Service Funds			Capital Projects Funds		
	Sales Tax and Bond Sinking Fund	Sales Tax Reserve Fund	Total	Health Unit Construction Project	LSU-A Technology Fund	Kellyland Sewer CDBG
Assets						
Cash and cash equivalents	\$ 9,746	\$ 116	\$ 9,862	\$ -	\$ -	\$ 183
Receivables	-	-	-	-	-	192,380
Due from other funds	-	-	-	-	-	-
Other assets	-	-	-	-	-	-
Total Assets	\$ 9,746	\$ 116	\$ 9,862	\$ -	\$ -	\$ 192,563
Liabilities and Fund Balances						
Liabilities						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 192,563
Due to other funds	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-
Total Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 192,563
Fund Balances						
Reserved for debt service	9,746	116	9,862	-	-	-
Unreserved	-	-	-	-	-	-
Undesignated	-	-	-	-	-	-
Special Revenue Funds	-	-	-	-	-	-
Capital Projects Funds	-	-	-	-	-	-
Total Fund Balances	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 192,563

See independent auditor's report.

Rapides Parish Police Jury
 Alexandria, Louisiana
 Combining Balance Sheet
 Other Governmental Funds
 December 31, 2004

Schedule 1
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Capital Projects Funds		Total
Lena Water LCDBG	Capital Improvement Fund	
\$ -	\$ 48,067	\$ 48,250
52,947	125,648	370,976
-	-	12,187
-	-	1,382
<u>\$ 52,947</u>	<u>\$ 173,716</u>	<u>\$ 13,733,940</u>

Assets

Cash and cash equivalents	\$ 48,250
Receivables	370,976
Due from other funds	-
Other assets	-
Total Assets	\$ 419,226

Liabilities and Fund Balances

Liabilities		
Accounts payable	\$ 166,920	\$ 412,429
Due to other funds	-	-
Deferred revenue	6,796	6,796
Total Liabilities	173,716	419,225

Fund balances

Reserved for debt service	-	9,862
Unreserved	-	-
Undesignated	-	-
Special Revenue Funds	-	-
Capital Projects Funds	1	12,237,118
Total Fund Balances	1	12,237,119
Total Liabilities and Fund Balances	\$ 173,716	\$ 13,724,078

See independent auditor's report.

Rapides Parish Police Jury
Alexandria, Louisiana
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Other Governmental Funds
Year Ended December 31, 2004

Schedule 2
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	Special Revenue Funds								
	Criminal Court Fund	Watershed Maintenance	Rapides Mental Health Grant	Grant/Rapides Line	Assessment Grant	Non Support Fund	Courthouse Parking	Sales Tax and Bond Fund	Coliseum Office Complex
Revenues									
Taxes									
Property taxes									
Sales taxes									
Intergovernmental									
Federal funds									
State funds	8,280		136,000	6,835		262,588			
Local funds	887,727								
Fines and forfeitures									
Rents and royalties									56,430
Charges for services		129,201					38,506		
Investment earnings	11	82	678	40		194	796		584
Miscellaneous	19,974								
Total Revenues	915,992	129,283	136,678	6,875		262,782	39,302	1,771,196	57,014
Expenditures									
Current									
General government	1,827,422				1,156				
Judicial									
Elections									
Other				15,400			27,332		
Public safety									
Public works									
Health and welfare						267,695			41,910
Culture and recreation		159,978							
Economic development and assistance									
Capital outlay							8,550		48,890
Debt service									21,638
Total Expenditures	1,827,422	159,978	136,678	15,400	1,156	267,695	35,882	1,771,196	112,438
Excess (Deficiency) of Revenues over Expenditures	(911,430)	(30,695)	-	(6,525)	(1,156)	(4,913)	3,420	1,771,196	(55,424)
Other Financing Sources (Uses)									
Transfers in	860,611								
Transfers out		32,146		2,278	1,156				76,000
Proceeds from long-term debt		(2,005)						(1,743,646)	(9,431)
Proceeds from refunded debt									
Proceeds from sale of assets									
Payments to refund escrow agent									
Total Other Financing Sources (Uses)	860,611	30,141		2,278	1,156			(1,743,646)	66,569
Net Change in Fund Balances	(50,819)	(554)		(6,247)		(4,913)		27,550	11,145
Fund Balances, Beginning of Year	37,352	(2,463)		16,615		4,913		165,769	9,475
Prior Period Adjustment - Correction of Error									
Fund Balances, Beginning of Year as Adjusted	37,352	(2,463)		16,615		4,913		165,769	9,475
Fund Balances, End of Year	(13,467)	(3,017)		10,368			24,287	193,319	20,620

See independent auditor's report.

Rapides Parish Police Jury
 Alexandria, Louisiana
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Other Governmental Funds
 Year Ended December 31, 2004

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Special Revenue Funds

Revenues	Drug Court Fines and Bonds	Court Reporter Fund	Buckeye Recreation District	Rapides Health Unit	Road Maintenance Funds	Fire Protection District Funds	Public Safety Fund	911 Communications District	Juvenile Expense Funds
Taxes									
Property taxes	\$ -	\$ -	\$ 38,244	\$ 461,907	\$ 3,660,126	\$ 2,365,140	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-
Federal funds	-	-	7,761	-	315,632	465,682	-	-	24,481
State funds	-	-	-	-	4,200	-	6,000	-	794
Local funds	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	98,670	-	-	-	-	-
Rents and royalties	49,406	8,394	-	-	-	-	-	-	-
Charges for services	1,050	172	798	11,143	50,613	30,752	14	1,362,860	5,900
Investment earnings	-	159	-	-	20	12,509	-	17,992	211
Miscellaneous	-	-	-	-	-	-	-	8,281	38,696
Total Revenues	50,456	8,725	46,803	571,720	4,026,591	3,102,933	6,014	1,389,133	70,082
Expenditures									
Current									
General government	-	-	-	-	-	-	-	-	-
Judicial	-	10,438	-	-	-	-	-	-	9,036
Elections	-	-	-	-	35,975	11,193	-	-	-
Other	-	-	1,254	13,966	106,107	68,792	-	-	-
Public safety	45,850	-	-	-	-	1,806,876	3,391	951,763	44,908
Public works	-	-	-	-	991,266	-	-	-	-
Health and welfare	-	-	-	57,396	-	-	-	-	-
Culture and recreation	-	-	31,932	-	-	-	-	-	-
Economic development and assistance	-	-	-	-	1,446,921	1,056,145	-	66,136	-
Capital outlay	-	-	-	-	568,080	273,700	-	215,260	-
Debt service	-	-	-	-	3,148,371	3,216,706	3,391	1,233,179	53,944
Total Expenditures	45,850	10,438	33,185	463,875	3,148,371	3,216,706	3,391	1,233,179	53,944
Excess (Deficiency) of Revenues over Expenditures	4,606	(1,713)	13,617	107,845	878,220	(113,773)	2,623	155,954	16,138
Other Financing Sources (Uses)									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	(1,862)	79,696	(13,333)	(68,285)	-	(14,717)	(1,156)
Proceeds from long-term debt	-	-	-	(2,343)	-	531,644	-	48,859	-
Proceeds from refunded debt	-	-	-	-	-	-	-	-	-
Proceeds from sale of assets	-	-	-	-	-	12,185	-	-	-
Payments to refund escrow agent	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	(1,862)	77,353	(13,333)	475,544	-	34,142	(1,156)
Net Change in Fund Balances	4,606	(1,713)	11,755	185,198	864,887	361,771	2,623	190,096	14,982
Fund Balances, Beginning of Year	63,520	11,796	71,226	766,050	4,876,682	3,241,051	(155)	1,275,880	5,589
Prior Period Adjustment - Correction of Error	-	-	-	-	(153,016)	-	-	-	-
Fund Balances, Beginning of Year as Adjusted	63,520	11,796	71,226	766,050	4,723,666	3,241,051	(155)	1,275,880	5,589
Fund Balances, End of Year	68,126	10,083	82,981	951,248	5,588,553	3,602,832	2,468	1,465,976	20,571

See independent auditor's report

Rapides Parish Police Jury
 Alexandria, Louisiana
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Other Governmental Funds
 Year Ended December 31, 2004

Schedule 2
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	Special Revenue Funds									
	Louisiana Jobs Employment Training	Workforce Investment Act	State Adult Drug Court Grant	Emergency Homeless Shelter Grant	Teen Drug Court Grant	Court Delayed Docket	National Forest Title III Grant	FEMA Flood Map Grant	TASC Grant	
Revenues										
Taxes										
Property taxes										
Sales taxes										
Intergovernmental										
Federal funds	171,275	1,905,270	124,760	26,145	88,937	22,612	146,512	61,972	71,831	
State funds			290,847			22,755		26,197		
Local funds										
Fines and forfeitures										
Rents and royalties										
Charges for services										
Investment earnings			12							
Miscellaneous										235
Total Revenues	171,275	1,905,270	415,619	26,145	88,937	45,367	172,709	133,803		
Expenditures										
Current										
General government										
Judicial										
Elections					83,937	33,367				133,803
Other										
Public safety										
Public works										159,880
Health and welfare										
Culture and recreation			407,452	25,431						
Economic development and assistance										26
Capital outlay	168,027	1,891,797	8,166			12,000				
Debt service										
Total Expenditures	168,027	1,891,797	415,618	25,431	83,937	45,367	159,880	133,803		
Excess (Deficiency) of Revenues over Expenditures	3,248	13,473	1	714	-	-	12,829	-		
Other Financing Sources (Uses)										
Transfers in										
Transfers out										
Proceeds from long-term debt	(3,252)	(13,475)		(715)					(209)	
Proceeds from refunded debt										
Proceeds from sale of assets										
Payments to refund escrow agent										
Total Other Financing Sources (Uses)	(3,252)	(13,475)	-	(715)	-	-	22,025	(209)		
Net Change in Fund Balances	(4)	(2)	1	(1)	-	-	34,854	-		
Fund Balances, Beginning of Year	38,261	-	(1)	1	-	-	20,810	-		
Prior Period Adjustment - Correction of Error										
Fund Balances, Beginning of Year as Adjusted	38,261	-	(1)	1	-	-	20,810	-		
Fund Balances, End of Year	\$ 38,257	\$ (2)	\$ -	\$ -	\$ -	\$ -	\$ 55,664	\$ -		

See independent auditor's report.

Rapides Parish Police Jury
 Alexandria, Louisiana
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Other Governmental Funds
 Year Ended December 31, 2004

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		Special Revenue Funds						LSU-A Technology Center	
	911 Wireless	Mosquito Grant	Motor Vehicle Fund	Title IV Juvenile Grant	Esler Field Sewer	STEP	Total		Total
Revenues									
Taxes									
Property taxes									6,525,417
Sales taxes									1,771,067
Intergovernmental									
Federal funds		3,629		48,370	83,333	43,081			3,101,245
State funds								106,662	1,018,935
Local funds									580,311
Fines and forfeitures									887,727
Rents and royalties									155,100
Charges for services			163,817						1,758,084
Investment earnings	13	178	1,746	876					118,519
Miscellaneous									79,639
Total Revenues	13	3,807	165,563	47,246	83,333	43,081		106,662	15,995,844
Expenditures									
Current									
General government									2,146,405
Judicial				47,246					47,168
Elections									420,282
Other			27,561						2,862,808
Public safety									991,288
Public works									898,459
Health and welfare									233,846
Culture and recreation		3,807							2,292,900
Economic development and assistance					83,333	43,081		106,662	2,646,808
Capital outlay			104,339						1,575,530
Debt service			131,900						14,105,504
Total Expenditures		3,807	131,900	47,246	83,333	43,081		106,662	
Excess (Deficiency) of Revenues over Expenditures	13		33,663						1,890,140
Other Financing Sources (Uses)									
Transfers in									1,095,097
Transfers out			21,185						(1,981,495)
Proceeds from long-term debt									580,503
Proceeds from refunded debt									
Proceeds from sale of assets									12,185
Payments to refund escrow agent									
Total Other Financing Sources (Uses)			21,185						(243,710)
Net Change in Fund Balances	13		54,848						1,646,430
Fund Balances, Beginning of Year	847		62,543						10,743,704
Prior Period Adjustment - Correction of Error									(153,016)
Fund Balances, Beginning of Year as Adjusted	847		62,543						10,590,688
Fund Balances, End of Year	860		117,391						\$ 12,237,118

See independent auditor's report.

Rapides Parish Police Jury
Alexandria, Louisiana
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Other Governmental Funds
Year Ended December 31, 2004

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	Debt Service Funds		Capital Projects Funds		
	Sales Tax and Bond Sinking Fund	Sales Tax Reserve Fund	Health Unit Construction Project	LSU-A Technology Fund	Kellyland Sewer CDBG
Revenues					
Taxes					
Property taxes					
Sales taxes					
Intergovernmental					
Federal funds				691,910	202,380
State funds					
Local funds					
Fines and forfeitures					
Rents and royalties					
Charges for services					
Investment earnings	405	911	839		
Miscellaneous					
Total Revenues	405	911	839	691,910	202,380
Expenditures					
Current					
General government					
Judicial					
Elections					
Other					
Public safety					
Public works					
Health and welfare			8,002		
Culture and recreation					
Economic development and assistance					
Capital outlay					
Debt service	130,428	149,915		430,472	202,380
Total Expenditures	130,428	149,915	8,002	430,472	202,380
Excess (Deficiency) of Revenues over Expenditures	(130,023)	(149,004)	(7,163)	261,438	-
Other Financing Sources (Uses)					
Transfers in					
Transfers out	133,828				
Proceeds from long-term debt		(26,000)	(103,351)		
Proceeds from refunded debt					
Proceeds from sale of assets	601,000				
Payments to refund escrow agent	(601,000)				
Total Other Financing Sources (Uses)	133,828	(26,000)	(103,351)		
Net Change in Fund Balances	3,805	(175,004)	(110,514)	261,438	-
Fund Balances, Beginning of Year	(3,805)	175,004	110,514	-	-
Prior Period Adjustment - Correction of Error				(261,438)	
Fund Balances, Beginning of Year as Adjusted	(3,805)	175,004	110,514	(261,438)	-
Fund Balances, End of Year	\$ -	\$ -	\$ -	\$ -	\$ -

See independent auditor's report.

Rapides Parish Police Jury
Alexandria, Louisiana
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Other Governmental Funds
Year Ended December 31, 2004

Schedule 2
Page 6 of 6

	Capital Project Funds		
	Lena Water LCDBG	Capital Improvement Fund	Total
Revenues			
Taxes			
Property taxes			
Sales taxes			
Intergovernmental			
Federal funds	315,425	769,525	1,209,715
State funds		172,195	172,195
Local funds			
Fines and forfeitures			
Rents and royalties			
Charges for services			
Investment earnings		46	46
Miscellaneous			885
Total Revenues	315,425	941,766	2,152,320

Expenditures			
Current			
General government			
Judicial			
Elections			
Other			
Public safety			
Public works		688,789	688,789
Health and welfare		47,719	55,719
Culture and recreation			
Economic development and assistance			
Capital outlay	315,425	169,899	1,118,176
Debt service			
Total Expenditures	315,425	906,405	1,862,684

Excess (Deficiency) of Revenues over Expenditures	-	35,361	289,636
Other Financing Sources (Uses)			
Transfers in			
Transfers out		(290)	(103,641)
Proceeds from long-term debt			
Proceeds from refunded debt			
Proceeds from sale of assets			
Payments to refund escrow agent			
Total Other Financing Sources (Uses)		(290)	(103,641)
Net Change in Fund Balances		35,071	185,995
Fund Balances, Beginning of Year	1		110,515
Prior Period Adjustment - Correction of Error		(35,071)	(296,509)
Fund Balances, Beginning of Year as Adjusted	1	(35,071)	(185,994)
Fund Balances, End of Year	1		1

See independent auditor's report.

Total Other
Governmental
Funds

\$ 6,525,417
1,771,067
4,310,960
1,798,060
732,506
867,727
155,100
1,758,084
120,720
79,639
18,149,280

2,146,405
47,168
420,292
2,852,808
1,600,077
954,178
233,846
2,292,900
3,764,984
1,855,873
16,248,531

1,900,749
1,228,925
(2,061,138)
580,503
601,000
12,185
(601,000)
(239,523)

1,661,226
11,025,418
(449,525)

\$ 12,237,119

**Rapides Parish Police Jury
Alexandria, Louisiana
December 31, 2004**

Schedule 3

Compensation Paid to 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. Under this method, jurors receive \$1,200 per month for performing the duties of their office.

<u>Police Juror</u>	<u>Amount</u>
Richard W. Billings	\$ 14,400
Stephen P. Bordelon	14,400
Theodore Fontaine	14,400
Joseph J. Fuller	14,400
Richard "Butch" Lindsay	13,960
Davron "Bubba" Moreau	440
Richard Nunnally	440
Scott Perry, Jr.	14,400
Ezra L. Reed	14,400
Donald H. Wilmore	14,400
Jerry P. Woods, Sr.	<u>13,960</u>
 TOTAL	 <u>\$ 129,600</u>

See independent auditor's report.

Schedule of Expenditures of Federal Awards

Rapides Parish Police Jury
Schedule of Expenditures of Federal Awards
December 31, 2004

Schedule 4
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Federal Grantor/ Pass-Through Grantor Name Program Name	CFDA Number	Expenditures
<u>United States Department of Agriculture</u>		
Passed through Louisiana Department of Social Services - State Administrative Matching Grants for Food Stamp Program	10.561	\$ 171,275
Passed through Louisiana Department of Treasury - Schools and Roads - Grants to States	10.665	281,536
Total United States Department of Agriculture		<u>452,811</u>
<u>United States Department of Housing and Urban Development</u>		
Passed through Louisiana Division of Administration - Office of the Governor - Community Development Block Grants - Small Cities Programs	14.228	1,209,715
Passed through Louisiana Department of Social Services - Office of Community Services - Emergency Shelter Grants Program	14.231	26,145
Total United States Department of Housing and Urban Development		<u>1,235,860</u>
<u>United States Department of Interior</u>		
Passed through Louisiana Department of the Treasury - Payment-in-lieu of taxes	15.226	19,181
<u>United States Department of Justice</u>		
Passed through Louisiana Commission on Law Enforcement and the Office of Community Service Juvenile Accountability Incentive Block Grants	16.523	83,937
Byrne Formula Grant	16.579	22,612
Total United States Department of Justice		<u>106,549</u>
<u>United States Department of Labor</u>		
Passed through Louisiana Department of Labor Workforce Investment Act Cluster	17.258, 17.259, 17.260	1,948,351
<u>United States Department of Homeland Security</u>		
Direct Program - Assistance to Firefighters	97.044	504,376
Direct Program - Cooperating Technical Partners	97.045	146,512
Passed through Louisiana Department of Homeland Security Hazard Mitigation Grant	97.039	18,750
Emergency Management Performance Grants	97.042	150,641
Citizen Corps	97.053	4,369
Community Emergency Response Teams (CERT)	97.054	2,947
Total Department of Homeland Security		<u>827,595</u>

See independent auditor's report.

**Rapides Parish Police Jury
Schedule of Expenditures of Federal Awards
December 31, 2004**

Schedule 4
Page 2 of 2

Federal Grantor Pass-Through Grantor Name Program Name	CFDA Number	Expenditures
<u>United States Department of Health and Human Services</u>		
Passed through State of Louisiana		
Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283	3,629
Temporary Assistance for Needy Families	93.558	186,732
Foster Care Title IV-E	93.658	46,370
Total Department of Health and Human Services		<u>236,731</u>
Total Expenditures		<u>\$ 4,827,078</u>

Note A - Basis of Presentation - The Police Jury followed the modified accrual basis of accounting in preparing this schedule. This method is consistent with the preparation of the Police Jury's fund financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133 of States, Local Governments, and Non-Profit Organizations.

Note B - Subrecipients - No subrecipients were provided federal awards during 2004.

See independent auditor's report.

**Other Reports Required By
Government Auditing Standards, Louisiana Governmental
Audit Guide, and OMB Circular A-133**

**Report on Internal Control over Financial Reporting and on Compliance
and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***



PAYNE, MOORE & HERRINGTON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

Rapides Parish Police Jury
Alexandria, Louisiana

We have audited the accompanying financial statements of the governmental activities, each major fund, and the remaining aggregate fund information of the Rapides Parish Police Jury, as of and for the year ended December 31, 2004, which collectively comprise the Police Jury's primary government basic financial statements and have issued our report thereon dated June 15, 2005. 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.

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 opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Police Jury's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. The reportable conditions are described in the accompanying Schedule of Findings and Questioned Costs as Findings 2004-01 and 2004-02.

A material weakness is a reportable 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 caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.* Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe none of the reportable conditions described above is a material weakness.

MARVIN A. JUNEAU, C.P.A.
H. FRED RANDOW, C.P.A.
ERNEST F. SASSER, C.P.A.

ROBERT L. LITTON, C.P.A.
ROBERT W. DVORAK, C.P.A.
REBECCA B. MORRIS, C.P.A.

MICHAEL A. JUNEAU, C.P.A.
JAMES N. BALLARD, C.P.A.
L. PAUL HOOD, C.P.A.





PAYNE, MOORE & HERRINGTON, LLP

Rapides Parish Police Jury
Alexandria, Louisiana

Compliance and Other Matters

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 grant agreements, 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* which are described in the accompanying Schedule of Findings and Questioned Costs as Findings 2004-01 and 2004-03.

This report is intended solely for the information and use of the Rapides Parish Police Jury, Louisiana Legislative Auditor, federal awarding agencies, pass-through entities, and management and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 21:513, this report is in fact a public document.

Payne, Moore & Herrington, LLP

Certified Public Accountants

June 15, 2005

**Report on Compliance with Requirements Applicable to Each Major
Program and Internal Control over Compliance In
Accordance with OMB Circular A-133**



PAYNE, MOORE & HERRINGTON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance In Accordance with OMB Circular A-133

Rapides Parish Police Jury
Alexandria, Louisiana

Compliance

We have audited the compliance of the Rapides 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 its major federal programs for the year ended December 31, 2004. The Rapides 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. Our responsibility is to express an opinion on the Police Jury's compliance based on our audit.

We conducted our 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 Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Police Jury's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Police Jury's compliance with those requirements.

As described in Finding 2004-04 in the accompanying Schedule of Findings and Questioned Costs, the Police Jury did not comply with requirements regarding documentation and reporting that are applicable to its Community Development Block Grant Program. Compliance with such requirements is necessary in our opinion, for the Police Jury to comply with requirements applicable to that program.

In our opinion, except for the noncompliance described in the preceding paragraph, 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, 2004.

MARVIN A. JUNEAU, C.P.A.
H. FRED RANDOW, C.P.A.
ERNEST F. SASSER, C.P.A.

ROBERT L. LITTON, C.P.A.
ROBERT W. DVORAK, C.P.A.
REBECCA B. MORRIS, C.P.A.

MICHAEL A. JUNEAU, C.P.A.
JAMES N. BALLARD, C.P.A.
L. PAUL HOOD, C.P.A.





PAYNE, MOORE & HERRINGTON, LLP

Rapides Parish Police Jury
Alexandria, Louisiana

Internal Control over Compliance

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

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable 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 the applicable requirements of laws, regulations, contracts, and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the Rapides Parish Police Jury, management, federal awarding agencies, pass-through entities, and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 21:513, this report is in fact a public document.

Payne, Moore & Herrington, LLP

Certified Public Accountants

June 15, 2005

**Rapides Parish Police Jury
Alexandria, Louisiana
Schedule of Findings and Questioned Cost
Year Ended December 31, 2004**

Part I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued:	Unqualified
Internal control over financial reporting:	
Material weakness(es) identified?	_____ Yes <u> x </u> No
Reportable condition(s) identified not considered to be material weaknesses?	<u> x </u> Yes _____ None reported
Noncompliance material to the financial statements?	<u> x </u> Yes _____ No
Management’s Corrective Action Plan	See Attached
Management’s Summary Schedule of Prior Audit Findings	See Attached
Memorandum of Other Comments and Recommendations	None Issued

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	_____ Yes <u> x </u> No
Reportable condition(s) identified not considered to be material weaknesses?	_____ Yes <u> x </u> None reported
Type of auditor’s report issued on compliance for major programs:	Qualified
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section 510(a)?	<u> x </u> Yes _____ No
Identification of major programs:	
CFDA # 17.258, 17.259, and 17.260, Workforce Investment Act Cluster	
CFDA # 97.044, Disaster Public Assistance to Firefighters	
CDFA # 14.228, Community Development Block Grants – Small Cities Programs	
Dollar threshold used to distinguish between Type A and Type B programs	\$300,000
Auditee qualified as a low-risk auditee?	_____ Yes <u> x </u> No

**Rapides Parish Police Jury
Alexandria, Louisiana
Schedule of Findings and Questioned Cost
Year Ended December 31, 2004**

Part II – Findings Relating to the Financial Statements, Which Are Required to be Reported Under Government Auditing Standards

Finding 2004-01 Payroll Timekeeping and Advanced Leave

Criteria: The Police Jury's procedure for payroll timekeeping for employees using time clocks requires that employees obtain approval by their immediate supervisor on all unusual time reported. This includes unpunched time, time for out-of-office work, training, vacations, sick leave, etc. The supervisor's approval provides the authority to pay employees for any part of their workday that is unusual. Further, an employee may only be paid for unworked hours to the extent of leave accrued. In a policy adopted by the Police Jury, an employee may donate his earned and unused leave to another employee having insufficient leave to prevent the receiving employee from being placed on leave without pay.

Condition: In our examination of payroll time cards, we noted several instances where approval of compensatory time earned was not being approved prior to being credited to employees' leave records and where sick and annual leave time was not being approved prior to being taken. Of 21 employee records examined, we noted that one employee had twenty-three (23) leave slips where only nine (9) were approved and another employee had twenty-five (25) leave slips where only two (2) were approved. We also noted that the payroll clerk had thirty-five (35) leave slips where only five (5) were approved.

In our examination of compensated absences records, we noted seventeen (17) instances of advanced compensatory time, eight (8) instances of advanced annual leave, and eight (8) instances of advanced sick leave to employees. In addition, properly approved evidence of leave earned and used is not being turned in to the Treasurer's Office in a timely manner and, therefore, leave balances may be incorrect. While most of the noted instances of deficit balances appear to result from short term timing differences between recording of leave earned and used, we noted one instance appearing to result from authorization by a department manager to advance one of the department's employees long term sick leave. A total of 160 hours of sick leave was approved for this employee. At year end, this employee's sick leave balance remained a deficit.

Recommendation: We recommend that all employees and department managers be made aware of the established policies relating to payroll timekeeping and leave and that such policies be enforced. It should be expressed that department manager's authority to approve leave for employees is limited to balances available and authorization for payment to an employee in excess of leave earned constitutes an advance of wages. Such advances are prohibited. We recommend that all timecards and records of leave be properly reviewed, approved, and forwarded to the Treasurer's Office in a timely manner. We further recommend that employees responsible for payroll functions be informed of regulations and policies regarding the use of public assets. Internal controls over payroll timekeeping and leave records should be reevaluated and redesigned as necessary to provide the appropriate level of review and approval of such records and to assure that employees are not receiving payment for unworked hours unless adequate leave earned is available.

Management's Response: See Management's Corrective Action Plan.

**Rapides Parish Police Jury
Alexandria, Louisiana
Schedule of Findings and Questioned Cost
Year Ended December 31, 2004**

Finding 2004-02 Safeguarding Assets and Cash Control

Criteria: Establishment and control of all cash accounts in the name of the Police Jury should be under the control of the Treasurer and those authorized by him. The opening and closing of all accounts should be properly authorized in advance and adequate restrictions on transaction types and those authorized to initiate them documented and communicated to the financial institution. The Treasurer should receive, review, and reconcile all statements of such accounts.

Condition: Unauthorized personnel, for the purpose of receiving electronic tax payments, opened an account in the name of the Police Jury. The statements of this account were not received or reconciled by the Treasurer. In addition, there is inadequate documentation of account activity restrictions and disclosure of those authorized to initiate transactions. Balances in this account were not reflected in the financial records of the Police Jury, but have been included in their basic financial statements.

Recommendation: We recommend that the Police Jury establish, adopt, and inform all employees and department managers of policies relating to the opening of, closing of, and authorization to initiate transactions in accounts held in the name of the Police Jury for which it is fiscally accountable. Restrictions on transaction types and those authorized to initiate transactions should be adequately documented and communicated to the financial institution, the personnel responsible for reconciliation of the account, and any others who may require access to the account.

In the matter of the account established for receiving electronic tax payments, we recommend that access to the bank account by the tax department manager and her authorized personnel be limited to viewing account activity only. Once receipts have been reconciled to remittance reports, a request for transfer of funds from the tax receipts accounts should be sent to the Treasurer who will review, approve, and initiate the transfer of funds to the appropriate account.

Management's Response: See Management's Corrective Action Plan.

Finding 2004-03 Louisiana Local Government Budget Act

Criteria: The Louisiana Local Government Budget Act requires the Police Jury to adopt and otherwise finalize and implement a comprehensive budget presenting a complete financial plan for the General Fund and each Special Revenue Fund in an open meeting prior to the thirtieth (30) day of the fiscal year for which the budget is to be applicable.

Condition: The Police Jury did not adopt the budget for fiscal year 2004 in a timely manner. The 2004 budget was adopted in the regular public session held on February 9, 2004.

Recommendation: We recommend that the Police Jury comply with the laws regarding budget adoption as set forth by the Louisiana Local Government Budget Act.

Management's Response: See Management's Corrective Action Plan.

**Rapides Parish Police Jury
Alexandria, Louisiana
Schedule of Findings and Questioned Cost
Year Ended December 31, 2004**

Part III – Findings and Questioned Cost for Federal Awards

Finding 2004-04 Compliance with Documentation and Reporting Requirements

Federal Agency: U.S. Department of Housing and Urban Development
Passed through Louisiana Division of Administration – Office of the Governor
Passed through Agency Grant Numbers: 571778 and 565131
Program Title: Community Development Block Grant

Criteria: Entities applying for and receiving awards under this program must document compliance with numerous criteria related to demonstration and determination of funding needs, compliance with regulations and laws, and compliance with monitoring and recordkeeping requirements.

Condition: The Police Jury and its program consultants did not comply with numerous reporting, documenting, and monitoring activities required under the contracts for the construction of the Lena Water System project and the Louisiana State University Technology Center project. We noted evidence of monitoring visits to these two projects by the Louisiana Department of Administration on August 16, 2004 and April 27, 2004, respectively. Deficiencies noted included missing or incomplete evidence of compliance with acquisition procedures, citizen participation plans, labor standards, procurement procedures, public facility improvement provisions, fair housing/equal opportunity provisions, and financial management provisions. All deficiencies noted in the monitoring reports were subsequently cleared and evidence of satisfactory resolution was provided by the Louisiana Division of Administration.

Questioned Costs: None

Cause: Inadequate supervision by management of consultant providing program administration.

Recommendation: We recommend that the Police Jury and its program consultants comply with all program reporting and documenting requirements. We recommend that monitoring, reporting, and documenting duties provided by consultants on behalf of the Police Jury be performed in accordance with program requirements and that demonstration of such compliance be more closely monitored by the Police Jury.

Management' Response: See Management's Corrective Action Plan.

**Rapides Parish Police Jury
Alexandria, Louisiana
Management's Correction Action Plan
Year Ended December 31, 2004**

The Rapides Parish Police Jury respectfully submits the following corrective action plan for the year ended December 31, 2004.

Independent Public Accounting Firm: Payne, Moore & Herrington, LLP
P. O. Box 13200
Alexandria, LA 71315-3200

Auditee Contact Person: Mr. Tim Ware
Treasurer
Rapides Parish Police Jury
(318) 473-6660

Audit Period: January 1, 2004 through December 31, 2004

The findings from the Schedule of Findings and Questioned Costs are discussed below, numbered consistently with the numbers assigned in the Schedule. See Part II, Schedule of Findings and Questioned Costs, for criteria, condition and auditor recommendations relating to the findings to the financial statements.

**Findings Related to the Financial Statements Which Are
Required to be Reported Under *Government Auditing Standards***

Finding 2004-01 Payroll Timekeeping and Advanced Leave

It was noted instances where leave records were not approved prior to the time being taken or even after the time was taken. We will insure that before any leave slip is keyed into a personnel record it is signed by the appropriate authority. Also Department Heads have been notified that time cannot be advanced, however, due to the Police Jury's policy of paying on the 15th and 30th through the 15th and 30th, we will still experience short term timing differences.

Finding 2004-02 Safeguarding Assets and Cash Control

This Electronic Funds Transfer Account was opened by the Sales Tax Director at the instruction of the Treasurer. This account is restricted to receiving electronic payments from Internet transactions as well as payment plans set up on bank draft. This account is also restricted so as to only transfer monies to the Rapides Parish General Account. The bank has been instructed to send statements to the Treasurer's Office for reconciliation purposes.

**Rapides Parish Police Jury
Alexandria, Louisiana
Management's Correction Action Plan
Year Ended December 31, 2004**

Finding 2004-03 Louisiana Local Government Budget Act

The budgets were advertised and presented in accordance with the Act. The Police Jury delayed adopting the budget until newly elected officials had taken office in January. Therefore the budgets weren't adopted until February 9th, which made them 10 days late. The Revised Statutes also allow that if the budget is not adopted timely that you revert to half appropriations from previous year until budgets are adopted. We will continue to try to have budgets adopted prior to year end.

Finding 2004-04 Compliance with Documentation and Reporting Requirements

We will monitor consultants in the future to ensure that all documentation and reporting requirements are being met.

**Rapides Parish Police Jury
Alexandria, Louisiana
Management's Summary Schedule of
Prior Audit Findings
Year Ended December 31, 2004**

Finding 2003-01 Approval of Journal Entries

Status: Resolved.

Finding 2003-02 Payroll Timekeeping

Status: Unresolved for fiscal year ended 12/31/04. See Finding 2004-01.

Finding 2003-03 Uncleared Checks

Status: Resolved.

Finding 2003-04 Louisiana Local Government Budget Act

Status: Unresolved for fiscal year ended 12/31/04. See Finding 2004-03.