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**MOOREHOUSE PARISH POLICE JURY
BASTROP, LOUISIANA
FINANCIAL REPORT
DECEMBER 31, 1968**

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

Release Date: 7-23-99

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**INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

Police Jurys
Morehouse Parish Police Jury
Bastrop, Louisiana

We have audited the accompanying general-purpose financial statements of Morehouse Parish Police Jury, primary government, as of and for the year ended December 31, 1998, as listed in the table of contents. These general-purpose financial statements are the responsibility of the management of Morehouse Parish Police Jury. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

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

As described in Note 1, the general-purpose financial statements referred to in the first paragraph include the financial statements of the primary government, Ward Two Cemetery, Bastrop Five District Two, and Fourth Judicial District Criminal Court. The general-purpose financial statements referred to in the first paragraph do not include financial data of the other component units, which should be included in order to conform with generally accepted accounting principles. The effect of the omission of these component units is unknown.

In our opinion, except for the effects on the general-purpose financial statements of the omission disclosed in the preceding paragraph, the general-purpose financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of Morehouse Parish Police Jury, as of December 31, 1998, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 4, 1999, on our consideration of Morshouse Parish Police Jury's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

Our audit of the December 31, 1998, general-purpose financial statements was conducted for the purpose of forming an opinion on the general-purpose financial statements taken as a whole. The combining financial statements and supplementary information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general-purpose financial statements of Morshouse Parish Police Jury.

The schedule of expenditures of federal awards is presented as required by U.S. Office of Management and Budget Circular A-133, *Audit of States, Local Governments, and Non-Profit Organizations*. The information presented in this schedule and the schedule of jurors' compensation has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

The year 2000 issue supplementary information is presented as required by the *Governmental Accounting Standards Board*. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of this supplementary information. However, we did not audit the information and do not express an opinion on it. In addition, we do not provide assurance that Morshouse Parish Police Jury is or will become year 2000 compliant, that the Jury's year 2000 remediation efforts will be successful in whole or in part, or that parties with which the Jury does business are or will become year 2000 compliant.

Price, Smyth & Co.

June 4, 1999

GENERAL-PURPOSE UNIT FINANCIAL STATEMENTS
(COMBINED STATEMENTS - OVERVIEW)

**MOKEHOUSE PARISH POLICE JURY
BASTROP, LOUISIANA**

**COMBINED BALANCE SHEET - ALL FUND TYPES, ACCOUNT GROUPS,
AND DISCRETELY PRESENTED COMPONENT UNITS**

December 31, 1998

With Comparative Totals for December 31, 1997

ASSETS AND OTHER DEBITS	Governmental Fund Types		
	General	Special Revenue	Debt Service
<i>Assets:</i>			
Cash and cash equivalents	\$ 425,268	\$ 2,158,387	\$ 221,587
Investments	-	1,575,000	65,808
Receivables	434,434	1,477,087	488,873
Due from other funds	50,457	16,564	-
Due from other component unit	35,393	-	-
Flood assets	-	-	-
<i>Other debts:</i>			
Amount available in Debt Service Fund	-	-	-
Amount to be provided for retirement of general long-term debt	-	-	-
	\$ 945,552	\$ 6,217,838	\$ 776,668

Account Groups		Primary Government Totals - (Miscellaneous Chrgs)	Component Units	Reporting Entity Totals - (Miscellaneous Chrgs)	
General Fixed Assets	General Long-Term Debt			December 31, 1928 1927	
\$ -	\$ -	\$ 1,885,182	\$ 300,408	\$ 4,005,621	\$ 4,200,428
-	-	1,640,000	-	1,640,000	2,326,808
-	-	2,480,004	280,842	1,681,446	2,327,408
-	-	67,001	-	67,001	67,820
-	-	35,299	-	35,299	51,299
9,095,871	-	9,085,871	447,888	8,540,759	6,348,848
-	768,790	768,790	-	768,790	737,310
-	973,837	973,637	1,621	973,385	1,334,512
<u>\$ 9,095,871</u>	<u>\$ 1,744,427</u>	<u>\$ 18,778,398</u>	<u>\$ 936,842</u>	<u>\$ 18,708,238</u>	<u>\$ 17,399,812</u>

(continued)

**MOOREHOUSE PARISH POLICE JURY
RASTROP, LOUISIANA**

**COMBINED BALANCE SHEET - ALL FUND TYPES, ACCOUNT GROUPS,
AND DISCRETELY PRESENTED COMPONENT UNITS**

(Continued)

December 31, 1998

With Comparative Totals for December 31, 1997

LIABILITIES, EQUITY AND OTHER CREDITS	Governmental Fund Types		
	General	Special Revenue	Debt Service
Liabilities:			
Accounts payable	\$ 19,388	\$ 299,602	\$ 14,870
Deposits due to others	-	980	-
Due to other funds	-	67,021	-
Capital leases payable	-	-	-
General obligation bonds payable	-	-	-
Certificates of indebtedness payable	-	-	-
Claims and judgments payable	1,000	-	-
Compensated absences payable	-	-	-
Total liabilities	\$ 20,388	\$ 367,123	\$ 14,870
Equity and other credits:			
Investment in general fixed assets	\$ -	\$ -	\$ -
Fund balances:			
Reserved for long-term loan to component unit	38,000	-	-
Reserved for debt service	-	-	768,790
Unreserved and undesignated	885,806	5,853,915	-
Total equity and other credits	\$ 923,806	\$ 5,853,915	\$ 768,790
Total liabilities, equity and other credits	\$ 944,194	\$ 6,221,048	\$ 783,660

See notes to financial statements.

Account Groups		Primary Government Totals - (Memorandum Debt)	Component Units	Reporting Entity Totals - (Memorandum Debt)	
General Fixed Assets	General Long-Term Debt			December 31, 1998 1997	
\$ -	\$ -	\$ 329,868	\$ 4,265	\$ 334,133	\$ 390,147
-	-	500	-	500	-
-	-	67,021	-	67,021	67,021
-	133,894	133,894	-	137,864	-
-	1,290,000	1,290,000	-	1,390,000	1,680,000
-	300,000	300,000	-	300,000	366,000
-	98,402	98,402	-	98,402	115,991
-	16,221	16,221	1,671	17,892	12,674
<u>\$ -</u>	<u>\$ 1,734,427</u>	<u>\$ 2,132,816</u>	<u>\$ 3,936</u>	<u>\$ 2,198,712</u>	<u>\$ 2,336,832</u>
\$ 9,093,871	\$ -	\$ 9,093,871	\$ 447,888	\$ 9,541,759	\$ 6,348,848
-	-	39,808	-	39,808	37,808
-	-	760,798	-	760,793	737,333
-	-	6,748,821	477,016	7,225,837	8,118,888
<u>\$ 9,093,871</u>	<u>\$ -</u>	<u>\$ 16,643,382</u>	<u>\$ 924,904</u>	<u>\$ 17,370,480</u>	<u>\$ 15,253,219</u>
<u>\$ 9,093,871</u>	<u>\$ 1,734,427</u>	<u>\$ 18,738,328</u>	<u>\$ 938,840</u>	<u>\$ 19,708,238</u>	<u>\$ 17,599,032</u>

**MOREHOUSE PARISH POLICE JURY
BASTROP, LOUISIANA**

**COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES
AND DISCRETELY PRESENTED COMPONENT UNITS**

Year Ended December 31, 1998

With Comparative Totals for Year Ended December 31, 1997

	Governmental Fund Types		
	General	Special Revenues	Debt Service
Revenues:			
Taxes	\$ 306,389	\$ 5,502,327	\$ 487,774
Licenses and permits	104,527	-	-
Intergovernmental	968,883	574,646	-
Fees, charges and commissions for services	607	21,799	-
Fines and forfeitures	-	-	-
Interest and miscellaneous	71,850	282,083	13,349
	<u>\$ 1,453,256</u>	<u>\$ 6,186,855</u>	<u>\$ 501,123</u>
Expenditures:			
Current:			
General government:			
Legislative	\$ 68,552	\$ -	\$ -
Judicial	218,710	19,625	-
Elections	38,880	-	-
Finance and administrative	287,546	-	14,806
Other	88,423	61,488	-
Public safety	421,773	96,484	-
Public works	-	3,797,104	-
Health and welfare	89,134	13,279	-
Culture and recreation	4,563	-	-
Economic development and assistance	316,794	-	-
Claims and judgments	1,847	-	-
Debt service:			
Principal	18,080	45,800	793,080
Interest	5,682	18,258	70,359
Costs of financing	-	-	-
Capital outlay	-	3,198,176	-
	<u>\$ 1,537,834</u>	<u>\$ 7,248,483</u>	<u>\$ 480,565</u>

See notes to financial statements.

Primary Government Totals - (Memorandum Dollars)	Component Units	Reporting Entity Totals - (Memorandum Dollars) Year Ended December 31,	
		1968	1967
\$ 6,096,680	\$ 133,317	\$ 6,229,887	\$ 5,788,083
104,537	-	104,537	89,964
1,244,529	247,006	1,791,365	1,763,273
12,482	-	22,482	23,230
-	240,289	240,289	253,649
<u>375,525</u>	<u>287,311</u>	<u>403,254</u>	<u>323,444</u>
<u>\$ 8,145,471</u>	<u>\$ 649,233</u>	<u>\$ 8,790,354</u>	<u>\$ 8,213,844</u>

\$ 68,552	\$ -	\$ 68,552	\$ 63,214
228,338	283,432	519,867	472,977
39,880	-	39,880	35,996
302,452	-	302,452	315,507
127,813	-	127,813	114,708
518,235	141,534	659,769	625,250
3,797,004	-	3,797,104	3,484,489
100,513	8,297	108,810	125,719
4,563	-	4,563	50,226
316,794	-	316,794	258,363
1,847	-	1,847	-
458,000	-	458,000	476,000
86,219	-	86,219	124,159
-	-	-	16,132
<u>3,199,136</u>	<u>-</u>	<u>3,199,136</u>	<u>281,881</u>
<u>\$ 9,258,581</u>	<u>\$ 631,663</u>	<u>\$ 9,990,044</u>	<u>\$ 9,803,282</u>

(continued)

**MORNINGHOUSE PARISH POLICE JURY
HASTROP, LOUISIANA**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES
AND DISCRETELY PRESENTED COMPONENT UNITS (Continued)
Year Ended December 31, 1998
With Comparative Totals for Year Ended December 31, 1997**

	<u>Governmental Fund Types</u>		
	<u>General</u>	<u>Special Revenues</u>	<u>Debt Service</u>
Excess (deficiency) of revenues over expenditures	\$(84,529)	\$(1,054,059)	\$ 23,458
Other financing sources (uses):			
Sale of assets	-	836	-
Proceeds from capital leases	-	210,089	-
Proceeds of refunding bonds	-	-	-
Payment to refunded bond owners agent	-	-	-
Operating transfers in (out)	<u>26,899</u>	<u>(26,897)</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	\$(47,630)	\$(880,050)	\$ 23,458
Fund balances - beginning	<u>932,645</u>	<u>8,743,968</u>	<u>733,352</u>
Fund balances - ending	<u>\$ 885,015</u>	<u>\$ 7,863,918</u>	<u>\$ 756,810</u>

See notes to financial statements.

Primary Government Totals - (Memorandum Dollars)	Component Units	Reporting Entity Totals - (Dollars and Cents Only) Year Ended December 31,	
		1998	1997
\$ 1,115,100	\$ 17,850	\$ 1,097,200	\$ 2,410,560
856	-	856	2,285
210,000	-	210,000	-
-	-	-	2,100,000
-	-	-	(2,040,000)
<u>42</u>	<u>(42)</u>	<u>-</u>	<u>-</u>
\$ 904,231	\$ 17,767	\$ 886,444	\$ 2,472,640
<u>8,453,943</u>	<u>489,238</u>	<u>8,913,171</u>	<u>6,440,325</u>
<u>\$ 2,349,713</u>	<u>\$ 477,014</u>	<u>\$ 8,026,737</u>	<u>\$ 8,913,171</u>

**MOREHOUSE PARISH POLICE JURY
BASTROP, LOUISIANA**

**COMBINED STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS) - ALL GOVERNMENTAL FUND TYPES AND
DECEMETLY PRESENTED COMPONENT UNITS
Year Ended December 31, 1998**

	General		Variance - Favorable (Unfavorable)	Deficit
	Budget	Actual		
Revenues:				
Taxes	\$ 295,289	\$ 278,458	(\$ 17,831)	\$ 5,204,131
Fees and permits	80,588	808,815	728,227	-
Intra-governmental	861,988	846,587	(15,401)	535,042
Fees, charges and commissions for services	688	439	(249)	23,088
Fines and forfeitures	-	-	-	-
Interest and miscellaneous	80,023	57,815	(22,208)	176,588
	<u>\$ 1,301,294</u>	<u>\$ 1,392,115</u>	<u>\$ 90,821</u>	<u>\$ 5,925,237</u>
Expenditures:				
Current:				
General government:				
Legislative	\$ 33,048	\$ 68,237	\$ 35,189	\$ -
Judicial	266,788	218,719	(48,069)	23,688
Elections	28,798	34,432	5,634	-
Finance and administrative	321,957	287,237	(34,720)	-
Other	111,661	64,683	(46,978)	71,188
Public safety	488,403	439,179	(49,224)	273,868
Public works	-	-	-	4,823,814
Health and welfare	83,777	90,235	6,458	48,114
Culture and recreation	3,559	4,265	706	-
Economic development and assistance	304,988	316,794	11,806	-
Claims and judgments	-	9,639	(9,639)	-
Data services:				
Principal	-	18,800	(18,800)	33,258
Interest	-	5,800	(5,800)	-
Capital outlay	-	-	-	4,881,400
	<u>\$ 1,798,294</u>	<u>\$ 1,935,820</u>	<u>\$ 137,526</u>	<u>\$ 10,781,582</u>

Government Fund Types

Social Revenue		Debt Service			Component Units		
Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
\$ 3,000,599	\$ 83,815	\$ 490,948	\$ 498,760	\$ 42,812	\$ 116,717	\$ 182,398	\$ 11,621
-	-	-	-	-	-	-	-
576,181	90,963	-	-	-	256,630	208,548	(47,182)
21,268	(1,612)	-	-	-	-	-	-
-	-	-	-	-	-	-	-
294,963	107,293	18,000	21,621	3,621	215,890	208,613	(7,277)
\$ 3,812,911	\$ 181,556	\$ 490,948	\$ 498,760	\$ 42,812	\$ 419,717	\$ 590,996	\$ 11,621
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
19,680	3,988	-	-	-	282,948	282,424	(524)
-	-	18,000	14,696	(3,304)	-	-	-
41,283	34,187	-	-	-	-	-	-
86,283	178,573	-	-	-	418,236	349,713	(68,523)
3,781,997	1,208,597	-	-	-	-	-	-
11,307	28,979	-	-	-	9,617	7,996	(1,621)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
41,080	18,158	485,210	585,098	99,888	-	-	-
90,258	(10,214)	8,911	78,159	(64,718)	-	-	-
2,009,272	1,988,148	-	-	-	-	-	-
\$ 6,896,733	\$ 3,074,656	\$ 490,948	\$ 498,760	\$ 11,621	\$ 711,415	\$ 600,053	\$ 111,361

(continued)

**MOREHOUSE PARISH POLICE JURY
BASTROP, LOUISIANA**

**COMBINED STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS) - ALL GOVERNMENTAL FUND TYPES AND
DISCREETELY PRESENTED COMPONENT UNITS (Continued)
Year Ended December 31, 1998**

	(Dollars)		Variance - Favorable Disfavorable	Dollar
	Budget	Actual		
Excess (deficiency) of revenues over expenditures	\$ 387,900	\$ (111,684)	\$ 125,966	\$ 4,371,838
Other financing sources (uses):				
Sale of fixed assets	-	-	-	-
Operating transfers in (out)	<u>30,000</u>	<u>34,000</u>	<u>4,000</u>	<u>55,330</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	\$ 387,900	\$ (33,584)	\$ 132,196	\$ 4,427,168
Fund balances - beginning (non-GAAP budgetary basis)	<u>811,645</u>	<u>923,645</u>	<u>-</u>	<u>6,243,965</u>
Fund balances - ending (non-GAAP budgetary basis)	<u>\$ 854,875</u>	<u>\$ 889,581</u>	<u>\$ 132,196</u>	<u>\$ 7,316,132</u>
Adjustments to generally accepted accounting principles:				
Revenue accruals		66,128		
Claims and judgments accrual		3,817		
Expenditure accruals		<u>12,633</u>		
Fund balances - ending (GAAP basis)		<u>\$ 922,038</u>		

See notes to financial statements.

Government Fund Types

Special Revenue			Debt Service			Component Units		
Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)	
\$ 814,000	\$ 3,217,405	\$ -	\$ 25,500	\$ 25,500	\$ 101,000	\$ 46,014	\$ 85,986	
806	806	-	-	-	-	-	-	
<u>1 25,847</u>	<u>18,583</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1 280</u>	<u>1 431</u>	<u>157</u>	
\$ 890,264	\$ 3,536,734	\$ -	\$ 25,500	\$ 25,500	\$ 101,280	\$ 46,014	\$ 86,148	
<u>6,740,288</u>	<u>-</u>	<u>771,500</u>	<u>717,314</u>	<u>-</u>	<u>418,232</u>	<u>809,128</u>	<u>-</u>	
\$ 3,853,570	\$ 3,536,734	\$ 771,500	\$ 711,899	\$ 25,500	\$ 326,890	\$ 403,128	\$ 86,148	
174,100	-	-	49,011	-	-	62,007	-	
<u>1 850,759</u>	<u>-</u>	<u>-</u>	<u>1 218</u>	<u>-</u>	<u>-</u>	<u>1,080</u>	<u>-</u>	
<u>\$ 3,487,915</u>	<u>-</u>	<u>\$ 760,780</u>	<u>\$ 760,780</u>	<u>-</u>	<u>\$ 471,014</u>	<u>\$ 471,014</u>	<u>-</u>	

**MOOREHOUSE PARISH POLICE JURY
RASTROU, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 1998**

Note 1. Organization and Summary of Significant Accounting Policies

Morehouse Parish Police Jury (the "Jury") is the governing authority for Morehouse Parish and is a political subdivision of State of Louisiana. The Jury is governed by seven commissioned jurors representing, by election, the various districts within the parish. The jurors serve four-year terms that will expire on December 31, 1999.

Louisiana Revised Statute 33:1238 gives the Jury various powers in regulating and directing the affairs of the parish and its inhabitants. The more notable of these are the powers to make regulations for its own government; to regulate the construction and maintenance of roads, bridges, and drainage systems; to regulate the sale of alcoholic beverages; and to provide for the health and welfare of the poor, disadvantaged, and unemployed in the parish. Funding to accomplish these tasks is provided by ad valorem taxes, sales taxes, beer and alcoholic beverage permits, state revenue sharing, and various other state and federal grants.

The parish is located in northeast Louisiana and its population is approximately 32,000. Approximately 540 miles of roads are maintained by the parish. The Jury employs approximately 80 people.

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

Basis of Presentation:

Except as described in the financial reporting entity definition, the accompanying financial statements of the Jury have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Government Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

NOTES TO FINANCIAL STATEMENTS

Financial Reporting Entity:

As the governing authority of the parish, for reporting purposes, Morehouse Parish Police Jury is the financial reporting entity for Morehouse Parish. The financial reporting entity consists of (a) the primary government (Jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which 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.

GAASB Statement No. 14 established criteria for determining which component units should be considered part of Morehouse Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria include:

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

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

NOTES TO FINANCIAL STATEMENTS

Component Unit	Fiscal Year End	Criteria Used
Bastrop Fire District Two	12-31	1
Fourth Judicial District Criminal Court	12-31	3
Ward Two Fire Protection District No. 1	12-31	1
Ward Five Fire Protection District No. 1	12-31	1
Ward Six Fire Protection District No. 2	12-31	1
Ward Eight Fire Protection District No. 1	12-31	1
Ward Ten Fire Protection District No. 1	12-31	1
Morichouse Parish Library	12-31	2
Water District No. 1	6-30	1
Morichouse General Hospital Service District		
Morichouse General Hospital	12-31	1 and 2
Waterworks District No. 2	12-31	1
Collinston Sewerage District No. 1	12-31	1
Morichouse Parish Communications District	12-31	1
Ward Two Cemetery	12-31	1
Morichouse Sales and Use Tax Commission	6-30	2

Component units that are legally separate from the Jury, but are financially accountable to the Jury, or whose relationship with the Jury are such that exclusion would cause the Jury's financial statements to be misleading or incomplete are discretely presented. The Jury has chosen to issue financial statements of the primary governments (Jury) and those discretely presented component units (Ward Two Cemetery, Bastrop Fire District Two, and Fourth Judicial District Criminal Court). The "component units" column of the combined financial statements include the financial data of those discretely presented component units. They are reported in a separate column to emphasize that they are legal ly separate from the Jury. None of the other previously listed component units are included in the accompanying financial statements. The financial impact on the financial statements of the omission of these component units is unknown.

The following presents the combining financial statements for each of the discretely presented component units:

NOTES TO FINANCIAL STATEMENTS

Combining balance sheet:

	Ward Fire Company	Honey Fire District, Inc.	Orinval, Conn.	Total
ASSETS AND OTHER DEBIT				
Assets:				
Cash and cash equivalents	\$ 5,761 \$	188,994 \$	4,084 \$	198,839
Receivables	18,180	281,341	18,795	298,316
Fixed assets	12,789	458,320	4,780	615,889
Other debit				
Amounts to be provided for retirement of general long-term debt	-	-	1,611	1,611
Total assets and other debit	\$ 36,730	\$ 870,655	\$ 29,260	\$ 936,645
LIABILITIES, EQUITY AND OTHER CREDIT				
Liabilities:				
Accounts payable	\$ 762	1,204	549	2,515
Compensated absences payable	-	-	1,611	1,611
Total liabilities	\$ 762	\$ 1,204	\$ 2,160	\$ 3,026
Equity and other credit:				
Investment in general fixed assets	\$ 11,789	430,528	4,780	447,097
Fund balances - unreserved and undesignated	23,172	437,923	19,179	470,274
Total equity and other credit	\$ 35,061	\$ 868,451	\$ 23,959	\$ 927,471
Total liabilities, equity and other credit	\$ 35,823	\$ 870,655	\$ 26,119	\$ 936,645

NOTES TO FINANCIAL STATEMENTS

Combining statement of revenues, expenditures, and changes in fund balances:

	Ward Two		Hasting-Ten		
	Committed	Encumbr.	Committed	Encumbr.	
Revenues:					
Taxes	\$ 18,775	\$ -	\$ 104,158	\$ -	\$ 122,933
Intergovernmental	643	-	208,994	-	209,637
Fees and forfeitures	-	-	202,209	-	202,209
Interest and investments	360	-	18,800	5,120	24,280
	<u>\$ 20,038</u>	<u>\$ -</u>	<u>\$ 334,251</u>	<u>\$ 5,120</u>	<u>\$ 339,371</u>
Expenditures:					
Current:					
General government:					
Judicial	-	-	-	-	-
Public safety	-	-	180,934	-	180,934
Health and welfare	8,287	-	-	-	8,287
	<u>\$ 8,287</u>	<u>\$ -</u>	<u>\$ 180,934</u>	<u>\$ -</u>	<u>\$ 180,934</u>
Excess (deficiency) of revenues over expenditures	\$ 11,751	\$ -	\$ 153,317	\$ 5,120	\$ 168,128
Other financing sources/(uses):					
Operating transfers in/(out)	<u>\$ 424</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 424</u>
Excess/(deficiency) of revenues and other financing sources over expenditures and other financing uses	\$ 12,175	\$ -	\$ 153,317	\$ 5,120	\$ 172,551
Fund balances - beginning	<u>11,658</u>	<u>401,282</u>	<u>46,281</u>	<u>458,278</u>	<u>617,500</u>
Fund balances - ending	<u>\$ 23,833</u>	<u>\$ 401,282</u>	<u>\$ 199,598</u>	<u>\$ 463,398</u>	<u>\$ 690,050</u>

GASB Statement No. 14 provides for the issuance of primary government financial statements that are separate from those of the reporting entity. However, the primary government's (jury) financial statements are not a substitute for the reporting entity's financial statements. The accompanying reporting entity financial statements have been prepared in conformity with generally accepted accounting principles as applied to governmental units. These financial statements are not intended to and do not report on the entire reporting entity but rather are intended to reflect only the financial statements of the primary government (jury) and the three component units.

NOTES TO FINANCIAL STATEMENTS

Considered in the determination of component units of the reporting entity were Morehouse Parish Sheriff, Morehouse Parish Clerk of Court, Morehouse Parish Tax Assessor, Morehouse Parish School Board, District Attorney and Judges for the Fourth Judicial District, Morehouse Council on Aging, Inc., Morehouse Association for Retarded Citizens, Morehouse Community Improvement, Inc., and the various municipalities and nonprofit entities in the parish. It was determined that these governmental and nonprofit entities are not component units of Morehouse Parish Police Jury reporting entity. With the exception of the District Attorney and Judges, these entities have separately elected governing bodies, are legally separate, and are fiscally independent of the Jury. They are considered by the Jury to be separate autonomous entities and issue financial statements separate from those of Morehouse Parish Police Jury reporting entity. The District Attorney and Judges for the Fourth Judicial District are fiscally dependent upon the Jury; however, the Fourth Judicial District includes both Ouachita and Morehouse Parishes, and the preponderance of the activities of these entities occur in Ouachita Parish. Consequently, the Jury has concluded that the District Attorney and Judges should properly be reported in the Ouachita Parish reporting entity.

Fund Accounting

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

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds of the Jury are classified into the category of governmental funds. In turn, this category is divided into separate fund types. The fund classifications and a description of each existing fund type follow:

Governmental funds:

Governmental funds are used to account for all or most of the Jury's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fund assets, and the servicing of general long-term debt. Governmental funds include:

NOTES TO FINANCIAL STATEMENTS

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

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

Debt Service Fund - accounts for transactions relating to resources retained and used for the payment of principal and interest on those long-term obligations recorded in the General Long-Term Debt Account Group.

Basis of Accounting:

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used by all governmental funds. The modified accrual basis of accounting recognizes revenue when both "measurable" and "available." Measurable means the amount can be determined and available means collectible within the current period, or soon enough thereafter to pay current liabilities. Also, under the modified accrual basis of accounting, expenditures are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported as expenditures in the year due.

Transfers between funds that are not expected to be repaid (and any other financing resources) are accounted for as other financing sources (uses) and are recorded when the transaction occurs.

Three major revenues susceptible to accrual are ad valorem taxes, sales taxes, and intergovernmental revenues. Licenses and permits, fees, charges and commissions for services, and fines and forfeitures are deemed to be susceptible to accrual if they are collected by the Jury within sixty days after year end. Other revenues are not susceptible to accrual because generally they are not measurable until received in cash.

NOTES TO FINANCIAL STATEMENTS

Budget and Budgetary Accounting:

Preliminary budgets for the ensuing year are prepared by the Secretary and Treasurer during October of each year. During November, the Finance Committee reviews the proposed budgets and makes changes as it deems appropriate. Notice of the location and the availability of the proposed budgets for public inspection and the date of the public hearing to be conducted on the budgets are then advertised in the official journal. Prior to its regular December meeting, the Jury conducts a public hearing on the proposed budgets in order to receive comments from residents. Changes are made to the proposed budgets based on the public hearing and the desires of the Jury as a whole. The budgets are then adopted during the Jury's regular December meeting and notice of adoption, which includes budget summaries, is published in the official journal.

The Jury adopted annual budgets for the General Fund, Special Revenue Funds, Debt Service Fund, and component units on December 8, 1997. The annual budgets were prepared in accordance with the cash basis of accounting. All budget amendments were approved by the Jury. Budgets were amended at various times throughout the year approving additional revenues and expenditures for the funds with the final amendments being approved on December 14, 1998, which amendments are reflected in the budget comparisons. All annual appropriations lapse at fiscal year end.

Encumbrances:

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

Cash and Cash Equivalents:

Cash includes amounts in interest-bearing demand deposits and cash equivalents include amounts in time deposits with original maturities of 90 days or less. Under state law, the Jury may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

NOTES TO FINANCIAL STATEMENTS

Investments:

Investments are limited by Louisiana Revised Statute 33:2815. If the original maturity of time deposits exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents. At December 31, 1988, the Jury's investments consist of non-negotiable certificates of deposit that are reported in the accompanying financial statements at cost.

Uncollectible Allowance:

The statement contains no provision for uncollectible accounts. The Jury is of the opinion that such allowance would be immaterial in relation to the financial statements taken as a whole.

Short-Term Interfund Receivables/Payables:

During the course of operations, numerous transactions occur between individual funds for goods or services rendered. These receivables and payables are classified as due from other funds or due to other funds on the balance sheet.

Fixed Assets:

For the primary government, fixed assets of governmental funds are recorded as expenditures at the time purchased or constructed, and the related assets are capitalized (reported) in the General Fixed Assets Account Group. For the discretely presented governmental funds, component units, general fixed assets are reported in the "component units" column on the combined balance sheet. Public domain or infrastructure are not capitalized. These assets are measurable and of value only to the Jury and component units. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost or if donated, at their estimated market value on the date donated.

Accumulated Compensated Absence:

Full-time employees of the Jury earn from one to five weeks of annual leave each anniversary year of employment, depending on length of service. Five personal holidays are earned each calendar year by full-time employees. Employees may not accumulate annual leave or personal holidays. Upon resignation or retirement, employees are compensated for annual leave earned but not taken during the current anniversary year of employment, at the employee's current rate of pay. Employees are not compensated for unused accumulated personal holidays upon termination of employment.

NOTES TO FINANCIAL STATEMENTS

Full-time employees of the Criminal Court (component unit) earn from six to fifteen days of annual leave each year of service, depending on length of service. Employees are encouraged to utilize annual leave during the year in which the leave is earned. Employees with at least one year of continuous service, who are separated for other than disciplinary reasons, and provided they have submitted notice at least two weeks in advance of the effective date of resignation, may at the discretion of the district attorney, be paid for any accrued annual leave at the time of separation.

Dartmouth Five District Two and Ward Two Cemetery (component units) have no full-time employees and have not established a formal annual leave policy.

In governmental funds of the primary government and component units, the cost of annual leave is recognized as a current year expenditure within the various funds when annual leave is actually taken or when employees are paid for accrued annual leave upon resignation or retirement, while the cost of annual leave privileges not requiring current resources of the primary government is recorded in the General Long-Term Debt Account Group.

Long-Term Obligations:

For the primary government, long-term obligations expected to be financed from governmental funds are reported in the General Long-Term Debt Account Group. For the discretely presented governmental funds, component units, long-term obligations are reported in the "component units" column on the combined balance sheet. Expenditures for principal and interest payments for long-term obligations are recognized in the governmental funds when due.

Fund Balance - Reserved

Reserves represent those portions of fund equity not appropriate for expenditure or legally segregated for a specific future use.

Interfund Transactions:

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

NOTES TO FINANCIAL STATEMENTS

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or nonrevenue permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

Revenue Recognition - Ad Valorem and Sales Taxes

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

Sales/use taxes collected and held by other governments at year end on behalf of the Jury and those collected by other governments and remitted to the Jury within 60 days after December 31 for preceding months are recognized as revenue. The sales/use taxes are collected by Morehouse Parish Sales and Use Tax Commission and remitted to the Jury.

Total Columns on Condensed Statements - Overview:

Total columns on the combined statements are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

Comparative Data

Comparative totals for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the Jury's financial position and operations. However, presentation of prior year totals by fund type have not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

NOTES TO FINANCIAL STATEMENTS

Note 2. Revenues - Actual and Budget (Non-GAAP Budgetary Basis)

The following component unit's actual revenues failed to meet budgeted revenues for the year ended December 31, 1998:

	Budget	Actual	Unfavorable Variance
Bascom Fire District Two	\$ 282,900	\$ 262,185	\$ 20,715

Note 3. Deposits with Financial Institutions

The following is a summary of cash, cash equivalents, and investments (bank balances) at December 31, 1998:

	Primary Government	Component Units	Total
Interest-bearing demand deposits	\$ 125,182	\$ 5,418	\$ 130,600
Time deposits	\$ 3,110,000	\$ 195,800	\$ 3,305,800
	\$ 3,235,182	\$ 201,218	\$ 3,436,400

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

At December 31, 1998, the Jury and the discretely presented component units had \$3,929,055 in deposits (collected bank balances). These deposits were secured from risk by \$500,000 of federal deposit insurance and \$4,929,055 of pledged securities held by the custodial bank, the Jury, or the Jury's agent in the Jury's or custodial bank's name (Class Category 1 and 2).

The deposits of the discretely presented component units are included in this analysis as all of the demand deposits are held in a master bank account and the fiscal agent bank considers the discretely presented component units' deposits to be a part of the Jury for pledging purposes in that the Jury has authority to transact on these accounts.

There were no repurchase or reverse repurchase agreements at December 31, 1998.

NOTES TO FINANCIAL STATEMENTS

Note 4. Receivables

A summary of receivables at December 31, 1998, is as follows:

Types:	Primary Government			Component Units	Totals
	General	Special Revenues	State Service		
Ad valorem	\$ 296,877	\$ 1,302,990	\$ 497,412	\$ 131,380	\$ 2,203,599
Bills	3,961	-	-	-	3,961
Sales	-	94,161	-	-	94,161
Licenses and permits	4,588	-	-	-	4,588
Intergovernmental:					
Severance taxes	81,403	-	-	-	81,403
Public transportation	-	78,723	-	-	78,723
Structure amendments	-	-	-	137,140	137,140
Value added	21,787	-	-	-	21,787
Other	1,888	8	-	-	1,896
Fees, charges and commissions for services	23	1,790	-	-	1,813
Fines and forfeitures	-	-	-	28,480	28,480
Interest and miscellaneous	8,700	21,178	1,611	1,382	31,869
	<u>\$ 434,434</u>	<u>\$ 1,671,003</u>	<u>\$ 499,023</u>	<u>\$ 280,192</u>	<u>\$ 3,584,652</u>

NOTES TO FINANCIAL STATEMENTS

Note 5. Taxes

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

	Authorized Millage	Levied Millage	Expiration Date
Primary Government			
General corporate purposes	6.15	6.15	Perpetual
Road maintenance	4.89	4.89	1998
Drainage maintenance	2.25	2.25	2007
Public buildings	.53	.55	2005
Public buildings and health facility	.89	.89	2007
Health unit	.99	.99	2001
Courthouse and detention center	4.00	4.00	1999
Hospital sinking	5.00	5.00	2001
Component Units			
Ward Two Cemetery	1.00	1.00	2001
Beatty Fire District Two	6.70	6.50	1998

Total ad valorem taxes levied were \$2,235,859 for the above millages. As of December 31, 1995, no amounts were due from prior year tax levies.

The following are the principal ad valorem taxpayers for the periods:

Taxpayer	Assessed Valuation	Approximate Percentage of Total Assessed Valuation
International Paper Co.	\$ 23,137,700	21.73%
Energy Louisiana, Inc.	5,289,779	5.43%
Texas Gas Transmission Corp.	4,259,481	4.37%
Bellsouth Telecommunications	2,401,889	2.48%
Southern Natural Gas Co.	1,330,730	1.37%
Georgia-Pacific Corp.	1,841,920	1.68%
Hibernia National Bank	1,511,210	1.55%
Tennessee Gas Pipeline	1,263,880	1.20%
North Gas Transmission	1,082,220	1.11%
Peoples Water Service Company	1,050,697	1.05%

NOTES TO FINANCIAL STATEMENTS

For the year ended December 31, 1998, sales taxes of 1.50% were levied as follows:

Rate	Purpose	Expiration Date
1%	(i) constructing, renovating, equipping, and furnishing the Morehouse Parish Courthouse, and (ii) acquiring, constructing, equipping, and furnishing a Morehouse Parish Detention Center, title to which shall be in the public, including payment of the costs of relocation and temporary quarters for parish offices during such construction and renovation.	December 31, 1999
1/2%	(i) constructing, acquiring, maintaining, improving, and operating a solid waste collection and disposal system and maintaining a fund balance of at least \$250,000, and (ii) constructing, maintaining, and improving roads and bridges in Morehouse Parish.	April 30, 2003

Note 6. Due From/To Other Funds

A summary of amounts due from/to other funds at December 31, 1998, is as follows:

Receivable Fund	Payable Fund	Amounts
General	Road Maintenance	\$ 58,453
Drainage Maintenance	Road Maintenance	18,264
Solid Waste	Road Maintenance	_____ 308
		<u>\$ 67,025</u>

Note 7. Changes in Fixed Assets

A summary of changes in general fixed assets is as follows:

	Primary Government			Balance December 31, 1998
	Balance January 1, 1998	Additions	Retirements	
Land	\$ 488,724	\$ -	\$ -	\$ 488,724
Buildings	3,273,590	2,900,575	-	6,174,165
Equipment and furniture	2,128,847	114,098	20,963	2,221,982
Under capital lease	-	210,089	-	210,089
Totals	<u>\$ 5,891,161</u>	<u>\$ 3,224,672</u>	<u>\$ 20,963</u>	<u>\$ 9,806,879</u>

NOTES TO FINANCIAL STATEMENTS

	Component Units			
	Balance			Balance
	January	Additions	Retirements	December
Equipment and Furniture	1,1998			21,1998
	\$ 447,852	\$ _____	\$ _____	\$ 447,852

Note 8. Changes in General Long-Term Debt

The following is a summary of long-term obligation transactions for the year ended December 31, 1998:

	Capital Lease	General Obligations Bonds	Direct Investment Certificates, Claims and Compressed Securities			Total
			Individuals	and Judgments	Securities	
Balance - January 1, 1998	\$ -	\$ 1,085,000	\$ 265,000	\$ 307,179	\$ 9,981	\$1,668,159
Additions	118,000	-	-	-	6,279	124,279
Retirements	(52,759)	(295,800)	(50,000)	(9,277)	(1,988,931)	
Balance - December 31, 1998	\$ 121,841	\$ 1,289,200	\$ 215,000	\$ 297,902	\$ 10,271	\$1,734,214
					Component Debt Component Assets	
Balance - January 1, 1998						\$ 1,687
Retirements						(1,011)
Balance - December 31, 1998						\$ 676

Capital lease, general obligation bonds, certificates of individuals, and claims and judgments payable at December 31, 1998, are comprised of the following individual items:

Capital Lease - the Jury records items under capital lease as fixed assets and the related obligation in the General Long-Term Debt Account Group. At December 31, 1998, the Jury had one equipment capital lease in effect with an original recorded amount of \$218,000. The following is a schedule of future minimum lease payments together with the present value of the net minimum lease payments as of December 31, 1998:

NOTES TO FINANCIAL STATEMENTS

Year Ending	
December 31,	
1999	\$ 79,544
2000	<u>56,558</u>
Total minimum lease payments	\$ 136,102
Less amounts representing interest	<u>5,828</u>
Present value of net minimum lease payments	<u>\$ 130,274</u>

\$2,100,000-General Obligation Hospital Refunding Bonds, Series 1997 - due in annual installments ranging from \$385,000 to \$450,000 through March 1, 2009. Interest at 4.75% is payable March 1 and September 1 of each year.

On January 30, 1997, the Jury issued \$2,100,000 of general obligation refunding bonds for the purpose of refunding \$2,048,000 of their outstanding 1991 general obligation refunding bonds.

The bonds are secured by an annual ad valorem tax levy. In accordance with R.S. 38-562, the Jury is legally restricted from incurring long-term bonded debt in excess of 10% of the assessed value of taxable property in the parish. As December 31, 1998, the statutory limit is \$8,748,542.

As December 31, 1998, the Jury has accumulated \$768,796 in the Debt Service Fund for future general obligation debt requirements.

Certificate of Indebtedness Series 1993 (Health Unit) - due in annual installments ranging from \$34,000 to \$54,000 through March 1, 2002. Interest at 5.50% is payable March 1 and September 1 of each year.

The Jury issued a certificate of indebtedness to a local bank for \$410,000 to be used for the purpose of constructing and equipping a parish health unit. The certificate of indebtedness will be repaid from a pledge and dedication of a one mill tax to be levied on taxable property within the parish in each of the years 1993 through 2001, inclusive.

Certificate of Indebtedness Series 1996 (Library) - due in annual installments ranging from \$11,000 to \$20,000 through March 1, 2006. Interest of 5.75% is payable March 1 and September 1 of each year.

NOTES TO FINANCIAL STATEMENTS

The Jury issued another certificate of indebtedness to a local bank for \$75,000 which was advanced to Morehouse Parish Library for the purpose of acquiring a public library building, including equipment and furnishings. This certificate of indebtedness and interest thereon will be repaid by reimbursement from Morehouse Parish Library, which has a pledge and dedication of a 3.25 mill tax to be levied on taxable property within the parish for the years 1990 to 1999, inclusive.

Claims and Judgments - the settlement of a lawsuit in February, 1994, by the Jury resulted in a long-term debt in the amount of \$139,771. This amount was calculated by discounting the long-term portion of the required monthly payments to present value at 3.50%. The settlement will be paid by monthly installments ranging from \$1,000 to \$1,250 through February, 2012.

The annual requirements to amortize all capital leases, bonds, certificates of indebtedness, and claims and judgments outstanding as of December 31, 1998, including interest payments of \$201,320 are as follows:

Year Ending December 31,	Capital Lease	General Obligation Bonds	Certificates of Indebtedness	Claims and Judgments	Totals
1999	\$ 75,000	\$ 461,320	\$ 76,400	\$ 13,200	\$ 626,120
2000	56,958	461,455	76,357	13,150	608,120
2001	-	460,640	56,000	13,200	529,900
2002	-	-	11,362	13,200	24,562
2003	-	-	-	13,750	13,750
Thereafter	-	-	-	116,350	116,350
	<u>\$ 132,000</u>	<u>\$ 1,383,415</u>	<u>\$ 370,357</u>	<u>\$ 182,850</u>	<u>\$ 1,969,522</u>

At December 31, 1998, employees of the Jury and component units had accumulated and vested \$16,221 and \$1,871, respectively, of employee leave benefits, which were computed in accordance with GASB Codification Section C60. The Jury's obligation is recorded within the General Long-Term Debt Account Group and the component units' obligations are accounted for within the individual funds.

NOTES TO FINANCIAL STATEMENTS

Note 9. Pension Plan and Other Pension Liabilities

Plan Descriptions

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

All permanent employees, working at least 28 hours per week who are paid wholly or in part from parish funds, and all elected parish officials are eligible to participate in the System. Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to three percent of their final-average salary for each year of creditable service. However, for those employees who were members of the supplemental plan only before January 1, 1990, the benefit is equal to one percent of final-average salary plus \$24 for each year of supplemental-plan-only service earned before January 1, 1990, plus three percent of final-average salary for each year of service credited after the revision date.

Final-average salary is the employee's average salary over the 36 consecutive or joined months that produces the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and acquired supplementary information for the System. That report may be obtained by writing to Parochial Employees' Retirement System, Post Office Box 14619, Baton Rouge, Louisiana 70899-4619, or by calling (225)928-1541.

NOTES TO FINANCIAL STATEMENTS

Funding Policy:

Under Plan A, members are required by state statute to contribute 9.5 percent of their annual covered salary and the Jury is required to contribute at an actuarially determined rate. The current rate is 7.75 percent of annual covered payroll. Contributions to the System also include one-fourth of one percent (except Orleans and East Baton Rouge Parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Jury are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:503, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Jury's contributions to the System under Plan A for the years ended December 31, 1998, 1997 and 1996 were \$47,584, \$44,653 and \$58,562, respectively, equal to the required contributions for each year.

Other Pension Liability:

The Jury pays a portion of the salaries for employees of the registrar of voters and Fourth Judicial District Criminal Court. These employees are also covered by multiple-employer public employees retirement systems. The contributions are considered immaterial with respect to the Jury and the benefit systems as a whole.

Note 16. Deferred Compensation Plan

The Jury offers its full-time employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan permits employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency except for a one-time withdrawal which is subject to certain restrictions.

All assets of the plan, including all deferred amounts, property, and rights purchased with deferred amounts, and all income attributable to such deferred amounts, property, or rights, are held in a trust, custodial account, or annuity contract for the exclusive benefit of the participants and beneficiaries.

Investments are managed by the plan's trustees which offer a number of funds. The choice of the investment option(s) is made by the individual employee.

NOTES TO FINANCIAL STATEMENTS

Note 11. Fund Balance Reservation

The assessment portion of the long-term interfund loan to a component unit, other than those component units included in these reporting entity financial statements, is recorded as a fund balance reservation. This reservation indicates that these funds do not constitute expendable available financial resources and, therefore, are not available for appropriation.

The general obligation bond ordinance requires that the excess assets over liabilities in the Debt Service Fund be restricted for such debt service requirements.

Note 12. Criminal Court Fund Balance

Louisiana Revised Statute 15:571.11 requires that one-half of any balance remaining in the Criminal Court Fund at year end be transferred to the General Fund. However, because of constraints related to funding the Criminal Court Fund, the Jury has elected not to transfer any amounts due from Fourth Judicial District Criminal Court.

Note 13. On-Behalf Payments for Salaries

For the year ended December 31, 1998, the Jury recognized revenue and expenditures of \$14,480 in salary supplements from State of Louisiana paid directly to justices of the peace and constables.

Note 14. Contingencies and Risk Management

The Jury is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Jury carries commercial insurance for all risks of loss, including worker's compensation and employee health and accident insurance. Settlements have not exceeded insurance coverage for the current year or the three prior years. (See claims and judgments discussed in Note 8.)

The Jury has been named as the defendant in four lawsuits which are pending as of the date of this report. The lawsuits have arisen principally in the normal course of operations and all relate to risks which are commercially insured. The Jury's legal counsel is of the opinion that the outcome of these lawsuits will not have a material adverse effect on the accompanying financial statements. Accordingly, no provision for any losses have been recorded for these pending lawsuits.

NOTES TO FINANCIAL STATEMENTS

The Jury participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies, therefore, to the extent that the Jury has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectibility of any related receivable at December 31, 1958, may be impaired. In the opinion of the Jury's management, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

COMBINING FINANCIAL STATEMENTS

SPECIAL REVENUE FUNDS

Account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Primary Government:

Road Maintenance Fund - constructing, maintaining, and repairing public roads and bridges in the parish.

Drainage Maintenance Fund - maintaining drainage canals and ditches in the parish and for acquiring, maintaining, and/or operating drainage machinery and equipment.

Building Maintenance Fund - constructing, repairing, renovating, equipping, maintaining, and operating public buildings in the parish.

Solid Waste Fund - (a) constructing, acquiring, maintaining, improving, and operating a solid waste collection and disposal system for the parish, and (b) constructing, maintaining, and improving roads and bridges in the parish.

Health Unit Fund - constructing, equipping, maintaining, and operating a health unit for the parish.

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

Courthouse and Detention Center Fund - (a) constructing, renovating, equipping, and furnishing the parish courthouse, and (b) acquiring, constructing, equipping, and furnishing a parish detention center, including payment of costs of relocation and temporary quarters for parish offices during such construction and renovation.

Component Units:

Ward Two Cemetery Fund - maintenance and upkeep of public cemeteries in Ward Two of the parish.

Barrow Fire District Two Fund - (a) constructing, purchasing, and maintaining equipment, and (b) maintaining and operating fire protection facilities, including the hiring of additional manpower for the District.

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

MOREHOUSE PARISH POLICE FUND
BASTROP, LOUISIANA

SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
December 31, 1988

	Road Maintenance	Drainage Maintenance	Building Maintenance
ASSETS			
Cash and cash equivalents	\$ 274,718	\$ 485,596	\$ 210,007
Investments	-	-	-
Receivables	938,842	208,598	138,958
Due from other funds	<u>-</u>	<u>16,264</u>	<u>-</u>
Total assets	<u>\$ 1,213,560</u>	<u>\$ 630,458</u>	<u>\$ 348,965</u>
LIABILITIES AND EQUITY			
Liabilities:			
Accounts payable	\$ 14,608	\$ 6,632	\$ 24,226
Deposits due to others	500	-	-
Due to other funds	<u>67,001</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>\$ 82,109</u>	<u>\$ 6,632</u>	<u>\$ 24,226</u>
Equity:			
Fund balances - unreserved and unassigned	<u>\$ 751,431</u>	<u>\$ 623,823</u>	<u>\$ 324,739</u>
Total liabilities and equity	<u>\$ 1,213,560</u>	<u>\$ 630,458</u>	<u>\$ 348,965</u>

Solid Waste	Health Unit	Waste Fee	Courthouse and Detention Center	Total
\$ 442,488	\$ 87,483	\$ 48,253	\$ 1,688,872	\$ 1,158,587
780,000	25,000	-	858,800	1,575,000
20,648	97,844	1,848	438,760	1,477,097
<u>843</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,564</u>
<u>\$ 1,163,496</u>	<u>\$ 219,939</u>	<u>\$ 51,101</u>	<u>\$ 2,976,632</u>	<u>\$ 6,227,048</u>
\$ 94,803	\$ 2,944	\$ -	\$ 132,997	\$ 295,612
-	-	-	-	588
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>87,021</u>
<u>\$ 94,803</u>	<u>\$ 2,944</u>	<u>\$ -</u>	<u>\$ 132,997</u>	<u>\$ 305,113</u>
\$ 1,868,803	\$ 216,583	\$ 51,901	\$ 2,818,833	\$ 5,863,565
<u>\$ 1,163,496</u>	<u>\$ 219,939</u>	<u>\$ 51,101</u>	<u>\$ 2,976,632</u>	<u>\$ 6,227,048</u>

**MOOREHOUSE PARISH POLICE JURY
BASTROP, LOUISIANA**

**SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
Year Ended December 31, 1998**

	Road Maintenance	Drainage Maintenance	Building Maintenance
Revenues:			
Taxes	\$ 477,005	\$ 217,543	\$ 108,525
Intergovernmental	274,648	-	-
Fees, charges and commissions for services interest and miscellaneous	28,472	18,558	29,334
	<u>\$ 1,080,154</u>	<u>\$ 235,999</u>	<u>\$ 137,859</u>
Expenditures:			
Current:			
General government:			
Judicial	\$ -	\$ -	\$ -
Other	-	-	61,488
Public safety	1,154,028	29,760	64,813
Public works	-	-	-
Health and welfare	-	-	-
Debt service:			
Principal	-	-	-
Interest	-	-	-
Capital outlay	298,601	-	-
	<u>\$ 1,452,629</u>	<u>\$ 29,760</u>	<u>\$ 126,301</u>
Excess (deficiency) of revenues over expenditures	\$ 372,435	\$ 206,239	\$ 14,558
Other financing sources (uses):			
Sale of assets	830	-	-
Proceeds from capital leases	210,089	-	-
Operating transfers in (out)	<u>28,675</u>	<u>150</u>	<u>540</u>

Solid Waste	Health Unit	Witness Fee	Courthouse and Detention Center	Totals
\$ 1,390,896	\$ 96,577	\$ -	\$ 3,841,793	\$ 5,902,327
-	-	-	-	574,646
-	-	21,795	-	21,795
<u>98,178</u>	<u>5,891</u>	<u>1,773</u>	<u>115,438</u>	<u>237,685</u>
\$ 1,429,074	\$ 102,568	\$ 23,368	\$ 3,137,231	\$ 4,138,453

\$ -	\$ -	\$ 19,625	\$ -	\$ 19,625
-	-	-	-	61,486
-	-	-	96,464	96,464
2,551,493	-	-	-	3,797,804
-	13,379	-	-	13,379
-	45,800	-	-	45,800
-	18,258	-	-	18,258
-	-	-	2,008,575	3,199,176
\$ 3,551,493	\$ 66,617	\$ 19,625	\$ 2,008,575	\$ 5,249,493

\$ 1,122,419	\$ 38,831	\$ 3,843	\$ 168,392	\$ 1,064,000
-	-	-	-	856
-	-	-	-	219,000
<u>(84,988)</u>	<u>(370)</u>	<u>-</u>	<u>(18,860)</u>	<u>(96,842)</u>

(continued)

MOOREHOUSE PARISH POLICE JURY
 BASTROP, LOUISIANA

SPECIAL REVENUE FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES (Continued)
 Year Ended December 31, 1998

	Road Maintenance	Drainage Maintenance	Building Maintenance
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	\$ (136,964)	\$ 286,879	\$ 34,606
Fund balances - beginning	<u>888,285</u>	<u>425,244</u>	<u>293,252</u>
Fund balances - ending	<u>\$ 751,321</u>	<u>\$ 712,123</u>	<u>\$ 327,858</u>

	Field Units	Health Unit	Witness For	Courthouse and Detention Center	Totals
\$	1,167,000	\$ 39,999	\$ 3,945	\$ 144,332	\$ 880,850
_____	<u>2,739,806</u>	<u>181,426</u>	<u>47,158</u>	<u>2,672,763</u>	<u>6,742,995</u>
\$	<u>1,068,821</u>	\$ <u>218,983</u>	\$ <u>51,121</u>	\$ <u>2,818,035</u>	\$ <u>3,800,960</u>

MOREHOUSE PARISH POLICE JURY
BASTROP, LOUISIANA

COMPONENT UNITS - GOVERNMENTAL FUND TYPES - SPECIAL REVENUE
COMBINING BALANCE SHEET
December 31, 1968

	Wood Two Centers	Bastrop Fire District Two	Criminal Court	Total
ASSETS AND OTHER DEBIT				
<i>Assets:</i>				
Cash and cash equivalents	\$ 5,361	\$ 188,994	\$ 8,084	\$ 298,439
Receivables	19,190	251,547	19,199	470,936
Fixed assets	12,788	430,320	4,788	647,938
<i>Other debit:</i>				
Amount to be provided for retirement of general long- term debt	-	-	1,671	1,671
Total assets and other debit	\$ 37,349	\$ 870,861	\$ 22,736	\$ 930,946
LIABILITIES, EQUITY AND OTHER CREDIT				
<i>Liabilities:</i>				
Accounts payable	\$ 382	\$ 3,534	\$ 149	\$ 4,065
Compensated absences payable	-	-	1,671	1,671
Total liabilities	\$ 382	\$ 3,534	\$ 1,820	\$ 5,736
<i>Equity and other credit:</i>				
Investment in general fixed assets	\$ 12,788	\$ 430,320	\$ 4,788	\$ 647,938
Fund balances - unreserved and undesignated	24,879	433,697	16,130	474,706
Total equity and other credit	\$ 37,667	\$ 863,937	\$ 20,918	\$ 922,522
Total liabilities, equity and other credit	\$ 37,749	\$ 877,471	\$ 22,738	\$ 922,958

**MOREHOUSE PARISH POLICE JURY
BASTROP, LOUISIANA**

**COMPONENT UNITS - GOVERNMENTAL FUND TYPES - SPECIAL REVENUE
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
Year Ended December 31, 1998**

	Ward Two Constitute	Bastrop Fire District Two	Criminal Court	Totals
Revenues:				
Taxes	\$ 19,178	\$ 114,138	\$ -	\$ 133,317
Intergovernmental	643	346,390	-	347,033
Fines and forfeitures	-	-	242,289	242,289
Interest and miscellaneous	708	16,808	8,182	25,700
	<u>\$ 20,530</u>	<u>\$ 377,336</u>	<u>\$ 250,471</u>	<u>\$ 648,337</u>
Expenditures:				
Current:				
General government:				
Judicial	\$ -	\$ -	\$ 281,632	\$ 281,632
Public safety	-	341,534	-	341,534
Health and welfare	8,297	-	-	8,297
	<u>\$ 8,297</u>	<u>\$ 341,534</u>	<u>\$ 281,632</u>	<u>\$ 631,463</u>
Excess (deficiency) of revenues over expenditures	\$ 12,233	\$ 35,802	\$(31,161)	\$ 17,875
Other financing sources (uses):				
Operating transfers in (out)	(43)	-	-	(43)
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	\$ 12,190	\$ 35,802	\$(31,161)	\$ 17,827
Fund balances - beginning	11,635	489,202	46,791	647,628
Fund balances - ending	\$ 23,825	\$ 425,004	\$ 15,630	\$ 664,459

SUPPLEMENTARY INFORMATION

MOREHOUSE PARISH POLICE JURY
BASTROP, LOUISIANA

SCHEDULE OF JURORS' COMPENSATION
Year Ended December 31, 1998

The schedule of compensation paid to jurors is presented in compliance with House Concurrent Resolution No. 34 of the 1979 Session of the Louisiana Legislature. Compensation of the jurors is included in the legislative expenditures of the General Fund. In accordance with Louisiana Revised Statute 33:1223, the Jury has elected the monthly payment method of compensation. Under this method, the jurors receive \$525 to \$575 per month each as follows:

James W. Brum, III	\$ 6,300
Coil Cain	6,500
Calvin B. Lambert	6,500
Leo Leche	6,500
Terry R. Matthews	6,500
Harry Rouse, Sr.	6,500
D.W. Thomas, Jr.	<u>6,500</u>
Total jurors' compensation	<u>\$ 47,300</u>

MOOREHOUSE PARISH POLICE JURY
BASTROP, LOUISIANA

YEAR 2000 ISSUE (UNAUDITED)
Year Ended December 31, 1998

The Year 2000 issue is the result of shortcomings in many electronic data processing systems and other electronic equipment that may adversely affect the Jury's operations as early as fiscal year 1999.

Moorehouse Parish Police Jury has completed an inventory of computer systems and other electronic equipment that may be affected by the Year 2000 issue and that are necessary to conducting the Jury's operations. Based on this inventory, the Jury has, as of the date of this report, purchased from outside vendors, hardware and software believed to be year 2000 compliant for the financial reporting systems. Testing and validation of the systems are in process as of the date of this report.

Because of the unprecedented nature of the Year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Management cannot assure that the Jury is or will be year 2000 ready, that the Jury's remediation efforts will be successful in whole or in part, or that parties with whom the Jury does business will be year 2000 ready.

WAREHOUSE PARISH POLICE JURY
BASTROP, LOUISIANA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 1998

Federal Grants/Pass Through Grants/Program Title	Federal CFDA Number	Expenditure
Department of Housing and Urban Development: Section 8 Rental Voucher Program	14.855	<u>\$ 312,128</u>

See notes to schedule of expenditures of federal awards.

MOOREHOUSE PARISH POLICE JURY
BASTROP, LOUISIANA

NOTES TO SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS
Year Ended December 31, 1988

Note 1. Basis of Presentation

The schedule of expenditures of federal awards includes the federal grant activity of Moorehouse Parish Police Jury and is being presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audit of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the presentation of, the general-purpose financial statements.

Note 2. Subrecipient

Of the federal expenditures presented in the schedule, the Jury provided \$312,120 of the Section 8 Rental Voucher Program to a subrecipient.

HILL, INZINA & COMPANY

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

Police Jury
Morehouse Parish Police Jury
Bastrop, Louisiana

We have audited the general-purpose financial statements of Morehouse Parish Police Jury, as of and for the year ended December 31, 1998, and have issued our report thereon dated June 4, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Jury's general-purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with these provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 98-1.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Jury's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general-purpose financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Jury's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying schedule of findings as item 98-3.

-40-

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all weaknesses 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 consider the reportable condition described above to be a material weakness.

This report is intended solely for the information and use of management, others within the organization, Police forces, and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

Bill Meyer & Co.

June 4, 1999

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

Police James
Mandeville Parish Police Jury
Bastrop, Louisiana

Compliance

We have audited the compliance of Mandeville Parish Police Jury with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to its major federal programs for the year ended December 31, 1998. Mandeville Parish Police Jury's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal program is the responsibility of the Jury's management. Our responsibility is to express an opinion on the Jury's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and OMB Circular A-133, *Audit of State, Local Government, 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 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 Jury's compliance with those requirements.

In our opinion, Mandeville Parish Police Jury complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 1998.

Internal Control Over Compliance

The management of Massachusetts Parole Police Jury is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the 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 the internal control over compliance in accordance with OMB Circular A-133.

We noted a certain matter involving the internal control over compliance and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect the Jury's ability to administer a major federal program in accordance with the applicable requirements of laws, regulations, contracts, and grants. The reportable condition is described in the accompanying schedule of findings as item 59-2.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with the applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance 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 consider the reportable condition described above to be a material weakness.

This report is intended solely for the information and use of management, others within the organization, Police Jury, and Federal awarding agencies and is not intended to be and should not be used by anyone other than those specified parties.

Price, Grigori & Co.

June 4, 1989

MORHOUSE PARISH POLICE JURY
BASTROP, LOUISIANA

SCHEDULE OF FINDINGS
Year Ended December 31, 1998

We have audited the general-purpose financial statements of Morhouse Parish Police Jury as of and for the year ended December 31, 1998, and have issued our report thereon dated June 4, 1999. We conducted our audit in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the provisions of OMB Circular A-133, *Audit of States, Local Governments, and Non-Profit Organizations*. Our audit of the financial statements as of December 31, 1998, resulted in an unqualified opinion.

Section I - Summary of Auditor's Reports

a. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses Yes No Reportable Conditions Yes No

Compliance

Compliance Material to Financial Statements Yes No

b. Federal Awards

Internal Control

Material Weaknesses Yes No Reportable Conditions Yes No

Type of Opinion On Compliance
For Major Programs

Unqualified Qualified
Disclaimer Adverse

Are there findings required to be reported in accordance with Circular A-133, Section .510(g)?

Yes No

c. Identification of Major Programs:

CFDA Number 14.855

Section 8 Rental Voucher Program

1. Dollar threshold used to distinguish between Type A and Type B Programs \$300,000
2. Is the auditee a "low-risk" auditee, as defined by OMB Circular A-11.5? Yes No

Section II - Financial Statement Findings

1998-1 Budgeting (initial citing)

Criteria:	The Local Government Budget Act requires that the governing authority amend its budget when notified that actual receipts plus projected revenue collections for year end will fail to meet budgeted revenues by 5% or more.
Condition:	Revenue of the Hastings Fire District Two (component unit) for the year ended December 31, 1998, at \$232,183 failed to meet budgeted revenues of \$249,904 by \$17,716 or 7.13%.
Effect:	The component unit was in violation of the Local Government Budget Act.
Cause:	The chief executive officer, or equivalent, did not periodically monitor the budget and/or notify the governing authority that actual revenues were failing to meet budgeted revenues.
Recommendation:	Future budgets should be periodically monitored and amended under the provisions of the Local Government Budget Act.
Management's response and planned corrective action:	The chief executive officer, or equivalent, will periodically monitor the budget and notify the Jury in writing during the year when actual receipts plus projected revenue collections will fail to meet budgeted revenues by 5% or more, or when actual expenditures plus projected expenditures to year end will exceed budgeted expenditures by 5% or more.

Section III - Federal Award Findings

1998-2 Inadequate Segregation of Duties (finding was first cited in audits conducted by our firm as of and for the two years ended December 31, 1993)

Criteria:	Adequate segregation of duties is essential to a proper internal control structure.
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Condition:	The segregation of duties is inadequate to provide effective internal control.
Efficacy:	Not determined.
Cause:	The condition is due to economic and space limitations.
Recommendation:	No action is recommended.
Management's response and planned corrective actions:	We concur in the finding, but it is not economically feasible nor does space allow for corrective actions to be taken.

NORFOLK PARISH POLICE JURY
RASTROP, LOUISIANA

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
Year Ended December 31, 1998

Section I - Internal Control and Compliance Material to Financial Statements

1997-1 Inadequate Segregation of Duties

Adequate segregation of duties is essential to proper internal control.

Unresolved - 1998-1.

Section II - Internal Control and Compliance Material to Federal Awards

1997-1 Inadequate Segregation of Duties

Adequate segregation of duties is essential to proper internal control.

Unresolved - 1998-1.

Section III - Management Letter

None issued.