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MOREHOUSE PARISH POLICE T.R.N.
RASTROP, LOUISIANA

FINANCIAL REPORT

December 31, 1997

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, 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 JUL 22 1999

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

Police Jury
Mirochouze Parish Police Jury
Bastrop, Louisiana

We have audited the accompanying general-purpose financial statements of Mirochouze Parish Police Jury, primary government, as of and for the year ended December 31, 1997, as listed in the table of contents. These general-purpose financial statements are the responsibility of the management of Mirochouze 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 Fire 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 described 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 Mirochouze Parish Police Jury, as of December 31, 1997, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Governments Auditing Standards*, we have also issued our report dated June 3, 1998, on our consideration of Morehouse 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 was conducted for the purpose of forming an opinion on the general-purpose financial statements taken as a whole. The combining financial statements and financial information listed as a supplementary schedule 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 Morehouse Parish Police Jury. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general-purpose financial statements taken as a whole.

June 3, 1998

Will, Poirier & Co.

GENERAL PURPOSE UNIT FINANCIAL STATEMENTS
(COMBINED STATEMENTS - CONTINUED)

MOREHOUSE PARISH POLICE JURY
BASTROP, LOUISIANA

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

December 31, 1987

With Comparative Totals for December 31, 1986

ASSETS AND OTHER DEBITS	Governmental Fund Types		
	General	Special Revenues	Debt Service
<i>Assets:</i>			
Cash and cash equivalents	\$ 947,943	\$ 3,475,027	\$ 51,519
Investments	-	2,350,089	288,800
Receivables	366,368	1,302,987	448,871
Due from other funds	90,487	16,584	-
Due from other component unit	53,283	-	-
Fixed assets	-	-	-
<i>Other debits:</i>			
Amount available in Debt Service Fund	-	-	-
Amount to be provided for retirement of general long-term debt	-	-	-
Total assets and other debits	\$ 1,817,999	\$ 6,944,586	\$ 751,999

Account Group		Primary Government Totals - (Memorandum Only)	Component Units	Reporting Entity Totals - (Memorandum Only)	
General Fund Assets	General Long-Term Debt			December 31, 2021 2020	
\$ -	\$ -	\$ 4,874,889	\$ 128,539	\$ 4,201,428	\$ 2,722,483
-	-	2,410,080	128,080	2,320,080	1,400,080
-	-	2,099,378	218,625	2,327,489	2,398,377
-	-	67,021	-	67,021	-
-	-	51,283	-	50,283	71,137
5,892,168	-	2,892,160	447,888	6,340,048	5,648,897
-	797,331	797,331	-	797,331	740,390
-	1,333,522	1,333,522	-	1,333,522	1,744,876
<u>\$ 5,892,168</u>	<u>\$ 2,000,853</u>	<u>\$ 18,977,490</u>	<u>\$ 912,462</u>	<u>\$ 17,998,652</u>	<u>\$ 14,724,363</u>

(continued)

**MOOREHOUSE PARISH POLICE JURY
BASTROP, LOUISIANA**

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

(Continued)

December 31, 1997

With Comparative Totals for December 31, 1996

LIABILITIES, EQUITY AND OTHER CREDITS	Governmental Fund Types		
	General	Special Revenues	Debt Service
Liabilities:			
Accounts payable	\$ 36,341	\$ 133,601	\$ 14,658
Due to other funds	-	87,023	-
General obligation bonds payable	-	-	-
Certificates of indebtedness payable	-	-	-
Claims and judgments payable	8,812	-	-
Compensated absences payable	-	-	-
Total liabilities	\$ 45,153	\$ 220,624	\$ 14,658
Equity and other credits:			
Investment in general fixed assets	\$ -	\$ -	\$ -
Fund balances:			
Reserved for long-term loan to component unit	57,000	-	-
Reserved for debt service	-	-	757,331
Unreserved and undesignated	813,644	6,743,966	-
Total equity and other credits	\$ 870,644	\$ 6,743,966	\$ 757,331
Total liabilities, equity and other credits	\$ 1,315,797	\$ 6,964,590	\$ 772,089

See notes to financial statements.

Account Groups		Primary Government Totals - (Memorandum Only)	Component Units	Reporting Entity Totals - (Memorandum Only)	
General Fund Accounts	General Long-Term Debt			December 31, 1997 1998	
\$ -	\$ -	\$ 184,801	\$ 5,346	\$ 198,147	\$ 112,474
-	-	67,821	-	67,821	-
-	1,688,000	1,688,800	-	1,688,800	1,040,000
-	266,000	266,800	-	266,800	127,000
-	107,179	115,991	-	115,991	157,466
-	12,624	12,624	-	12,624	-
<u>\$ -</u>	<u>\$ 2,073,803</u>	<u>\$ 3,331,487</u>	<u>\$ 5,346</u>	<u>\$ 2,336,833</u>	<u>\$ 2,636,940</u>
\$ 5,893,168	\$ -	\$ 5,882,168	\$ 447,888	\$ 6,340,048	\$ 3,646,887
-	-	97,000	-	97,000	75,000
-	-	737,538	-	737,538	388,196
-	-	7,699,612	499,728	8,198,840	5,628,133
<u>\$ 5,893,168</u>	<u>\$ -</u>	<u>\$ 14,366,108</u>	<u>\$ 947,116</u>	<u>\$ 15,373,216</u>	<u>\$ 12,887,420</u>
<u>\$ 5,893,168</u>	<u>\$ 2,073,803</u>	<u>\$ 16,677,599</u>	<u>\$ 912,862</u>	<u>\$ 17,590,032</u>	<u>\$ 14,724,380</u>

**MOOREHOUSE PARISH POLICE JURY
BASTROP, LOUISIANA**

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

Year Ended December 31, 1997

With Comparative Totals for Year Ended December 31, 1996

	General	Special Revenues	Debt Service
Revenues:			
Taxes	\$ 395,137	\$ 4,874,465	\$ 474,249
Licenses and permits	89,964	-	-
Intergovernmental	923,728	862,375	-
Fees, charges and commissions for services	644	22,998	-
Fines and forfeitures	-	-	-
Interest and miscellaneous	80,768	237,825	13,824
	<u>\$ 1,370,238</u>	<u>\$ 5,977,231</u>	<u>\$ 498,024</u>
Expenditures:			
Current:			
General government:			
Legislative	\$ 83,214	\$ -	\$ -
Judicial	283,407	19,182	-
Elections	23,996	-	-
Finance and administrative	399,153	-	18,254
Other	64,788	47,932	-
Public safety	325,126	39,995	-
Public works	-	2,494,489	-
Health and welfare	93,781	17,848	-
Culture and recreation	10,228	-	-
Economic development and assistance	258,963	-	-
Claims and judgments	-	-	-
Debt service:			
Principal	18,000	43,080	415,800
Interest	6,089	12,678	105,396
Costs of issuance	-	-	34,133
Capital outlay	-	761,831	-
	<u>\$ 1,385,737</u>	<u>\$ 3,386,330</u>	<u>\$ 592,824</u>

See notes to financial statements.

Primary Government Totals - (Memorandum Only)	Component Units	Reporting Entity Totals - (Memorandum Only)	
		1997	1996
\$ 3,643,881	\$ 114,232	\$ 3,758,083	\$ 3,442,554
89,964	-	89,964	89,783
1,486,160	277,170	1,763,275	1,802,179
23,238	-	23,230	23,424
-	292,849	292,849	235,741
<u>318,145</u>	<u>11,209</u>	<u>329,498</u>	<u>293,825</u>
\$ 3,957,384	\$ 694,650	\$ 4,213,945	\$ 3,689,384

\$ 63,214	\$ -	\$ 63,214	\$ 58,153
219,949	349,808	472,777	398,087
38,996	-	38,996	38,128
313,987	-	313,987	304,371
114,788	-	114,708	106,328
365,321	260,129	625,250	512,347
2,404,480	-	2,404,480	2,189,830
117,629	8,090	125,719	119,341
18,226	-	18,226	652
218,363	-	218,363	196,070
-	-	-	30,900
478,000	-	478,000	376,000
124,159	-	124,159	109,108
66,132	-	66,132	-
<u>761,851</u>	<u>-</u>	<u>761,851</u>	<u>194,500</u>
\$ 4,289,588	\$ 918,027	\$ 5,803,182	\$ 4,828,331

(continued)

**MOREHOUSE PARISH POLICE JURY
BASTROP, LOUISIANA**

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

Year Ended December 31, 1997

With Comparative Totals for Year Ended December 31, 1996

	General	Special Revenue	Debt Service
Excess (deficiency) of revenues over expenditures	\$(15,498)	\$ 2,350,258	\$(63,059)
Other financing sources (uses):			
Sale of assets	217	2,764	-
Proceeds from cert funds of indebtedness	-	-	-
Proceeds of refunding bonds	-	-	2,180,000
Payment to refunded bond success agent	-	-	(2,040,000)
Operating transfer in (out)	(48,537)	48,642	-
Reimbursement of interest paid on funds advanced to other component unit	-	-	-
	-----	-----	-----
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	\$(63,818)	\$ 2,401,005	\$(3,859)
Fund balances - beginning	1,005,464	4,342,561	740,280
Fund balances - ending	<u>\$ 932,646</u>	<u>\$ 6,743,566</u>	<u>\$ 737,321</u>

See notes to financial statements.

Primary Government Totals - (Memorandum Only)	Component Units	Reporting Entity Totals - (Memorandum Only) Year Ended December 31,	
		1997	1998
\$ 2,271,738	\$ 138,625	\$ 2,410,361	\$ 862,173
2,285	-	2,285	1,473
-	-	-	15,000
2,180,000	-	2,180,000	-
(2,040,000)	-	(2,040,000)	-
185	(185)	-	-
<u> </u>	<u> </u>	<u> </u>	<u> 846</u>
\$ 2,334,128	\$ 138,518	\$ 2,472,646	\$ 948,492
<u>6,119,814</u>	<u>300,710</u>	<u>6,440,525</u>	<u>5,500,933</u>
<u>\$ 3,452,942</u>	<u>\$ 439,228</u>	<u>\$ 3,913,171</u>	<u>\$ 6,440,525</u>

**MOBILEHOUSE PARISH POLICE JURY
BASTROP, LOUISIANA**

**COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASES) - GENERAL AND SPECIAL REVENUE FUNDS
Year Ended December 31, 1997**

	General		Variance - Favorable (Unfavorable)
	Budget	Actual	
Revenues:			
Taxes	\$ 287,158	\$ 318,711	\$ 31,553
Licenses and permits	80,800	88,879	(8,079)
Intergovernmental	964,874	915,401	12,727
Fees, charges and commissions for services	800	673	(127)
Fines and forfeitures	-	-	-
Interest and miscellaneous	48,973	87,864	13,488
	<u>\$ 1,342,605</u>	<u>\$ 1,387,129</u>	<u>\$ 44,723</u>
Expenditures:			
Current:			
General government:			
Legislative	\$ 69,048	\$ 63,159	\$ 5,889
Judicial	272,682	256,829	35,853
Elections	54,277	42,477	11,800
Finance and administrative	322,999	291,168	31,831
Other	106,148	71,891	34,257
Public safety	384,152	358,959	25,193
Public works	-	-	-
Health and welfare	98,848	101,035	(2,187)
Culture and recreation	18,747	18,226	521
Economic development and assistance	392,873	298,383	134,310
Debt service:			
Principal	-	18,000	(18,000)
Interest	-	6,885	(6,885)
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 1,711,966</u>	<u>\$ 1,828,959</u>	<u>\$ 283,933</u>

Special Revenue			Component Units		
Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
\$ 5,183,609	\$ 4,844,999	\$ 238,610	\$ 196,621	\$ 121,456	\$ 14,858
-	-	-	-	-	-
450,442	481,189	30,747	255,000	305,889	52,889
25,000	23,177	1,823	-	-	-
-	-	-	223,500	256,087	32,587
<u>521,880</u>	<u>272,974</u>	<u>101,134</u>	<u>21,100</u>	<u>11,288</u>	<u>(9,812)</u>
<u>\$ 5,779,831</u>	<u>\$ 5,672,282</u>	<u>\$ 107,549</u>	<u>\$ 694,221</u>	<u>\$ 694,617</u>	<u>\$ 90,706</u>

\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
23,680	19,138	4,462	256,288	248,671	7,617
-	-	-	-	-	-
-	-	-	-	-	-
74,276	47,852	26,424	-	-	-
93,287	46,684	46,603	364,238	258,802	105,436
3,471,643	2,539,233	1,112,410	-	-	-
41,451	17,870	23,581	9,454	8,126	1,328
-	-	-	-	-	-
-	-	-	-	-	-
53,678	43,690	12,978	-	-	-
-	12,678	(12,678)	-	-	-
<u>4,326,713</u>	<u>2,719,286</u>	<u>1,607,427</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 8,086,928</u>	<u>\$ 5,259,242</u>	<u>\$ 2,827,686</u>	<u>\$ 628,920</u>	<u>\$ 518,799</u>	<u>\$ 110,121</u>

(continued)

**MOREHOUSE PARISH POLICE JURY
BASTROP, LOUISIANA**

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY
BASIS) - GENERAL AND SPECIAL REVENUE FUNDS (Continued)**

Year Ended December 31, 1997

	General		Variance - Favorable (Unfavorable)
	Budget	Actual	(Unfavorable)
Excess (deficiency) of revenues over expenditures	\$(369,157)	\$(40,931)	\$ 328,226
Other financing sources (uses):			
Sale of fixed assets	-	217	217
Repayment of amounts advanced to non-other component unit	-	22,668	22,668
Operating transfers in (out)	<u>1,806,084</u>	<u>1,483,370</u>	<u>322,714</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	\$(429,157)	\$(44,985)	\$ 384,172
Fund balances - beginning (cash basis)	<u>1,836,684</u>	<u>1,836,466</u>	<u>218</u>
Fund balances - ending (cash basis)	<u>\$ 1,407,527</u>	\$ 1,391,481	<u>\$ 16,046</u>
Adjustments to generally accepted accounting principles:			
Revenues accruals		(20,789)	
Due from other component unit accrual		(18,844)	
Claims and judgments accrual		31,188	
Expenditure accruals		<u>11,132</u>	
Fund balances - ending (GAAP basis)		<u>\$ 1,373,666</u>	

See notes to financial statements.

Special Revenue			Component Units		
Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
\$ (1,388,077)	\$ 2,413,037	\$ 4,721,114	\$ (25,749)	\$ 173,818	\$ 200,567
-	2,068	2,068	-	-	-
-	-	-	-	-	-
<u>38,843</u>	<u>48,642</u>	<u>9,799</u>	<u>300</u>	<u>185</u>	<u>95</u>
\$ (2,218,217)	\$ 2,463,747	\$ 4,682,964	\$ (25,949)	\$ 177,713	\$ 203,662
<u>4,342,991</u>	<u>4,342,991</u>	<u>-</u>	<u>326,710</u>	<u>120,718</u>	<u>-</u>
<u>\$ 2,113,724</u>	<u>\$ 6,806,708</u>	<u>\$ 4,682,964</u>	<u>\$ 304,761</u>	<u>\$ 498,431</u>	<u>\$ 303,662</u>
	24,947		(37,968)		
	-		-		
	<u>82,689</u>		<u>1,236</u>		
	<u>\$ 6,781,966</u>		<u>\$ 499,228</u>		

MOREHOUSE PARISH POLICE JURY
BASTROP, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
(PRIMARY GOVERNMENT)

As of and for the Year Ended December 31, 1997

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, 1998.

Louisiana Revised Statute 35:1230 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 31,000. Approximately 348 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
(PRIMARY GOVERNMENT)**

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 inclusion would cause the reporting entity's financial statements to be misleading or incomplete.

GASB 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 includes:

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 fiscally 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
(PRIMARY GOVERNMENT)**

Component Unit	Fiscal Year End	Criteria Used
Basinop 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. 1	12-31	1
Ward Eight Fire Protection District No. 1	12-31	1
Ward Ten Fire Protection District No. 1	12-31	1
Morhousc Parish Library	12-31	2
Water District No. 1	6-30	1
Morhousc General Hospital Service District, Morhousc General Hospital	12-31	1 and 2
Waterworks District No. 2	12-31	1
Collinston Sewerage District No. 1	12-31	1
Morhousc Parish Communications District	12-31	1
Ward Two Cemetery	12-31	1
Morhousc Sales and Use Tax Commission	6-30	2

The Jury has chosen to issue financial statements of the primary government (Jury) and three discretely presented component units (Ward 2-Cemetery, Basinop Fire District 2 and Fourth Judicial District Criminal Court) only; therefore, 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.

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
(PRIMARY GOVERNMENT)**

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 occurs 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 classification 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
(PRIMARY GOVERNMENT)**

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 revenues 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 sources/use) 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, 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
(PRIMARY GOVERNMENT)**

Budgets 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 9, 1998. 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 8, 1997, 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
(PRIMARY GOVERNMENT)

Investments:

Investments are limited by Louisiana Revised Statute 33:2855. If the original maturities 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.

Uncollectible Allowance:

The statements contain 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:

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. Public domain or infrastructures are not capitalized. These assets are irremovable and of value only to the Jury. 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 accruing accumulated personal holidays upon termination of employment.

**NOTES TO FINANCIAL STATEMENTS
(PRIMARY GOVERNMENT)**

In governmental funds, 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 is recorded in the General Long-Term Debt Account Group.

Long-Term Obligations:

Long-term obligations expected to be financed from governmental funds are reported in the General Long-Term Debt Account Group. Expenditures for principal and interest payments for long-term obligations are recognized in the governmental funds when due.

Fund Equity - 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.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecursing or nonroutine 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 levy's property taxes using the assessed value determined by Morehouse Parish Tax Assessor. Revenues from ad valorem taxes are recognized when levied.

**NOTES TO FINANCIAL STATEMENTS
(PRIMARY GOVERNMENT)**

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 revenues. The sales/use taxes are collected by Marchessor Parish Sales and Use Tax Commission and remitted to the Jury.

Total Columns on Combined Statements - Disclosure:

Total columns on the combined statements are captioned "information only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or cash flows in 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.

Note 2. Budget (Cash Basis)

The budget comparison statements included in the accompanying financial statements include the original adopted budgets (cash basis) and all subsequent amendments. The following reconciles the amount (deficiency) of revenues and other financing sources over expenditures and other financing uses as shown in the combined statement of revenues, expenditures and changes in fund balances to the combined statement of revenues, expenditures and changes in fund balances - budget and actual (non-GAAP budgetary basis).

NOTES TO FINANCIAL STATEMENTS
(PRIMARY GOVERNMENT)

	General	Special Revenues
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses - GAAP basis	\$(95,006)	\$ 2,400,000
Adjustments:		
Receivables	20,709	(24,947)
Due from other component unit	18,844	-
Payables	<u>4,113,222</u>	<u>87,682</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses - non-GAAP budgetary basis	<u>\$ 1,457,169</u>	<u>\$ 2,462,735</u>

Note 3. Deposits with Financial Institutions

At December 31, 1997, the Jury and the discretely presented component units had cash, cash equivalents and investments (book balances) as follows:

Interest-bearing demand deposits - Jury	\$ 904,899
Interest-bearing demand deposits - component units	128,518
Time deposits - Jury	5,580,908
Time deposits - component units	<u>1,120,000</u>
	<u>\$ 7,734,325</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of 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, 1997, the Jury and the discretely presented component units had \$7,189,217 in deposits (collected bank balances). These deposits were secured from risk by \$304,000 of federal deposit insurance and \$6,889,217 of pledged securities held by the custodial bank, the Jury's or its agent in the Jury's name (GAAS Category 1 and 2).

**NOTES TO FINANCIAL STATEMENTS
(PRIMARY GOVERNMENT)**

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, 1997.

Note 4. Receivables

A summary of receivables at December 31, 1997, is as follows:

	General	Special Revenue	Debt Service	Totals
Taxes:				
Ad valorem	\$ 300,723	\$ 1,187,009	\$ 435,913	\$ 1,887,256
Beer	3,382	-	-	3,382
Sales	-	3,048	-	3,048
Intergovernmental:				
Severance taxes	64,689	-	-	64,689
Perish transportation	-	80,972	-	80,972
Food stamp	6,454	-	-	6,454
Video poker	23,972	-	-	23,972
Other	3,787	219	-	3,906
Fees, charges and com- missions for services	36	1,317	-	1,353
Interest and miscellaneous	4,323	25,948	1,148	24,430
	<u>\$ 368,306</u>	<u>\$ 1,382,997</u>	<u>\$ 447,071</u>	<u>\$ 2,169,334</u>

**NOTES TO FINANCIAL STATEMENTS
(PRIMARY GOVERNMENT)**

Note 5. Taxes

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

	Authorized Millage	Levied Millage	Expiration Date
General corporate purposes	6.15	6.15	Perpetual
Road maintenance	4.89	4.89	1998
Drainage maintenance	2.23	2.23	1997
Public buildings	.53	.53	2005
Public buildings and health facility	.89	.89	1997
Health unit	.99	.99	2001
Courthouse and detention center	4.80	4.80	1999
Hospital sinking	5.00	5.00	2001

Total ad valorem taxes levied were \$2,678,229 for the above millages. As of December 31, 1997, no amounts were due from prior year tax levies.

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

Taxpayer	Assessed Valuation	Approximate Percentage of Total Assessed Valuation
International Paper Co.	\$ 25,588,400	20.67%
Energy Louisiana, Inc.	4,626,110	3.73%
Texas Gas Transmission Corp.	2,471,220	1.99%
Bellsouth Telecommunications	2,243,130	1.81%
Peoples Water Service Company	1,328,200	1.07%
Southern Natural Gas Co.	1,308,850	1.05%
Georgia-Pacific Corp.	1,268,970	1.02%
Hibernia National Bank	1,246,590	1.00%
Tennessee Gas Pipeline	1,184,060	.95%
Necon Gas Transmission	1,084,660	.87%

**NOTES TO FINANCIAL STATEMENTS
(PRIMARY GOVERNMENT)**

During the year ended December 31, 1997, sales taxes of 1.6% were levied as follows:

Rate	Purpose	Expiration Date
1%	(i) constructing, renovating, equipping and furnishing the Marshouse Parish Courthouse and (ii) acquiring, constructing, equipping and furnishing a Marshouse 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
0.6%	(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 Marshouse Parish.	April 30, 2000

Note 6. Due From/To Other Funds

A summary of amounts due from/to other funds at December 31, 1997, is as follows:

Receivable Fund	Payable Fund	Amount
General	Road Maintenance	\$ 38,457
Drainage Maintenance	Road Maintenance	15,264
Solid Waste	Road Maintenance	308
		<u>\$ 63,029</u>

Note 7. Changes in Fixed Assets

A summary of changes in the General Fixed Assets Account Group is as follows:

	Balance January 1, 1997		Additions	Retirements	Balance December 31, 1997	
Land	\$ 185,724	\$ 388,800	\$ -	\$ -	\$ 488,724	
Buildings	3,138,348	138,800	790	790	3,272,588	
Equipment and Furniture	3,781,580	445,488	117,450	117,450	3,179,068	
Totals	<u>\$ 5,205,652</u>	<u>\$ 801,488</u>	<u>\$ 118,240</u>	<u>\$ 118,240</u>	<u>\$ 5,802,160</u>	

NOTES TO FINANCIAL STATEMENTS
(PRIMARY GOVERNMENT)

Note 8. Changes in General Long-Term Debt

The following is a summary of long-term obligation transactions for the year ended December 31, 1997:

	General Obligation Bonds	Certificates of Indebtedness	Claims and Judgments	Compensated Absences	Totals
Balance - January 1, 1997	\$2,046,800	\$ 327,000	\$ 117,466	\$ -	\$2,489,666
Additions	2,108,800	-	-	12,674	2,112,674
Retirements	<u>2,485,800</u>	<u>61,800</u>	<u>18,287</u>	<u>-</u>	<u>2,526,787</u>
Balance - December 31, 1997	<u>\$1,685,000</u>	<u>\$ 266,000</u>	<u>\$ 107,179</u>	<u>\$ 12,674</u>	<u>\$2,070,853</u>

General obligation bonds, certificates of indebtedness and claims and judgments payable at December 31, 1997, are comprised of the following individual issues:

\$2,000,000 General Obligation Hospital Refunding Bonds, Series 1992 - due in annual installments ranging from \$295,000 to \$450,000 through March 1, 2001. Interest at 4.75% is payable March 1 and September 1 of each year.

On January 30, 1997, the City issued \$2,100,000 of general obligation refunding bonds for the purpose of refunding \$2,046,000 of then outstanding 1991 general obligation refunding bonds. The refunded 1991 bonds carried an interest rate of 6.75% and were due in annual installments ranging from \$170,000 to \$900,000, with the final payment due March 1, 2002.

Total proceeds of \$2,100,000 and an additional \$15,000 from the existing sinking fund moneys of the Debt Service Fund were used to refund the \$2,046,000 of 1991 outstanding bonds, pay accrued interest of \$56,993 on refunded bonds and pay costs of issuance and other related costs totaling \$18,007.

**NOTES TO FINANCIAL STATEMENTS
(PRIMARY GOVERNMENTS)**

The Jury refunded the 1991 bonds to benefit from declines in interest rates. The following savings information was provided by the Jury's counselors:

Net savings from refunding	\$ 75,633
Present value of net savings	\$ 62,998
Present value of net savings as a percentage of refunded principal	3.24%
Average annual savings	\$ 18,229

The 1997 bonds are secured by an annual ad valorem tax levy. In accordance with R.S. 39:363, 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. At December 31, 1997, the statutory limit is \$12,798,926.

At December 31, 1997, the Jury has accumulated \$737,231 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 3.95% 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 \$15,000 to \$20,000 through March 1, 2006. Interest at 5.79% is payable March 1 and September 1 of each year.

The Jury issued another certificate of indebtedness to a local bank for \$75,000 which was advanced to Morhouse 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 Morhouse Parish Library, which has a pledge and dedication of a 3.29 mill tax to be levied on taxable property within the parish for the years 1996 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 \$139,777. This amount was calculated by discounting the long-term portion of the required monthly payments to present value at 5.90%. The settlement will be paid by monthly installments ranging from \$1,000 to \$1,250 through February, 2012.

**NOTES TO FINANCIAL STATEMENTS
(PRIMARY GOVERNMENT)**

The annual requirements to amortize all bonds, certificates of indebtedness and claims and judgments outstanding as of December 31, 1997, including interest payments of \$182,441 are as follows:

Year Ending December 31,	General Obligation Bonds	Certificate of Indebtedness	Claims and Judgments	Totals
1998	\$ 465,359	\$ 76,617	\$ 11,350	\$ 553,326
1999	481,330	76,408	12,600	570,338
2000	481,483	76,587	13,100	571,170
2001	480,642	50,090	13,200	539,932
2002	-	11,302	13,200	24,502
Thereafter	-	-	131,800	131,800
	<u>\$ 1,348,714</u>	<u>\$ 190,594</u>	<u>\$ 185,150</u>	<u>\$ 1,724,458</u>

At December 31, 1997, employees of the Jury had accumulated and vested \$12,674 of employee leave benefits, which was computed in accordance with GASB Codification Section 506. This amount is recorded within the General Long-Term Debt Account Group.

Note 9. Pension Plan and Other Pension Liabilities

Plan Description:

Substantially all employees of Monroeville Parish Police Jury are members of Parochial Employees' Retirement System of Louisiana (the "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.

NOTES TO FINANCIAL STATEMENTS
(PRIMARY GOVERNMENT)

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 Systems. Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service, or at or after age 55 with at least 25 years of creditable service or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to three percent of their final-average salary for each year of creditable service. However, for those employees who were members of the supplemental plan only before January 1, 1980, the benefit is equal to one percent of final-average salary plus \$24 for each year of supplemental-plan-only service earned before January 1, 1980, plus three percent of final-average salary for each 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 Systems also provides death and disability benefits. Benefits are established or amended by state statute.

The Systems issues an annual publicly available financial report that includes financial statements and required supplementary information for the Systems. That report may be obtained by writing to Parochial Employees' Retirement System, Post Office Box 14616, Baton Rouge, Louisiana 70804-4616, or by calling (504)626-1261.

Funding Policy:

Under Plan A, members are required by state statute to contribute 9.3 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 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Jury's contributions to the System under Plan A for the years ended December 31, 1997, 1998 and 1999 were \$44,685, \$26,582 and \$40,561, respectively, equal to the required contributions for each year.

NOTES TO FINANCIAL STATEMENTS
(PRIMARY GOVERNMENT)

Other Pension Liabilities:

The Jury pays a portion of the salaries for employees of the registrar of voters and these employees are also covered by a multiple-employer public employees retirement system. The contributions are considered immaterial with respect to the Jury and the benefit system as a whole.

Note 10. Fund Balance Reservation

The noncurrent portion of the long-term interfund loan to a component unit, other than those component units included in these reporting entity financial statements, is reported as other financing uses and is offset equally by a fund balance reserve account. 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 11. Food Stamp Program

The Food Stamp Program is operated by the Jury under an agreement with Louisiana Department of Social Services. Under this program, the Jury is responsible for the issuance of food coupons to eligible participants in the parish. The value of food stamps on hand, received and issued is not recorded in the accompanying statements. Activity for the year follows:

Balance at January 1, 1997	\$ 1,592,650
Received	2,849,600
Transferred in (out)	3,294
Issued	(4,423,807)
Balance at December 31, 1997	\$ 168,067

As of January, 1998, the Electronic Benefit Transfer Program was implemented in the parish which resulted in the closing of the local office.

NOTES TO FINANCIAL STATEMENTS
(PRIMARY GOVERNMENT)

Note 12. Contingencies and Risk Management:

The Jury is exposed to various risks of loss related to thefts; 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 employer health and accident insurance. Settlements have not exceeded insurance coverage for the current year or the three prior years except for claims and judgments discussed in Note 8.

The Jury has been named as the defendant in twelve 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 Jury has remote or possible liability in four of the twelve lawsuits and is unable to render an opinion as to the likelihood of an unfavorable outcome against the Jury in five other cases. The financial statements contain no provision for any losses that may result from these litigations.

The Jury's legal counsel is of the opinion that there appears to be a case of probable liability on behalf of the Jury in the remaining three lawsuits. Potential damages have been estimated by the Jury's legal counsel at \$8,812 which totals the Jury's deductible amount remaining to be met in each case. This amount has been recorded as claims and judgments payable by the General Fund as of December 31, 1997, under the assumption that the settlements will require current financial resources. The legal counsel has estimated additional potential damages in one of these three cases at \$17,998.

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, 1997, 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.

**MOREHOUSE PARISH POLICE JURY
BASTROP, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
(ADDITIONAL DISCLOSURES FOR COMPONENT UNITS)**

Note 13. Budget (Cash Basis)

Excess of revenues and other financing sources over expenditures and other financing uses - GAAP basis	\$ 158,418
<i>Adjustments:</i>	
Receivables	37,660
Payables	1,226
Excess of revenues and other financing sources over expenditures and other financing uses - non-GAAP budgetary basis	\$ 177,252

Note 14. Deposits with Financial Institutions
(See Note 3).

Note 15. Receivables

A summary of receivables at December 31, 1997, is as follows:

Taxes:	
Ad valorem	\$ 104,288
Intergovernmental:	
Structure assessments	109,637
Fines and forfeitures	7,083
	\$ 220,008

Note 16. Taxes

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

	Authorized Millage	Levied Millage	Expiration Date
Ward 2 Cemetery	1.00	1.00	2000
Bastrop Fire District 2	6.70	6.70	1998

**NOTES TO FINANCIAL STATEMENTS
(PRIMARY GOVERNMENT)**

Total ad valorem taxes levied were \$214,727 for the above parishes. As of December 31, 1997, no amounts were due from prior year tax levies.

Note 17. Changes in Fixed Assets

Changes in fixed assets of the component units' operations are as follows for the year ended December 31, 1997:

	Balance January 1, 1997	Additions	Retirements	Balance December 31, 1997
Equipment and furniture	\$ 437,535	\$ 3,354	\$ _____	\$ 447,555

Note 18. Pension Plan

The Jury pays a portion of the salaries for some employees of Fifth Judicial District Criminal Court and these employees are covered by a multiple-employer public employees retirement system. The contributions are considered immaterial with respect to the Jury and the benefit system as a whole.

Note 19. 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.

COMBINING FINANCIAL STATEMENTS

MOREHOUSE PARISH POLICE JURY
BASTROP, LOUISIANA

SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
December 31, 1997

	Road Maintenance	Drainage Maintenance	Building Maintenance
ASSETS			
Cash and cash equivalents	\$ 155,985	\$ 218,483	\$ 171,078
Investments	300,000	-	-
Receivables	514,512	187,353	125,239
Due from other funds	-	36,264	-
Total assets	<u>\$ 971,497</u>	<u>\$ 432,092</u>	<u>\$ 296,317</u>
LIABILITIES AND EQUITY			
Liabilities:			
Accounts payable	\$ 16,081	\$ 6,528	\$ 4,583
Due to other funds	67,021	-	-
Total liabilities	<u>\$ 83,102</u>	<u>\$ 6,528</u>	<u>\$ 4,583</u>
Equity:			
Fund balances - unreserved and undesignated	888,395	425,564	291,734
Total liabilities and equity	<u>\$ 971,497</u>	<u>\$ 432,092</u>	<u>\$ 296,317</u>

Solid Waste	Health Unit	Witness Fee	Courthouse and Detention Center	Totals
\$ 878,448	\$ 97,147	\$ 48,750	\$ 1,967,136	\$ 3,475,027
1,316,000	-	-	200,000	2,190,000
8,002	87,182	1,430	349,894	1,342,997
300	-	-	-	15,564
<u>\$ 2,216,750</u>	<u>\$ 184,329</u>	<u>\$ 47,180</u>	<u>\$ 2,776,230</u>	<u>\$ 6,944,588</u>
\$ 945	\$ 2,902	\$ 35	\$ 102,527	\$ 103,644
-	-	-	-	67,021
<u>\$ 945</u>	<u>\$ 2,902</u>	<u>\$ 35</u>	<u>\$ 102,527</u>	<u>\$ 200,622</u>
<u>2,215,805</u>	<u>181,432</u>	<u>47,158</u>	<u>2,671,757</u>	<u>6,745,210</u>
<u>\$ 2,216,750</u>	<u>\$ 184,329</u>	<u>\$ 47,183</u>	<u>\$ 2,776,230</u>	<u>\$ 6,944,588</u>

**MORNINGE PARISH POLICE JULY
BASTROP, LOUISIANA**

**SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
Year Ended December 31, 1987**

	Road Maintenance	Drainage Maintenance	Building Maintenance
Revenues:			
Taxes	\$ 403,218	\$ 212,382	\$ 132,458
Intergovernmental	532,375	-	-
Fees, charges and commissions for services	-	-	-
Interest and miscellaneous	32,118	11,858	28,287
	<u>\$ 1,038,009</u>	<u>\$ 224,240</u>	<u>\$ 152,745</u>
Expenditures:			
Current:			
General government:			
Judicial	\$ -	\$ -	\$ -
Other	-	-	47,922
Public safety	-	-	-
Public works	944,627	113,313	91,760
Health and welfare	-	-	-
Debt service:			
Principal	-	-	-
Interest	-	-	-
Capital outlay	136,729	-	-
	<u>\$ 1,081,356</u>	<u>\$ 113,313</u>	<u>\$ 139,682</u>
Excess (deficiency) of revenues over expenditures	\$ (51,347)	\$ 108,727	\$ 13,163
Other financing sources (uses):			
Sale of assets	1,768	-	-
Operating transfers in (out)	93,267	(1,482)	(1,292)
Excess of revenues and other financing sources over expenditures and other financing uses	\$ 40,688	\$ 107,244	\$ 11,871
Fund balances - beginning	842,703	318,908	280,389
Fund balances - ending	\$ 883,391	\$ 425,244	\$ 292,260

Solid Waste	Health Unit	Waste Fee	Courthouse and Detention Center	Total
\$ 1,275,499	\$ 66,854	\$ -	\$ 2,691,636	\$ 4,034,000
-	-	-	30,000	30,000
-	-	22,586	-	22,586
<u>116,185</u>	<u>4,631</u>	<u>2,813</u>	<u>58,480</u>	<u>182,109</u>
\$ 1,391,782	\$ 71,485	\$ 25,399	\$ 2,772,386	\$ 4,261,052

\$ -	\$ -	\$ 18,182	\$ -	\$ 18,182
-	-	-	-	47,922
-	-	-	20,000	20,000
1,281,632	-	-	20,913	2,604,480
-	17,848	-	-	17,848
-	43,900	-	-	43,900
-	22,878	-	-	22,878
<u>289,122</u>	<u>-</u>	<u>-</u>	<u>336,000</u>	<u>761,920</u>
\$ 1,420,734	\$ 73,326	\$ 18,182	\$ 426,820	\$ 1,939,062

\$ 98,987	\$ 28,079	\$ 5,237	\$ 2,345,436	\$ 2,477,739
300	-	-	-	2,068
<u>19,123</u>	<u>241</u>	<u>-</u>	<u>12,120</u>	<u>48,642</u>

\$ 117,800	\$ 27,135	\$ 9,237	\$ 2,327,146	\$ 2,481,318
<u>2,383,613</u>	<u>134,292</u>	<u>61,921</u>	<u>386,532</u>	<u>4,342,962</u>
\$ 2,325,885	\$ 181,427	\$ 47,158	\$ 2,673,724	\$ 5,228,194

MOREHOUSE PARISH POLICE JURY
BASTROP, LOUISIANA

COMPONENT UNITS - GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
December 31, 1997

	Ward Two Cemetery	Bastrop Fire District Two	Criminal Court	Totals
ASSETS				
Cash and cash equivalents	\$ 7,275	\$ 98,321	\$ 28,743	\$ 129,519
Investments	-	108,800	20,800	129,600
Receivables	4,553	206,395	7,939	218,000
Fixed assets	<u>12,788</u>	<u>438,320</u>	<u>4,788</u>	<u>447,896</u>
Total assets	\$ <u>24,616</u>	\$ <u>835,236</u>	\$ <u>52,612</u>	\$ <u>912,462</u>
LIABILITIES, EQUITY AND OTHER CREDITS				
Liabilities:				
Accounts payable	\$ <u>182</u>	\$ <u>3,713</u>	\$ <u>1,441</u>	\$ <u>5,336</u>
Equity and other credits:				
Investment in general fixed assets	\$ 12,788	\$ 438,320	\$ 4,788	\$ 447,896
Fund balances - unreserved and undesignated	<u>11,656</u>	<u>400,201</u>	<u>48,791</u>	<u>459,228</u>
Total equity and other credits	\$ <u>24,424</u>	\$ <u>831,321</u>	\$ <u>51,171</u>	\$ <u>907,136</u>
Total liabilities, equity and other credits	\$ <u>24,616</u>	\$ <u>835,236</u>	\$ <u>52,612</u>	\$ <u>912,462</u>

**MOREHOUSE PARISH POLICE JURY
BASTROP, LOUISIANA**

**COMPONENT UNITS - GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
Year Ended December 31, 1997**

	Ward Two Cemetery	Bastrop Fire District Two	Criminal Court	Totals
Revenues:				
Taxes	\$ 3,197	\$ 189,038	\$ -	\$ 192,235
Intra-governmental	810	176,360	-	277,170
Fines and forfeitures	-	-	253,949	253,949
Interest and miscellaneous	363	9,501	1,601	11,465
	<u>\$ 4,370</u>	<u>\$ 274,900</u>	<u>\$ 255,550</u>	<u>\$ 574,820</u>
Expenditures:				
Current:				
General government:				
Judicial	\$ -	\$ -	\$ 249,808	\$ 249,808
Public safety	-	360,129	-	360,129
Health and welfare	8,098	-	-	8,098
	<u>\$ 8,098</u>	<u>\$ 360,129</u>	<u>\$ 249,808</u>	<u>\$ 618,035</u>
Excess (deficiency) of revenues over expenditures	\$(3,728)	\$ 114,771	\$ 5,742	\$ 116,785
Other financing sources (uses):				
Operating transfers in (out)	4,102	-	-	4,102
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	\$(1,803)	\$ 114,771	\$ 5,742	\$ 118,710
Fund balances - beginning	11,459	266,652	60,619	338,730
Fund balances - ending	\$ 9,656	\$ 381,423	\$ 66,361	\$ 457,440

SUPPLEMENTARY SCHEDULES

MOREHOUSE PARISH POLICE JURY
BASTROP, LOUISIANA

SCHEDULE OF JURORS' COMPENSATION
Year Ended December 31, 1997

The schedule of compensation paid to jurors is presented in compliance with House Concurrent Resolution No. 54 of the 1978 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 13:1253, 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. BROWN, III	\$ 6,300
COOIL CAIN	6,900
CALVIN R. LAMBERT	6,900
LEE LUDKE	6,900
TERRY MATTHEWS	6,900
HARRY ROOSE, SR.	6,900
D. W. THOMAS, JR.	<u>6,900</u>
Total jurors' compensation	<u>\$ 47,700</u>

MORNINGHOUSE PARISH POLICE JURY
 BASTROP, LOUISIANA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 Year Ended December 31, 1997

Federal Grantor/Pass Through Grantor/Program Title	Federal CFDA Number	Expenditures
United States Department of Agriculture: Passed through Louisiana Department of Social Services: Food Stamp Program	10.581	\$ 4,338,887
State Administrative Funding for the Food Stamp Program	10.581	<u>16,467</u>
Total - United States Department of Agriculture		\$ 4,355,354
Department of Housing and Urban Development: Section 8 Rental Voucher Program	14.839	<u>175,061</u>
Total expenditures of federal awards		<u>\$ 4,530,415</u>

See note to Schedule of Expenditures of Federal Awards.

MOOREHOUSE PARISH POLICE JURY
RASTROP, LOUISIANA

NOTES TO SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS

Note 1. Basis of Presentation

The Schedule of Expenditures of Federal Awards includes the federal grant activity of Moorehouse Parish Police Jury with the Food Stamp Program being processed on the cash basis of accounting and both the State Administrative Funding for the Food Stamp Program and Section 8 Rental Voucher Program being presented on the modified accrual basis. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Amber of State, 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 \$175,961 of the Section 8 Rental Voucher Program to a subrecipient.

**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
Morseaux Parish Police Jury
Bastrop, Louisiana

We have audited the general-purpose financial statements of Morseaux Parish Police Jury, as of and for the year ended December 31, 1997, and have issued our report thereon dated June 3, 1998. 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 financial statements are free of material misstatement, we performed tests of (1) compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Jury's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. 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 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 97-1.

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 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 for the information of management, the Jury and federal awarding agencies. However, this report is a matter of public record and its distribution is not limited.

June 3, 1998

Wid, Payne & Co.

**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 Jurat
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, 1997. Mandeville Parish Police Jury's major federal program is identified in the summary of findings' 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 *Governments Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audit 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 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 of 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, 1997.

Internal Control Over Compliance

The management of Morehouse Parish 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 at Item #7-1.

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 disclosed above to be a material weakness.

This report is intended for the information of the management, the Jury and federal awarding agencies. However, this report is a matter of public record and its distribution is not limited.

June 3, 1998

Miss. Agency & Co.

MORNINGHOUSE PARISH POLICE JURY
BASTROP, LOUISIANA

SCHEDULE OF FINDINGS
For the Year Ended December 31, 1997

We have audited the financial statements of Morninghouse Parish Police Jury as of and for the year ended December 31, 1997, and have issued our report thereon dated June 3, 1998. 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 State, Local Government, and Non-Profit Organizations*. Our audit of the financial statements as of December 31, 1997, 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 .518(a)?

Yes No

c. Identification of Major Programs:

CFDA Number 10.551

Food Stamp Program

1. Dollar threshold used to distinguish between Type A and Type B Programs (\$300,000)
2. Is the auditor a "low-risk" auditor, as defined by OMB Circular A-133? Yes No

Section II - Financial Statement Findings

- 1997-1 **Inadequate Segregation of Duties**
 (See 1997-1 in Section III)

Section III - Federal Awards Findings

- 1997-1 **Inadequate Segregation of Duties** (finding was cited in last audit conducted by our firm as of and for the two years ended December 31, 1993)

Programs:	Food Stamp Program
Criteria:	<i>Adequate segregation of duties is essential to a proper internal control structure.</i>
Condition:	<i>The segregation of duties is inadequate to provide effective internal control.</i>
Effect:	<i>Not determined.</i>
Cause:	<i>The condition is due to economic and space limitations.</i>
Recommendation:	<i>No action is recommended.</i>

Management's response and planned corrective action: *We concur in the finding, but it is not economically feasible nor does space allow for corrective action to be taken.*

MOREHOUSE PARISH POLICE JURY
RASTROP, LOUISIANA

SCHEDULE OF PRIOR YEAR FINDINGS
For the Year Ended December 31, 1997

Section I - Internal Control and Compliance Material to Financial Statements

1996-1 Inadequate Segregation of Duties

Adequate segregation of duties is essential to proper internal control.

Unresolved - 1997-1.

Section II - Internal Control and Compliance Material to Federal Awards

1996-1 Inadequate Segregation of Duties

Adequate segregation of duties is essential to proper internal control.

Unresolved - 1997-1.

Section III - Management Letter

None issued.