

NOTES TO FINANCIAL STATEMENTS

The Jury's legal counsel has estimated the amount of potential liability in the remaining two lawsuits at \$40,000. This amount has been recorded as claims and judgments payable by the General Fund as of December 31, 1986, under the assumption that the settlements will require current financial resources.

Note 14. Noncompliance With State Statutes

A fiscal 1986 operating budget (cash basis) was not adopted by the Jury for one of the special revenue funds. Our opinion on the general-purpose financial statements was not modified accordingly, as required for a generally accepted accounting principle departure, in that only \$1,669 of cash revenues and no cash expenditures for this special revenue fund were reported. This cash basis revenue amounted to only .19 percent of the total cash basis revenues reported for all of the special revenue funds of the primary government.

NOTES TO FINANCIAL STATEMENTS

Note 8. Changes in General Long-Term Debt

The following is a summary of long-term obligation transactions for the year ended December 31, 1996:

	General Obligation Bonds	Certificates of Indebtedness	Claims and Judgments
Balance - January 1, 1996	\$ 2,375,000	\$ 280,000	\$ 127,857
Additions	-	15,000	-
Retirements	<u>335,000</u>	<u>41,000</u>	<u>10,181</u>
Balance - December 31, 1996	<u>\$ 2,040,000</u>	<u>\$ 254,000</u>	<u>\$ 117,676</u>

General Obligation Bonds:

\$3,805,000 Hospital Refunding Bonds - due in annual installments ranging from \$50,000 to \$465,000 through March 1, 2001. Interest at 6.75% is payable March 1 and September 1 of each year. Principal payments due March 1 of each year are as follows:

1997 \$ 250,000	1999 \$ 465,000	2001 \$ 465,000
1998 280,000	2000 415,000	

The annual requirements to service bonded debt outstanding as of December 31, 1996, including interest payments of \$162,813 are as follows:

Year Ending December 31,	
1997	\$ 480,739
1998	480,913
1999	479,419
2000	481,069
2001	<u>480,693</u>
	\$2,002,813

At December 31, 1996, \$740,150 is available in the Debt Service Fund to service the general obligation bonds. In November, 1994, the Jury prepaid the final maturity originally due on March 1, 2002, in the amount of \$568,000 for principal and \$5,619 for interest.

NOTES TO FINANCIAL STATEMENTS

Certificates of Indebtedness

Series 1991 (Health Unit)

The Bay issued a certificate of indebtedness to a local bank for \$418,000 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 1992 through 2001, inclusive.

The certificate is due in annual installments ranging from \$14,000 to \$24,000 through March 1, 2002. Interest at 5.50% is payable March 1 and September 1 of each year.

Series 1995 (Library)

The Bay issued another certificate of indebtedness to a local bank for \$71,000 which was advanced to Marshouse 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 Marshouse 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.

This certificate is due in annual installments ranging from \$18,000 to \$28,000 through March 1, 2000. Interest of 5.79% is payable March 1 and September 1 of each year.

Principal payments due March 1 of each year are as follows:

	Series 1991	Series 1995	Totals
1997	\$ 41,000	\$ 18,000	\$ 61,000
1998	45,000	18,000	63,000
1999	48,000	19,000	67,000
2000	31,000	28,000	71,000
2001	24,000	-	24,000
2002	<u>31,000</u>	<u> </u>	<u>31,000</u>
	\$ 252,000	\$ 75,000	\$ 327,000

COMBINING FINANCIAL STATEMENTS

MOOREHOUSE PARISH POLICE JURY

NOTES TO FINANCIAL STATEMENT
(ADDITIONAL DISCLOSURES FOR COMPONENT UNITS)

Note 15. Budget (Cash Basis)

Excess of revenues and other financing sources over expenditures and other financing uses - GAAP basis	\$ 145,835
Adjustments:	
Receivables	(17,295)
Payables	(320)
Bank loan payable	<u>1,280</u>
Excess of revenues and other financing sources over expenditures and other financing uses - budgetary basis	<u>\$ 129,200</u>

Note 16. Ad Valorem Taxes

The Missouri Parish Sheriff bills and collects ad valorem taxes for Ward Two Cemetery and Bastrop Fire District Two and remits the applicable portion to the Jury.

For the year ended December 31, 1996, taxes of 7.7 mills were levied on property and were dedicated for Special Revenue Funds.

Total taxes levied were \$106,621. As of December 31, 1996, taxes of \$108,514 had not yet been collected by the Sheriff for Ward Two Cemetery and Bastrop Fire District Two. This uncollected amount included \$2,698 of taxes from the 1995 levy.

Note 17. Receivables

A summary of receivables at December 31, 1996, is as follows:

Taxes:	
Ad valorem	\$108,514
Intergovernmental:	
Structure assessment	138,290
Fees and forfeitures	<u>9,150</u>
	<u>\$256,954</u>

NOTES TO FINANCIAL STATEMENTS

Note 9. Fund Balance Reservation

The concurrent portion of a 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 spendable available financial resources and, therefore, are not available for appropriation.

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

Note 10. 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 coupons on hand, received and issued is not recorded in the accompanying statements.

Note 11. 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 in any of the past three fiscal years except for claims and judgments discussed in Note 8.

Note 12. Subsequent Events

In March, 1998, the Jury adopted a resolution giving preliminary approval to the issuance of general obligation hospital refunding bonds not to exceed \$2,000,000. The bonds will be used to refund all of the general obligation bonds discussed in Note 8 and will be payable from unlimited ad valorem taxes which were authorized on January 16, 1982. Final action was taken by the Jury in December, 1998, to refinance the bonds and such refunding bonds were issued in January, 1997.

Note 13. Contingent Liabilities

The Jury has been named in eleven lawsuits which are pending as of the date of this report. The Jury's legal counsel is of the opinion that the Jury has remote or possible liability in nine of the eleven lawsuits. The financial statements contain no provision for any losses that may result from these litigations.

NOTES TO FINANCIAL STATEMENTS

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

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to Parochial Employees' Retirement System, Post Office Box 14618, Baton Rouge, Louisiana 70808-0618, or by calling (504)928-1381.

Pending 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 7.25 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 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 Statutes 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, 1996, 1995 and 1994 were \$58,563, \$48,901 and \$40,913, respectively, equal to the required contributions for each year.

Other Parishes Liabilities

The Jury pays a portion of the salaries for employees of the registrar of voters and those 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.

The Jury also provides nominal surviving spouse benefits to wives of retired judges. These benefits are also considered immaterial with respect to the Jury and the benefit system as a whole.

NOTES TO FINANCIAL STATEMENTS

The modified accrual basis of accounting is used by all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the Debt Service Fund.

These 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.

Budgets and Budgetary Accounting:

Preliminary budgets for the ensuing year are prepared by the Secretary/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.

Cash and Cash Equivalents:

Cash includes amounts in demand deposits, interest-bearing demand deposits and time deposits. Cash equivalents include amounts in time deposits and those investments 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.

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

NOTES TO FINANCIAL STATEMENTS

Note 18. Changes in Fixed Assets

Changes in fixed assets of component unit operations are as follows for the year ended December 31, 1986:

	Balance January 1, 1986	Additions	Retirements	Balance December 31, 1986
Equipment and fixtures	\$ 422,827	\$ _____	\$ _____ 675	\$ 422,152

Note 19. Criminal Court Fund Balance

Louisiana Revised Statute 19:571.11 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 the Fourth Judicial Criminal Court Fund.

Note 20. Pension Plan

The Jury pays a portion of the salaries for some employees of the Fourth Judicial Criminal Court and those 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.

NOTES TO FINANCIAL STATEMENTS

The annual requirements to amortize the certificates of indebtedness as of December 31, 1996, including interest payments of \$46,833 are as follows:

Year Ending December 31,	Series 1993	Series 1996	Totals
1997	\$ 55,678	\$ 21,821	\$ 77,499
1998	55,258	20,779	76,037
1999	55,700	20,708	76,408
2000	55,601	20,576	76,177
2001	56,000	-	56,000
Thereafter	<u>11,302</u>	<u>-</u>	<u>11,302</u>
	\$ 280,008	\$ 83,885	\$ 363,893

In November, 1994, the Jury prepaid on the 1993 issuance a portion of the final maturity originally due on March 1, 2003, in the amount of \$45,000 for principal and \$413 for interest.

Claims and Judgments:

The settlement of a lawsuit in February, 1994, by the Jury resulted in a long-term debt in the amount of \$129,773. This amount was calculated by discounting the long-term portion of the required monthly payments to present value at 5.50%. The settlement will be paid by monthly installments of \$1,000 through February, 2012. The following is a schedule of the present values of future payments as of December 31, 1996:

Year Ending December 31,	
1997	\$ 10,287
1998	9,777
1999	9,255
2000	8,738
2001	8,228
Thereafter	<u>78,320</u>
	\$ 113,460

NOTES TO FINANCIAL STATEMENTS

Note 6. Changes in Fixed Assets

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

	Balance January 1, 1958		Additions	Retirements	Balance December 31, 1958	
Land	\$	288,724	\$ -	\$ -	\$	288,724
Buildings		1,138,340	-	-		1,138,340
Equipment and furniture		1,484,877	218,246	27,712		1,675,411
Under capital lease		110,270	-	-		110,270
Totals	\$	5,022,211	\$ 218,246	\$ 27,712	\$	5,332,745

Additions include assets donated to the Jury with an estimated market value at the date of donation of \$2,000.

Note 7. Pension Plan and Other Pension Liabilities

Plan Description:

Substantially all employees of Metairie 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.

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, 1958, 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, 1958.

NOTES TO FINANCIAL STATEMENTS

Note 4. Ad Valorem Taxes

The Monticello Parish Sheriff bills and collects ad valorem taxes and remits the applicable portion to the Jury.

For the year ended December 31, 1996, taxes of 34.76 mills were levied on property and were dedicated as follows:

General Fund	6.15 mills
Debt Service Fund	3.00 mills
Special Revenue Funds	13.61 mills

Total taxes levied were \$2,640,124. As of December 31, 1996, taxes of \$2,016,804 had not yet been collected by the Sheriff for the Jury. This uncollected amount included \$25,648 of taxes from the 1995 levy.

Note 5. Receivables

A summary of receivables at December 31, 1996, is as follows:

	General	Special Revenue	Debt Service	Totals
Taxes:				
Ad valorem	\$ 284,371	\$ 1,258,650	\$ 476,123	\$ 2,019,144
Beer	1,337	-	-	1,337
Sales	-	6,411	-	6,411
Intergovernmental:				
Severance taxes	68,264	-	-	68,264
Video poker	22,813	-	-	22,813
Other	2,414	4	-	2,418
Fees, charges and commissions for services	65	1,908	-	1,973
Interest and miscellaneous	<u>3,831</u>	<u>14,117</u>	<u>1,188</u>	<u>21,136</u>
	\$ 381,613	\$ 1,278,690	\$ 677,492	\$ 3,340,372

NOTES TO FINANCIAL STATEMENTS

	General	Special Revenue
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses - GAAP basis	\$ 48,326	\$ 855,468
Adjustments:		
Receivables	(6,754)	(951,681)
Due from other component unit	(72,137)	-
Payables	31,589	(111,344)
Claims and judgments payable	<u>20,000</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses - budgetary basis	\$ <u>20,020</u>	\$ <u>382,381</u>

Note 3. Deposits with Financial Institutions

At December 31, 1996, the carrying amount of the reporting entity's deposits (checking and certificates) was \$4,122,483 and the bank balance was \$4,290,360. Of the bank balance, \$500,000 was covered by federal depository insurance (Category 1) and \$2,790,360 was secured by the market value of collateral held by third party bank/trust departments in the reporting entity's name.

The amounts discussed in the preceding paragraph include the funds of both the primary government and component units as the funds are held in one master bank account.

Under the provisions of Financial Institutions Reform Recovery and Enforcement Act of 1989 (FIRREA) as amended, a security agreement, including a pledge of collateral for deposits, is not valid against the Federal Deposit Insurance Corporation (FDIC) unless it is (1) in writing, (2) approved by the depository institution's board of directors or loan committee, which approval must be reflected in the minutes of the board or committee and (3) an official record of the depository institution since it was executed.

There were no repurchase or reverse repurchase agreements at December 31, 1996.

NOTES TO FINANCIAL STATEMENTS

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.

Fixed Assets:

Fixed assets used in governmental fund type operations are accounted for in the General Fund Assets Account Group, rather than in governmental funds. Public domain ("Infrastructure") general fixed assets including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems are not capitalized. These assets are immovable 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 doubted, at their estimated market value on the date donated. Repairs and maintenance are recorded as expenditures; renewals and betterments are capitalized.

Interfund transactions:

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

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

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, none of the above entities meet the criteria discussed above. 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 financially dependent upon the Jury; however, the Fourth Judicial District includes both Ouachita and Morehouse Parishes, and the preponderance of the activities of those 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 accounts of the Jury are organized on the basis of funds or account groups, each of which is considered to be a separate accounting entity. The operations of each fund or account group are summarized by providing a separate set of self-balancing accounts, which include its assets, liabilities, fund equity, revenues and expenditures. The following funds and account groups are used by the Jury:

Governmental fund types:

General Fund:

The General Fund is the general operating fund of the Jury. All financial resources, except those required to be accounted for in another fund, are accounted for in the General Fund.

Special Revenue Funds:

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

Debt Service Fund:

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt including principal, interest and related costs.

NOTES TO FINANCIAL STATEMENTS

General fixed assets and general long-term debt:

General Fixed Assets Account Group:

The General Fixed Assets Account Group is used to account for fixed assets used in governmental fund type operations for control purposes.

General Long-Term Debt Account Group:

The General Long-Term Debt Account Group is used to account for long-term liabilities to be financed from governmental fund types.

Total Columns on Combined 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, 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 City'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.

Basis of Accounting:

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these fund types present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

MOREHOUSE PARISH POLICE JURY

SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET

December 31, 1996

	Fund Maintenance	Drainage Maintenance	Building Maintenance
ASSETS			
Cash and cash equivalents	\$ 95,853	\$ 113,927	\$ 130,809
Investments	300,000	-	-
Receivables	<u>478,232</u>	<u>211,213</u>	<u>115,129</u>
Total assets	\$ <u>874,085</u>	\$ <u>325,140</u>	\$ <u>245,938</u>
LIABILITIES AND EQUITY			
Liabilities:			
Accounts payable	\$ 18,248	\$ 6,840	\$ 4,819
Equity:			
Fund balances - unreserved and undesignated	<u>842,207</u>	<u>318,580</u>	<u>240,369</u>
Total liabilities and equity	\$ <u>860,455</u>	\$ <u>325,420</u>	\$ <u>245,188</u>

This report is intended for the information of management and Mississippi Parish Police Jury. However, this report is a matter of public record and its distribution is not limited.

May 16, 1992

Hier, Prager & Co.

NOTES TO FINANCIAL STATEMENTS

Financial Reporting Entity

The reporting entity for Morehouse Parish includes Morehouse Parish Police Jury, primary government, as well as component units which are accountable to the Jury, are fiscally dependent upon the Jury or if excluded, could cause the financial statements to be misleading.

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

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

Provision is made for the issuance of primary government financial statements which are separate from those of the reporting entity. However, a primary government's financial statements are not a substitute for the reporting entity's financial statements. The reporting entity financial statements presented in this report include the financial statements of Ward Two Cemetery, Basinop Fire District Two and Fourth Judicial District Criminal Court.

Audits of each of the component unit's financial statements not included herein may be obtained directly from the component unit.

NOTES TO FINANCIAL STATEMENTS

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. Revenues from ad valorem taxes are recognized when levied.

Sales 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.

Accumulated Compensated Absences:

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 during the current anniversary year of employment, but not taken, at the employee's current rate of pay. Employees are not compensated for converting accumulated personal holidays upon termination of employment.

In governmental fund types, the cost of leave/holiday privileges is recognized as a current year expenditure within the various funds when leave/holidays are actually taken or when employees are paid for accrued annual leave upon resignation or retirement, while the cost of leave/holiday privileges not requiring current resources is recorded in the General Long-Term Debt Account Group if determined to be material.

Note 3. 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 excess (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 and expenditures - budget (cash basis) and actual.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE BASED ON
AUDIT OF GENERAL-PURPOSE FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Police Jurors
Morchouse Parish Police Jury
Bastrop, Louisiana

We have audited the general-purpose financial statements of Morchouse Parish Police Jury, as of and for the year ended December 31, 1996, and have issued our report thereon dated May 15, 1997.

We conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with laws, regulations, contracts and grants applicable to Morchouse Parish Police Jury, is the responsibility of the management of Morchouse Parish Police Jury. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of Morchouse Parish Police Jury's compliance with certain provisions of laws, regulations, contracts and grants. However, the objective of our audit of the general-purpose financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

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

This report is intended for the information of management and Morchouse Parish Police Jury. However, this report is a matter of public record and its distribution is not limited.

May 15, 1997

Hill, Inzina & Co.

MOREHOUSE PARISH POLICE JURY
NOTES TO FINANCIAL STATEMENTS
(PRIMARY GOVERNMENT)

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 the State of Louisiana. The Jury is governed by seven compensated jurors representing, by election, the various districts within the parish whose terms will expire on December 31, 1993.

State statutes give 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.

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, sewage collection and disposal, library facilities and health care facilities.

Except as described in the financial reporting entity definition, the 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. The more significant of the Jury's accounting policies are described below:

**INDEPENDENT AUDITORS REPORT ON COMPLIANCE WITH SPECIFIC REQUIREMENTS
APPLICABLE TO MAJOR FEDERAL FINANCIAL ASSISTANCE PROGRAMS**

Police Jury
Morsehouse Parish Police Jury
Barron, Louisiana

We have audited the general-purpose financial statements of Morsehouse Parish Police Jury, as of and for the year ended December 31, 1996, and have issued our report thereon dated May 16, 1997.

We have also audited Morsehouse Parish Police Jury's compliance with the requirements governing special reporting requirements and claims for advances and reimbursements that are applicable to its major federal financial assistance program, which is identified in the accompanying Schedule of Federal Financial Assistance, for the year ended December 31, 1996. The management of Morsehouse Parish Police Jury, is responsible for Morsehouse Parish Police Jury's compliance with those requirements. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit of compliance with these requirements in accordance with generally accepted auditing standards, *Government Auditing Standards*, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget (OMB) Circular A-128, *Audit of State and Local Governments*. These standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about Morsehouse Parish Police Jury's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, Morsehouse Parish Police Jury complied, in all material respects, with the requirements governing reporting, special requirements and claims for advances and reimbursements that are applicable to its major federal financial assistance program for the year ended December 31, 1996.

- o **Criteria:** Adequate segregation of duties is essential to a proper internal control structure.
- Condition:** The segregation of duties is inadequate to provide effective internal control.
- Cause:** The condition is due to economic and space limitations.
- Effect:** Not determined.
- Recommendation:** No action is recommended.
- Management's response:** We concur in the finding.

This report is intended for the information of management and Morehouse Parish Police Jury. However, this report is a matter of public record and its distribution is not limited.

May 14, 1997

Hill, Prigun & Co.

For all of the internal control structure categories listed above, we obtained an understanding of the design of relevant policies and procedures and determined whether they have been placed in operation, and we assessed control risk.

During the year ended December 31, 1996, Marshhouse Parish Police Jury expended 94.91 percent of its total federal financial assistance under a major federal financial assistance program.

We performed tests of controls, as required by OMB Circular A-128, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that we considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements and requirements governing claims for advances and reimbursements that are applicable to Marshhouse Parish Police Jury's major federal financial assistance program, which is identified in the accompanying Schedule of Federal Financial Assistance. Our procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, we do not express such an opinion.

We noted a certain matter involving the internal control structure and its operation that we consider to be a reportable condition under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect Marshhouse Parish Police Jury's ability to administer federal financial assistance programs in accordance with applicable laws and regulations.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that noncompliance with laws and regulations that would be material to a federal financial assistance program may occur and can be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of the internal control structure policies and procedures used in administering federal assistance would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we noted the following matter involving the internal control structure and its operation that we consider to be a material weakness as defined above. This condition was considered in determining the nature, timing and extent of the procedures to be performed in our audit of the compliance of Marshhouse Parish Police Jury, with requirements applicable to its federal financial assistance programs for the year ended December 31, 1996, and this report does not affect our report thereon dated May 16, 1997.

The management of Maricopa Parish Police Jury, is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general-purpose financial statements in accordance with generally accepted accounting principles and that federal financial assistance programs are managed in compliance with applicable laws and regulations. Because of inherent limitations in any internal control structure, errors, irregularities or instances of noncompliance may nevertheless occur and not be detected. Also, projection of any evaluation of the situation to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, we have classified the significant internal control structure policies and procedures used in administering federal financial assistance programs in the following categories:

Accounting Controls

- o Cash receipts/disbursements
- o Equity
- o Revenue/receivables
- o Financial reporting/budgeting
- o Expenditures/accounts payable

Administrative Controls

- o General requirements:
 - Political activity
 - Civil rights
 - Cash management
 - Federal financial reports
 - Allowable cost/audit principles
 - Drug-Free Workplace Act
 - Administrative requirements
- o Specific requirements:
 - Matching, level of effort or earmarking
 - Reporting
 - Special requirements
 - Monitoring subrecipients
- o Claims for advances and cost reimbursements

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL STRUCTURE
USED IN ADMINISTERING FEDERAL FINANCIAL ASSISTANCE PROGRAMS**

Police Jurors
Mandeville Parish Police Jury
Bastrop, Louisiana

We have audited the general-purpose financial statements of Mandeville Parish Police Jury, as of and for the year ended December 31, 1996, and have issued our report thereon dated May 16, 1997. We have also audited the compliance of Mandeville Parish Police Jury, with requirements applicable to major federal financial assistance programs and have issued our report thereon dated May 16, 1997.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget (OMB) Circular A-128, *Audit of State and Local Governments*. Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general-purpose financial statements are free of material misstatement and about whether Mandeville Parish Police Jury, complied with laws and regulations, noncompliance with which would be material to a major federal financial assistance program.

In planning and performing our audit for the year ended December 31, 1996, we considered the internal control structure of Mandeville Parish Police Jury, in order to determine our auditing procedures for the purpose of expressing our opinions on the general-purpose financial statements of Mandeville Parish Police Jury, and on the compliance of Mandeville Parish Police Jury, with requirements applicable to major programs and to report on the internal control structure in accordance with OMB Circular A-128. This report addresses our consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal financial assistance programs. We have addressed internal control structure policies and procedures relevant to our audit of the general-purpose financial statements in a separate report dated May 16, 1997.

This report is intended for the information of management and Morshouse Parish Police Jury. However, this report is a matter of public record and its distribution is not limited.

May 18, 1997

Bill Dwyer & Co.

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH GENERAL
REQUIREMENTS APPLICABLE TO FEDERAL FINANCIAL ASSISTANCE PROGRAMS**

Police Jurés
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, 1996, and have issued our report thereon dated May 16, 1997.

We have applied procedures to test Morehouse Parish Police Jury's compliance with the following requirements applicable to its federal financial assistance programs, which are identified in the Schedule of Federal Financial Assistance, for the year ended December 31, 1996:

- Political activity
- Civil rights
- Cash management
- Federal financial reports
- Allowable cost/price principles
- Drug-Free Workplace Act
- Administrative requirements

Our procedures were limited to the applicable procedures described in the Office of Management and Budget's *Compliance Supplement for Single Audits of State and Local Governments*. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on Morehouse Parish Police Jury's compliance with the requirements listed in the preceding paragraph. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the second paragraph of this report. With respect to items not tested, nothing came to our attention that caused us to believe that Morehouse Parish Police Jury, had not complied, in all material respects, with those requirements.

This report is intended for the information of management and Mississippi Parish Police Jury. However, this report is a matter of public record and its distribution is not limited.

May 16, 1997

Price, Griffin & Co.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL STRUCTURE
BASED ON AUDIT OF GENERAL-PURPOSE 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, 1996, and have issued our report thereon dated May 16, 1997.

We conducted our audit in accordance with generally accepted auditing standards and 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.

The management of Morehouse Parish Police Jury, is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general-purpose financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the general-purpose financial statements of Morehouse Parish Police Jury, for the year ended December 31, 1996, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the general-purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

-3-

Solid Waste	Health Unit	Witness Fee	Courthouse and Detention Center	Totals
\$ 1,503,189	\$ 61,395	\$ 39,971	\$ 3,669	\$ 2,018,224
800,000	-	-	-	1,100,000
<u>13,503</u>	<u>93,821</u>	<u>1,930</u>	<u>353,703</u>	<u>1,378,956</u>
<u>\$ 2,355,081</u>	<u>\$ 157,216</u>	<u>\$ 41,901</u>	<u>\$ 358,372</u>	<u>\$ 4,388,873</u>
\$ 1,486	\$ 2,934	\$ -	\$ 11,815	\$ 45,913
<u>2,353,615</u>	<u>154,292</u>	<u>41,901</u>	<u>360,187</u>	<u>4,342,961</u>
<u>\$ 2,355,081</u>	<u>\$ 157,216</u>	<u>\$ 41,901</u>	<u>\$ 358,372</u>	<u>\$ 4,388,873</u>

MOREHOUSE PARISH POLICE JULY

SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
Year Ended December 31, 1996

Federal Grants/Pass Through Grants/Programs Title	CFDA Number	Federal Revenue	Total Expenditure
Department of Agriculture			
Passed through Louisiana Department of Social Services:			
Food Stamps	* 10.551	\$ 5,771,725	\$ 5,771,725
State Administrative Matching Grants for Food Stamp Program	10.561	13,597	13,597
Total - Department of Agriculture		\$ 5,771,722	\$ 5,771,722
Department of Housing and Urban Development:			
Direct:			
Section 8 Housing Voucher Program	14.181	292,530	292,530
Totals		\$ 6,068,292	\$ 6,068,292

* major program

INDEPENDENT AUDITOR'S REPORT ON
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE

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, 1996, and have issued our report thereon dated May 16, 1997. 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, Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget (OMB) Circular A-128, *Audits of State and Local Governments*. Those standards and OMB Circular A-128 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 financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit was conducted for the purpose of forming an opinion on the general-purpose financial statements of Morehouse Parish Police Jury, taken as a whole. The accompanying Schedule of Federal Financial Assistance is presented for purposes of additional analysis and is not a required part of the general-purpose financial statements. The information in that schedule 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.

May 16, 1997

Hill, Inzina & Co.

MOOREHOUSE PARISH POLICE JURY

SCHEDULE OF JURORS' COMPENSATION

Year Ended December 31, 1998

James W. Brest, III	\$	6,181
Cecil Cain		5,190
Calvin B. Lambert		5,593
Lee Locke		5,700
Terry Matthews		5,593
Fred Montgomery		107
Harry Reese, Sr.		5,700
John F. Shankelford, III		119
D.W. Thomas, Jr.		5,700
Ray Yarbrough		<u>601</u>
Total jurors' compensation	\$	<u>48,500</u>

SUPPORTING SCHEDULE

MOREHOUSE PARISH POLICE JURY

COMPONENT UNITS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - GOVERNMENTAL FUND TYPES
 Year Ended December 31, 1996

	Ward Two Country	Barstow Five District Two	Criminal Court	Totals
Revenues:				
Taxes	\$ 5,456	\$ 66,928	\$ -	\$ 102,384
Intergovernmental	585	278,991	-	279,576
Fees and forfeitures	-	-	235,761	235,761
Interest and miscellaneous	494	3,181	1,263	4,938
	<u>\$ 6,535</u>	<u>\$ 379,100</u>	<u>\$ 237,024</u>	<u>\$ 622,659</u>
Expenditures:				
Current:				
General government:				
Judicial	\$ -	\$ -	\$ 228,823	\$ 228,823
Public safety	-	235,906	-	235,906
Health and welfare	8,963	-	-	8,963
Debt service:				
Interest	-	3,006	-	3,006
	<u>\$ 8,963</u>	<u>\$ 238,912</u>	<u>\$ 228,823</u>	<u>\$ 476,698</u>
Excess (deficiency) of revenues over expenditures	\$ 2,427	\$ 140,188	\$ 8,181	\$ 145,942
Other financing sources (uses):				
Operating transfers in (out)	<u>1,187</u>	<u>-</u>	<u>-</u>	<u>1,187</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	\$ 3,534	\$ 140,188	\$ 8,181	\$ 145,913
Fund balances - beginning	13,991	126,463	32,638	173,092
Fund balances - ending	<u>\$ 17,525</u>	<u>\$ 266,651</u>	<u>\$ 40,819</u>	<u>\$ 325,095</u>

MOREHOUSE PARISH POLICE JURY

COMPONENT UNITS
COMBINING BALANCE SHEET

December 31, 1998

	Ward Two Canopy	Bastrop Fire District Two	Criminal Court	Total
ASSETS				
Cash and cash equivalents	\$ 1,941	\$ 28,797	\$ 12,126	\$ 42,864
Receivables	<u> 3,745</u>	<u>241,083</u>	<u> 9,187</u>	<u>254,015</u>
Total assets	\$ <u> 11,686</u>	\$ <u>270,820</u>	\$ <u>41,323</u>	\$ <u>323,829</u>
LIABILITIES AND EQUITY				
Liabilities				
Accounts payable	\$ 129	\$ 3,183	\$ 704	\$ 4,120
Equity:				
Fund balances - unreserved and undesignated	<u> 11,437</u>	<u>266,613</u>	<u>40,619</u>	<u>318,709</u>
Total liabilities and equity	\$ <u> 11,686</u>	\$ <u>270,820</u>	\$ <u>41,323</u>	\$ <u>323,829</u>

Sold Waste	Health Unit	Witness Fee	Courthouse and Detention Center	Totals
\$ 1,315,457	\$ 50,576	\$ -	\$ 258,254	\$ 2,573,859
-	-	-	-	512,142
-	-	22,997	-	22,997
<u>113,922</u>	<u>3,318</u>	<u>3,576</u>	<u>88</u>	<u>214,803</u>
\$ 1,429,389	\$ 90,298	\$ 24,173	\$ 258,372	\$ 3,344,921

\$ -	\$ -	\$ 16,312	\$ -	\$ 16,312
-	-	-	11,815	11,815
-	-	-	-	36,342
1,179,210	-	-	-	2,799,639
-	12,653	-	-	12,653
-	41,000	-	-	41,000
-	14,988	-	-	14,988
-	-	-	-	<u>164,920</u>
\$ 1,179,210	\$ 68,643	\$ 16,312	\$ 11,815	\$ 2,527,482

\$ 256,179	\$ 28,681	\$ 7,821	\$ 346,557	\$ 766,149
-	-	-	-	1,438
<u>(3,594)</u>	<u>830</u>	<u>-</u>	<u>-</u>	<u>58,788</u>

\$ 242,195	\$ 27,859	\$ 7,821	\$ 246,557	\$ 525,406
<u>2,111,400</u>	<u>128,457</u>	<u>34,190</u>	<u>-</u>	<u>3,487,538</u>
\$ 2,353,613	\$ 154,292	\$ 41,921	\$ 246,557	\$ 4,242,861

MOREHOUSE PARISH POLICE JURY

SPECIAL REVENUE FUNDS
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 Year Ended December 31, 1996

	Road Maintenance	Drainage Maintenance	Building Maintenance
Revenues:			
Taxes	\$ 461,760	\$ 310,682	\$ 134,818
Intergovernmental	312,142	-	-
Fees, charges and commissions for services	-	-	-
Interest and miscellaneous	<u>22,028</u>	<u>1,189</u>	<u>67,289</u>
	\$ <u>795,930</u>	\$ <u>311,871</u>	\$ <u>202,107</u>
Expenditures:			
Current:			
General government:			
Judicial	\$ -	\$ -	\$ -
Finance and administrative	-	-	-
Other	-	-	28,542
Public works	782,286	89,300	134,831
Health and welfare	-	-	-
Debt service:			
Principal	-	-	-
Interest	-	-	-
Capital outlay	<u>194,500</u>	<u>-</u>	<u>-</u>
	\$ <u>986,786</u>	\$ <u>89,300</u>	\$ <u>173,371</u>
Excess of revenues over expenditures	\$ 81,144	\$ 222,571	\$ 28,736
Other financing sources (uses):			
Sale of assets	1,473	-	-
Operating transfers in (out)	<u>72,300</u>	<u>(1,278)</u>	<u>(2,018)</u>
Excess of revenues and other financing sources over expenditures and other financing uses	\$ 82,917	\$ 221,293	\$ 26,718
Fund balances - beginning	<u>238,786</u>	<u>200,308</u>	<u>232,473</u>
Fund balances - ending	\$ <u>321,703</u>	\$ <u>421,591</u>	\$ <u>259,191</u>

We noted a certain matter involving the internal control structure and its operation that we consider to be a reportable condition under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure 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 general-purpose financial statements.

A material weakness is a reportable condition in which the design or operation of one or more of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the general-purpose 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 structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we note the following matter involving the internal control structure and its operation that we consider to be a material weakness as defined above. This condition was considered in determining the nature, timing, and extent of the procedures to be performed in our audit of the financial statements of Moorhouse Parish Police Jury, as of and for the year ended December 31, 1996.

- o **Criteria:** Adequate segregation of duties is essential to a proper internal control structure.
- Condition:** The segregation of duties is inadequate to provide effective internal control.
- Cause:** The condition is due to economic and space limitations.
- Effect:** Not determined.
- Recommendation:** No action is recommended.
- Management's response:** We concur in the finding.

This report is intended for the information of management and Moorhouse Parish Police Jury. However, this report is a matter of public record and its distribution is not limited.

May 16, 1997

Walt, Dwyer & Co.

CONTENTS

	Page(s)
INDEPENDENT AUDITORS REPORT	1 and 2
GENERAL-PURPOSE FINANCIAL STATEMENTS (COMBINED STATEMENTS - OVERVIEW)	
Combined balance sheet - all fund types and account groups	3 and 4
Combined statement of revenues, expenditures and changes in fund balances - all governmental fund types	5 and 6
Combined statement of revenues and expenditures - budget (cash basis) and actual - general and special revenue funds	7 and 8
Notes to financial statements (primary government)	9 - 24
Notes to financial statements (additional disclosures for component units)	25 and 26
COMBINING FINANCIAL STATEMENTS	
Special revenue funds:	
Combining balance sheet	27
Combining statement of revenues, expenditures and changes in fund balances	28
Component units:	
Combining balance sheet	29
Combining statement of revenues, expenditures, and changes in fund balances - governmental fund types	30
SUPPORTING SCHEDULE	
Schedule of joint computation	31
INDEPENDENT AUDITORS REPORT ON SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE	32
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE	33
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE BASED ON AUDIT OF GENERAL-PURPOSE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENTAL AUDITING STANDARDS	34

Special Revenue			Component Units		
Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
\$ 373,683	\$ 392,324	\$ 18,641	\$ 23,965	\$ 32,878	\$ 8,913
-	1,473	1,473	-	-	-
-	-	-	-	-	-
64,658	58,784	(5,874)	300	108	(192)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
\$ 308,031	\$ 382,381	\$ 74,350	\$ 24,265	\$ 31,972	\$ 7,707

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
WITH SPECIFIC REQUIREMENTS APPLICABLE TO NONMAJOR
FEDERAL FINANCIAL ASSISTANCE PROGRAM TRANSACTIONS**

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, 1996, and have issued our report thereon dated May 16, 1997.

In connection with our audit of the general-purpose financial statements of Morehouse Parish Police Jury, and with our consideration of Morehouse Parish Police Jury's control structure used to administer federal financial assistance programs, as required by Office of Management and Budget (OMB) Circular A-128, *Audit of State and Local Governments*, we selected certain transactions applicable to its nonmajor federal financial assistance programs for the year ended December 31, 1996. As required by OMB Circular A-128, we have performed auditing procedures to test compliance with the requirements governing matching, level of effort or earmarking, special reporting requirements, monitoring subrecipients, and claims for advances and reimbursements that are applicable to those transactions. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on Morehouse Parish Police Jury's compliance with these requirements. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of these procedures disclosed no material instances of noncompliance with the requirements listed in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that Morehouse Parish Police Jury had not complied, in all material respects, with those requirements.

Corrective action has been taken by management and Morehouse Parish Police Jury relative to the findings and questioned costs cited in our report for the two years ended December 31, 1995, dated May 29, 1996.

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MOREHOUSE PARISH POLICE JURY
FINANCIAL REPORT
December 31, 1990

Under provisions of state law, this report is a public document. A copy of the report heretofore submitted to the staffed, or reviewed, and by and other appropriate public officials. This 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 2/1 1991

HILL, INZINA & COMPANY

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	Page(s)
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL STRUCTURE BASED ON AUDIT OF GENERAL-PURPOSE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS	35 and 36
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH GENERAL REQUIREMENTS APPLICABLE TO FEDERAL FINANCIAL ASSISTANCE PROGRAMS	37 and 38
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH SPECIFIC REQUIREMENTS APPLICABLE TO MAJOR FEDERAL FINANCIAL ASSISTANCE PROGRAMS	39 and 40
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH SPECIFIC REQUIREMENTS APPLICABLE TO NONMAJOR FEDERAL FINANCIAL ASSISTANCE PROGRAM TRANSACTIONS	41 and 42
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL STRUCTURE USED IN ADMINISTERING FEDERAL FINANCIAL ASSISTANCE PROGRAMS	43 - 45

INDEPENDENT AUDITORS REPORT

Polize Jurats
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, 1996, 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, Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget (OMB) Circular A-128, *Audits of State and Local Governments*. These standards and OMB Circular A-128 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 Morehouse Parish Police Jury, as of December 31, 1996, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

-1-

In accordance with Government Auditing Standards, we have also issued reports dated May 16, 1997, on the Agency's compliance with laws and regulations and on our consideration of its internal control structure which are presented on page 34 and pages 35 through 37, respectively, of this document.

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 supporting 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.

May 16, 1997

Price, Dwyer & Co.

MORNINGHOUSE PARISH POLICE JURY

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

December 31, 1995

With Comparative Totals for December 31, 1994

	Governmental Fund Types		
	General	Special Revenue	Debt Service
ASSETS AND OTHER DEBITS:			
Assets:			
Cash and cash equivalents (Notes 1 and 3)	\$ 364,984	\$ 2,010,823	\$ 277,852
Investments (Notes 1 and 3)	390,000	1,100,000	-
Receivables (Notes 5 and 16)	387,015	1,278,000	477,307
Due from other funds	-	-	-
Due from other component unit (Note 8)	72,177	-	-
Fixed assets (Notes 1, 6 and 18)	-	-	-
Other debits:			
Amount available in Debt Service Fund (Note 8)	-	-	-
Amount to be provided for retirement of general long-term debt	-	-	-
Total assets and other debits	\$ 1,124,176	\$ 4,388,823	\$ 755,159

Account Groups		Primary Government Totals - (Memorandum Only)	Component Units	Reporting Entity Totals - (Memorandum Only)	
General Fixed Assets	General Long-Term Debt			December 31, 1995	
\$ -	\$ -	\$ 2,683,658	\$ 68,834	\$ 2,722,483	\$ 1,471,448
-	-	1,400,000	-	1,400,000	2,168,000
-	-	2,142,372	256,069	2,398,441	2,182,211
-	-	-	-	-	16,369
-	-	72,137	-	72,137	-
3,213,743	-	5,213,345	433,132	5,646,477	5,456,028
-	740,390	740,390	-	740,390	751,815
-	1,744,075	1,744,075	-	1,744,075	2,044,042
<u>\$ 3,213,743</u>	<u>\$ 2,484,465</u>	<u>\$ 11,866,172</u>	<u>\$ 732,881</u>	<u>\$ 14,734,965</u>	<u>\$ 14,682,123</u>

(continued)

Account Group		Primary Government Totals - (Memorandum Only)	Component Units	Reporting Entity Totals - (Memorandum Only)	
General Fund Assets	General Long-Term Debt			December 31, 1992 1993	
\$ -	\$ -	\$ 108,354	\$ 4,120	\$ 112,474	\$ 197,161
-	-	-	-	-	16,568
-	-	-	-	-	96,218
-	2,040,000	2,040,000	-	2,040,000	2,375,908
-	327,000	327,000	-	327,000	393,908
-	<u>117,463</u>	<u>327,000</u>	<u>-</u>	<u>157,463</u>	<u>147,837</u>
<u>\$ -</u>	<u>\$ 2,484,463</u>	<u>\$ 2,672,828</u>	<u>\$ 4,120</u>	<u>\$ 2,616,940</u>	<u>\$ 3,128,855</u>
\$ 5,213,743	\$ -	\$ 5,213,743	\$ 431,132	\$ 5,644,875	\$ 5,456,038
-	-	75,000	-	75,000	-
-	-	340,390	-	340,390	151,815
-	-	<u>1,304,428</u>	<u>120,500</u>	<u>1,424,928</u>	<u>4,748,219</u>
<u>\$ 5,213,743</u>	<u>\$ -</u>	<u>\$ 11,733,532</u>	<u>\$ 731,861</u>	<u>\$ 12,069,420</u>	<u>\$ 10,998,098</u>
<u>\$ 5,213,743</u>	<u>\$ 2,484,463</u>	<u>\$ 13,968,372</u>	<u>\$ 727,981</u>	<u>\$ 14,714,360</u>	<u>\$ 14,082,123</u>

MOULTRIE PARISH POLICE JURY

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

Year Ended December 31, 1995

With Comparative Totals for Year Ended December 31, 1994

	General	Special Revenues	Debt Service
Revenues:			
Taxes	\$ 204,579	\$ 2,573,889	\$ 491,700
Licenses and permits	88,781	-	-
Intergovernmental	816,481	512,142	-
Fees, charges and commissions for services	867	22,557	-
Fines and forfeitures	-	-	-
Interest and miscellaneous	60,736	304,800	78,148
	<u>\$ 1,236,424</u>	<u>\$ 3,332,321</u>	<u>\$ 487,836</u>
Expenditures:			
Current:			
General government:			
Legislative	\$ 99,153	-	-
Judicial	153,873	16,332	-
Elections	58,324	-	-
Finance and administrative	277,887	11,815	14,789
Other	68,596	36,542	-
Public safety	298,441	-	-
Public works	-	2,199,630	-
Health and welfare	97,724	82,655	-
Culture and recreation	852	-	-
Economic development and assistance	296,070	-	-
Claims and judgments	20,000	-	-
Debt service:			
Principal	-	43,000	335,800
Interest	1,608	14,588	148,506
Capital outlay	-	124,300	-
	<u>\$ 1,332,917</u>	<u>\$ 2,527,442</u>	<u>\$ 484,236</u>

See notes to financial statements.

Primary Government Totals - (Memorandum Only)	Component Units	Reporting Entity Totals - (Memorandum Only) Year Ended December 31,	
		1996	1995
\$ 3,348,170	\$ 102,394	\$ 3,440,554	\$ 3,295,297
88,781	-	88,781	112,388
1,322,689	278,376	1,602,179	1,518,586
23,424	-	23,424	22,499
-	261,741	261,741	235,171
290,882	4,828	295,710	267,588
<u>\$ 3,065,863</u>	<u>\$ 627,339</u>	<u>\$ 3,588,324</u>	<u>\$ 3,374,441</u>

\$ 39,153	\$ -	\$ 50,153	\$ 54,949
179,884	228,822	399,007	425,998
58,128	-	58,128	26,272
304,271	-	304,271	285,528
108,128	-	108,128	297,900
208,441	238,896	447,337	489,535
2,398,639	-	2,398,639	2,607,243
110,379	8,662	119,041	113,798
632	-	632	773
296,078	-	296,078	138,987
20,000	-	20,000	28,080
376,000	-	376,000	362,782
186,102	3,006	189,108	198,517
184,500	-	184,500	305,902
<u>\$ 4,743,874</u>	<u>\$ 478,607</u>	<u>\$ 4,826,311</u>	<u>\$ 5,017,711</u>

(continued)

MORRHOUSE PARISH POLICE JURY

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES (Continued)

Year Ended December 31, 1996

With Comparative Totals for Year Ended December 31, 1995

	General	Special Revenues	Debt Service
Excess (deficiency) of revenues over expenditures	\$ (65,403)	\$ 395,149	\$ (11,425)
Other financing sources (uses):			
Sale of assets	-	1,470	-
Proceeds from certificate of indebtedness	75,000	-	-
Operating transfers in (out)	(58,877)	98,784	-
Reimbursement of interest paid on bonds advanced to other component unit	844	-	-
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	\$ (49,336)	\$ 895,403	\$ (11,425)
Fund balances - beginning	1,085,789	3,487,535	751,815
Fund balances - ending	\$ 1,036,453	\$ 4,382,938	\$ 740,390

See notes to financial statements.

Primary Government Trans - (Memorandum Only)	Component Units	Reporting Entity Totals - (Memorandum Only) Year Ended December 31.	
		1995	1994
\$ 797,231	\$ 143,942	\$ 863,173	\$ 356,730
1,473	-	1,473	-
75,000	-	75,000	-
187	(187)	-	-
<u>844</u>	<u>-</u>	<u>844</u>	<u>-</u>
\$ 794,655	\$ 143,855	\$ 940,490	\$ 356,730
<u>5,325,159</u>	<u>174,878</u>	<u>5,500,031</u>	<u>5,143,383</u>
<u>\$ 6,119,814</u>	<u>\$ 320,733</u>	<u>\$ 6,440,521</u>	<u>\$ 5,500,033</u>

MOOREHOUSE PARISH POLICE JURY

COMBINED STATEMENT OF REVENUES AND EXPENDITURES -
 BUDGET (CASH BASIS) AND ACTUAL - GENERAL AND SPECIAL REVENUE FUNDS
 Year Ended December 31, 1996

	General		Variance - Favorable (Unfavorable)
	Budget	Actual	
Revenues:			
Taxes	\$ 183,993	\$ 200,355	\$ 6,362
Licenses and permits	72,800	94,090	21,290
Intergovernmental	783,459	807,408	23,949
Fees, charges and commissions for services	890	844	44
Fines and forfeitures	-	-	-
Interest and miscellaneous	47,320	37,548	8,819
	<u>\$ 1,188,462</u>	<u>\$ 1,239,224</u>	<u>\$ 61,442</u>
Expenditures:			
Current:			
General government:			
Legislative	\$ 62,980	\$ 59,133	\$ 4,847
Judicial	188,823	151,798	37,025
Elections	53,750	43,263	12,487
Finance and administrative	309,155	278,757	30,398
Other	73,062	64,988	8,076
Public safety	312,158	278,325	33,833
Public works	-	-	-
Health and welfare	88,000	95,841	219
Culture and recreation	900	652	248
Economic development and assistance	367,373	396,078	71,500
Debt service:			
Principal	-	-	-
Interest	-	1,608	(1,608)
Capital outlay	-	-	-
	<u>\$ 1,487,533</u>	<u>\$ 1,273,458</u>	<u>\$ 696,180</u>

Special Revenue			Component Units		
Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
\$ 2,168,697	\$ 2,184,879	\$ 16,182	\$ 664,519	\$ 661,002	\$ 3,517
-	-	-	-	-	-
426,421	541,809	115,388	348,290	360,420	12,130
23,669	32,899	(9,230)	-	-	-
-	-	-	219,900	238,678	18,778
<u>171,697</u>	<u>218,699</u>	<u>47,002</u>	<u>21,250</u>	<u>5,472</u>	<u>(15,778)</u>
<u>\$ 2,381,813</u>	<u>\$ 2,468,982</u>	<u>\$ 87,169</u>	<u>\$ 944,859</u>	<u>\$ 965,572</u>	<u>\$ 20,713</u>

\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
23,669	16,511	7,299	251,232	239,551	11,781
-	-	-	-	-	-
63,813	38,552	25,261	-	-	-
-	-	-	248,570	253,817	5,247
2,763,148	2,533,373	229,775	-	-	-
33,725	12,552	21,173	10,873	8,985	1,888
-	-	-	-	-	-
-	-	-	-	-	-
55,968	41,000	14,968	98,246	86,238	12,008
-	14,988	(14,988)	-	3,000	(3,000)
<u>211,200</u>	<u>294,500</u>	<u>83,300</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 3,155,488</u>	<u>\$ 3,466,928</u>	<u>\$ 311,440</u>	<u>\$ 1,022,132</u>	<u>\$ 1,073,465</u>	<u>\$ 51,333</u>

(continued)

MORCHOUSE PARISH POLICE JURY

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

(Continued)

December 31, 1996

With Comparative Totals for December 31, 1995

LIABILITIES, EQUITY AND OTHER CREDITS	Governmental Fund Types		
	General	Special Revenues	Debt Service
Liabilities:			
Accounts payable	\$ 47,873	\$ 45,902	\$ 14,180
Due to other funds	-	-	-
Bank loan payable	-	-	-
General obligation bonds payable (Note 8)	-	-	-
Certificates of indebtedness (Note 8)	-	-	-
Claims and judgments payable (Notes 9 and 11)	48,000	-	-
Total liabilities	<u>\$ 95,873</u>	<u>\$ 45,902</u>	<u>\$ 14,180</u>
Equity and other credits:			
Investment in general fixed assets	\$ -	\$ -	\$ -
Fund balances:			
Reserved for long-term loan to component unit (Note 9)	35,000	-	-
Reserved for debt service (Note 9)	-	-	748,390
Unreserved and undesignated	961,463	4,342,881	-
Total equity and other credits	<u>\$ 996,463</u>	<u>\$ 4,342,881</u>	<u>\$ 748,390</u>
Total liabilities, equity and other credits	<u>\$ 1,124,116</u>	<u>\$ 4,388,872</u>	<u>\$ 753,129</u>

See notes to financial statements.

MOOREHOUSE PARISH POLICE JULY

COMBINED STATEMENT OF REVENUES AND EXPENDITURES -
 BUDGET (CASH BASIS) AND ACTUAL - GENERAL AND SPECIAL REVENUE FUNDS
 (Continued)

Year Ended December 31, 1996

	General		Variance - Favorable (Unfavorable)
	Budget	Actual	
Excess (deficiency) of revenues over expenditures	\$ 278,731	\$ 21,229	\$ 257,502
Other financing sources (uses):			
Sale of assets	-	-	-
Proceeds from certificates of indebtedness	75,000	75,000	-
Operating transfers in (out)	(80,000)	(58,677)	21,323
Long-term loan to component unit	(75,000)	(71,125)	3,875
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	\$ 218,731	\$ 20,628	\$ 198,103

See notes to financial statements.