

**OFFICIAL  
FILE COPY**  
**DO NOT SEND OUT**  
(Xerox necessary  
copies from this  
copy and PLACE  
BACK in FILE)

11:53

**WINN PARISH POLICE JURY  
Winnfield, Louisiana**

**Primary Government Financial Statements  
and Independent Auditor's Reports  
As of and for the Year Ended December 31, 1998  
With Supplemental Information Schedules**

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 7-28-99

**Herbie W. Way**  
Certified Public Accountant

WINN PARISH POLICE JURY  
Winnfield, Louisiana

Primary Government Financial Statements  
and Independent Auditor's Reports  
As of and for the Year Ended December 31, 1998  
With Supplemental Information Schedules

C O N T E N T S

	<u>Statement</u>	<u>Page No.</u>
Independent Auditor's Report		1
<b>Primary Government Financial Statements:</b>		
Combined Balance Sheet - All Fund Types and Account Groups	A	3
<b>Governmental Fund Type:</b>		
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances	B	4
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual	C	6
Notes to the Financial Statements		8
<b>Supplemental Information Schedules:</b>	<u>Schedule</u>	<u>Page No.</u>
<b>Special Revenue Funds:</b>		
Combining Balance Sheet	1	21
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances	2	23
Schedule of Compensation Paid Jurors	3	25

**WINN PARISH POLICE JURY**  
Winnfield, Louisiana  
Contents, December 31, 1998

	<u>Schedule</u>	<u>Page No.</u>
<b>Supplemental Information Schedules: (Cont'd)</b>		
<b>Independent Auditor's Report Required By <i>Government Auditing Standards:</i></b>		
Report on Compliance and Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <i>Government     Auditing Standards</i>		27
<b>Independent Auditor's Reports Required by Office of Management and Budget's (OMB) Circular A-133, <i>Audits of States, Local Governments and Non-Profit Organizations, and the Single Audit Act:</i></b>		
Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133		30
Schedule of Expenditures of Federal Awards	4	32
Schedule of Findings and Questioned Costs	5	33

**HERBIE W. WAY**  
**CERTIFIED PUBLIC ACCOUNTANT**

55 Terra Avenue  
Alexandria, LA 71303  
318/442-7568  
Fax: 318/442-9495

**INDEPENDENT AUDITOR'S REPORT**

**WINN PARISH POLICE JURY**  
Winnfield, Louisiana

I have audited the accompanying primary government financial statements of the Winn Parish Police Jury, as of and for the year ended December 31, 1998, as listed in the foregoing table of contents. These financial statements are the responsibility of management of the police jury. My responsibility is to express an opinion on these primary government financial statements based on my audit.

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

A primary government is a legal entity or body politic and includes all funds, organizations, institutions, agencies, departments, and offices that are not legally separate. Such legally separate entities are referred to as component units. In my opinion, the primary government financial statements referred to above present fairly, in all material respects, the financial position of the primary government of the Winn Parish Police Jury, as of December 31, 1998, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles.

However, the primary government financial statements, because they do not include the financial data of component units of the Winn Parish Police Jury, do not purport to, and do not, present fairly the financial position of the Winn Parish Police Jury as of December 31, 1998, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

WINN PARISH POLICE JURY  
Winnfield, Louisiana  
Audit Report, December 31, 1998

As discussed in note 11, the Winn Parish Police Jury is a defendant in several lawsuits. These lawsuits are in various stages of resolution, and their ultimate outcome cannot presently be determined. Accordingly, no provision for any liability that may result has been made in the accompanying primary government financial statements.

Governmental Accounting Standards Board Technical Bulletin 98-1, *Disclosures about Year 2000 Issues*, requires disclosure of certain matters regarding the Year 2000 Issue. The police jury has included such disclosures in Note 13. Because of the unprecedented nature of the Year 2000 Issue, its effects and the success of related remediation efforts will not be fully determinable until the Year 2000 and thereafter.

In accordance with *Government Auditing Standards*, I have also issued a report dated June 18, 1999, on my consideration of internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

My audit was made for the purpose of forming an opinion on the primary government financial statements of the Winn Parish Police Jury. The accompanying supplemental information schedules listed in the table of contents are presented for the purpose of additional analysis and are not a required part of the primary government financial statements of the Winn Parish Police Jury. Such information has been subjected to the procedures applied in the audit of the primary government financial statements and, in my opinion, is fairly stated in all material respects in relation to the primary government financial statements taken as a whole.

*Herbie W. Way*

Herbie W. Way  
Alexandria, Louisiana  
June 18, 1999

WINN PARISH POLICE JURY  
Winnfield, Louisiana  
ALL FUND TYPES AND ACCOUNT GROUPS

Combined Balance Sheet, December 31, 1998

	GOVERNMENTAL FUND TYPE		ACCOUNT GROUPS		TOTAL (MEMORANDUM ONLY)
	GENERAL FUND	SPECIAL REVENUE FUNDS	GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT	
<b>ASSETS AND OTHER DEBITS</b>					
-----					
Assets:					
Cash and cash equivalents	\$687,937	\$861,642			\$1,549,579
Receivables	874,603	941,498			1,816,101
Land, buildings, and equipment			\$3,276,186		3,276,186
Other debits - amount to be provided for retirement of general long-term debt				\$199,033	199,033
	-----	-----	-----	-----	-----
TOTAL ASSETS AND OTHER DEBITS	\$1,562,540	\$1,803,140	\$3,276,186	\$199,033	\$6,840,899
	=====	=====	=====	=====	=====
<b>LIABILITIES AND FUND EQUITY</b>					
-----					
Liabilities:					
Accounts payable	\$580,765	\$216,473			\$797,238
Deferred revenues		28,222			28,222
Bank loans				\$44,987	44,987
Lease/purchases payable				152,641	152,641
Compensated absences payable				1,405	1,405
	-----	-----	-----	-----	-----
Total liabilities	580,765	244,695	NONE	199,033	1,024,493
	-----	-----	-----	-----	-----
Fund Equity:					
Investment in general fixed assets			\$3,276,186		3,276,186
Fund balances:					
Reserved for incomplete contracts					
Unreserved - undesignated	981,775	1,562,445			2,544,220
	-----	-----	-----	-----	-----
Total Fund Equity	981,775	1,562,445	3,276,186	NONE	5,820,406
	-----	-----	-----	-----	-----
TOTAL LIABILITIES AND FUND EQUITY	\$1,562,540	\$1,807,140	\$3,276,186	\$199,033	\$6,844,899
	=====	=====	=====	=====	=====

The accompanying notes are an integral part of this statement.

WINN PARISH POLICE JURY  
Winnfield, Louisiana  
GOVERNMENTAL FUND TYPE

Combined Statement of Revenues, Expenditures, and Changes in Fund Balances  
For the Year Ended December 31, 1998

	GENERAL FUND	SPECIAL REVENUE FUNDS	TOTAL (MEMORANDUM ONLY)
	-----	-----	-----
<b>REVENUES</b>			
-----			
Taxes:			
Ad valorem	\$156,946	\$527,443	\$684,389
Sales and use		771,543	771,543
Licenses and permits	68,468		68,468
Intergovernmental revenues:			
Federal funds	77,128	457,961	535,089
State funds	1,784,413	467,044	2,251,457
Local funds	14,528	27,893	42,421
Fees, charges, and commissions for services	388	72,510	72,898
Fines and forfeitures		138,112	138,112
Use of money - interest earnings	7,207	39,410	46,617
Miscellaneous	1,587	54,118	55,705
	-----	-----	-----
Total revenues	2,110,665	2,556,034	4,666,699
	-----	-----	-----
<b>EXPENDITURES</b>			
-----			
Current:			
General government:			
Legislative	64,379		64,379
Judicial	196,494	348,434	544,928
Elections	24,664		24,664
Finance and administration	150,863	69,838	220,701
Other	5,780	179,778	185,558
Public safety	192,011	50,284	242,295
Public works	482,151	1,803,679	2,285,830
Health and welfare	70,563	327,864	398,427
Culture and recreation	378,238	290,945	669,183
Economic development	11,046		11,046
Capital outlay			
Debt service:			
Principal		24,708	24,708
Interest		9,014	9,014
	-----	-----	-----
Total expenditures	1,576,189	3,104,544	4,680,733
	-----	-----	-----

(Continued)

The accompanying notes are an integral part of this statement.

WINN PARISH POLICE JURY  
Winnfield, Louisiana  
GOVERNMENTAL FUND TYPE

Combined Statement of Revenues, Expenditures, and Changes in Fund Balances  
For the Year Ended December 31, 1998

	GENERAL FUND	SPECIAL REVENUE FUNDS	TOTAL (MEMORANDUM ONLY)
	-----	-----	-----
EXCESS (Deficiency) OF REVENUES OVER ----- EXPENDITURES -----	\$534,476	(\$548,510)	(\$14,034)
OTHER FINANCING SOURCES (Uses) -----			
Increase in general long-term debt	13,936	205,230	219,166
Operating transfers in		248,232	248,232
Operating transfers out	(248,232)		(248,232)
Total other financing sources (uses)	(234,296)	453,462	219,166
	-----	-----	-----
EXCESS OF REVENUES AND OTHER SOURCES OVER ----- EXPENDITURES AND OTHER USES -----	300,180	(95,048)	205,132
FUND BALANCES AT BEGINNING OF YEAR -----	681,595	1,657,493	2,339,088
FUND BALANCES AT END OF YEAR -----	\$981,775	\$1,562,445	\$2,544,220
	=====	=====	=====

(Concluded)

The accompanying notes are an integral part of this statement.

WINN PARISH POLICE JURY  
Winnfield, Louisiana  
GOVERNMENTAL FUND TYPE - GENERAL AND SPECIAL REVENUE FUNDS

Combined Statement of Revenues, Expenditures, and Changes in Fund Balances  
Budget (Non-GAAP Basis) and Actual  
For the Year Ended December 31, 1998

	GENERAL FUND			SPECIAL REVENUE FUNDS		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>REVENUES</b>						
-----						
Taxes:						
Ad valorem	\$157,558	\$157,558		\$533,139	\$533,872	\$734
Sales and use				768,874	768,874	
Licenses and permits	69,412	69,412				
Intergovernmental revenues -						
Federal funds	80,260	80,260		317,505	317,521	16
State funds	1,286,945	1,286,945		445,247	454,517	9,270
Local funds	14,528	14,528		45,560	29,404	(16,156)
Fees, charges, and commissions for services	1,548	1,548		4,850	6,954	2,104
Fines and forfeitures				164,000	144,443	(19,558)
Use of money and property	6,782	7,207	\$425	25,856	29,702	3,846
Miscellaneous	742	1,639	897	51,623	52,129	506
Total revenues	1,617,775	1,619,097	1,322	2,356,654	2,337,418	(19,236)
-----						
<b>EXPENDITURES</b>						
-----						
Current:						
General government:						
Legislative	68,694	68,694				
Judicial	199,439	197,942	1,497	343,258	410,799	(67,541)
Elections	24,095	24,069	26			
Finance and administration	140,193	140,193		25,066	25,066	
Other general government	6,103	6,103		455,211	455,025	186
Public works				435,930	399,602	36,328
Public safety	229,929	229,931	(2)	899,862	896,714	3,148
Health and welfare	167,091	167,052	39	106,821	101,604	5,217
Culture and recreation	259,992	258,767	1,225	288,008	286,641	1,367
Total expenditures	1,095,536	1,092,751	2,785	2,554,157	2,575,452	(21,295)
-----						
EXCESS (Deficiency) OF REVENUES						
OVER EXPENDITURES	522,239	526,346	4,107	(197,502)	(238,033)	(40,531)
-----						

(Continued)

The accompanying notes are an integral part of this statement.

WINN PARISH POLICE JURY  
 Winnfield, Louisiana  
 GOVERNMENTAL FUND TYPE - GENERAL AND SPECIAL REVENUE FUNDS

Combined Statement of Revenues, Expenditures, and Changes in Fund Balances  
 Budget (Non-GAAP Basis) and Actual  
 For the Year Ended December 31, 1998

	GENERAL FUND			SPECIAL REVENUE FUNDS		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
OTHER FINANCING SOURCES (Uses)						
Operating transfers in				\$248,232	\$248,232	
Operating transfers out	(\$248,232)	(\$248,232)				
Total other financing sources (uses)	(248,232)	(248,232)	NONE	248,232	248,232	NONE
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	274,007	278,114	\$4,107	50,730	10,199	(\$40,531)
FUND BALANCES AT BEGINNING OF YEAR	378,099	378,099		818,239	818,239	
FUND BALANCES AT END OF YEAR	\$652,106	\$656,213	\$4,107	\$868,969	\$828,438	(\$40,531)

(Concluded)

The accompanying notes are an integral part of this statement.

**WINN PARISH POLICE JURY**  
Winnfield, Louisiana

Notes to the Primary Government Financial Statements  
As of and for the Year Ended December 31, 1998

**INTRODUCTION**

The Winn Parish Police Jury is the governing authority for Winn Parish and is a political subdivision of the State of Louisiana. The police jury is governed by seven jurors representing the various districts within the parish. The jurors serve four-year terms which expire in January 2000.

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

In accomplishing its objectives, the police jury also has the authority to create special districts within the parish. The districts perform functions, such as fire protection, water distribution, sewerage collection and disposal, drainage control, library facilities, and health care facilities.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. REPORTING ENTITY**

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

Governmental Accounting Standards Board (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 (police jury) financial statements are not a substitute for the reporting entity's financial statements.

The police jury has chosen to issue financial statements of the primary government (police jury) only; therefore, none of the component units that comprise the reporting entity are included in the accompanying financial statements. The accompanying primary government 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 reporting entity but rather are intended to reflect only the financial statements of the primary government (police jury).

**WINN PARISH POLICE JURY**  
Winnfield, Louisiana  
Notes to the Primary Government Financial Statements  
(Continued)

**B. FUND ACCOUNTING**

The police 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 related to certain government functions or activities.

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

Funds are classified into three categories; governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate "fund types." Governmental funds are used to account for a government's general activities, where the focus of attention is on the providing of services to the public as opposed to proprietary funds where the focus of attention is on recovering the cost of providing services to the public or other agencies through service charges or user fees. Fiduciary funds are used to account for assets held for others. The police jury's current operations require the use of governmental and fiduciary funds. The fund types used by the police jury are described as follows:

**Governmental Fund Types:**

**General Fund** -- is the general operating fund of the police jury. It accounts for all activities except those required to be accounted for in other funds.

**Special Revenue Funds** -- are used to account for the proceeds of specific revenue sources such as ad valorem taxes, sales taxes, and federal grants. Those revenues are legally restricted, either by tax proposition or grant agreement, to expenditures for specified purposes such as road and drainage maintenance, fire protection, etc.

**C. GENERAL FIXED ASSETS AND LONG-TERM DEBT**

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures (capital outlay) in governmental funds and the related assets are reported in the general fixed assets account group. All purchased fixed assets are valued at cost where historical records are available and at estimated cost where no historical records are available.

**WINN PARISH POLICE JURY**  
Winnfield, Louisiana  
Notes to the Primary Government Financial Statements  
(Continued)

The costs of normal maintenance and repairs that do not add to the value of fixed assets or materially extend their useful lives are not capitalized but are only recognized as a normal current expenditure of the governmental funds. Public domain or infrastructure general fixed assets consisting of roads, bridges and drainage systems are not capitalized, as these assets are immovable and of value only to the police jury. No depreciation is recognized on general fixed assets.

Long-term debt expected to be financed from governmental funds are accounted for in the general long-term debt account group. Only that portion expected to be financed from expendable available financial resources is reported as a liability of a governmental fund. The two account groups are not funds. They are concerned only with the measurement of financial position, not with measurement of results of operations.

**D. BASIS OF ACCOUNTING**

The 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 generally are included on the balance sheet. Operating statements for these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets. The modified accrual basis of accounting is used for reporting all governmental fund types and the fiduciary fund type agency funds. 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. The police jury uses the following practices in recognizing and reporting revenues and expenditures:

**Revenues**

Ad valorem taxes and the related state revenue sharing are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis and attach as an enforceable lien and become due and payable on the date the tax rolls are filed with the recorder of mortgages. Louisiana Revised Statute 47:1994 requires that the tax roll be filed on or before November 15 of each year. Ad valorem taxes become delinquent if not paid by December 31. The taxes are normally collected in December of the current year and January and February of the ensuing year.

Federal and state grants are recorded when the police jury is entitled to the funds.

Sales and use taxes are recognized in the month received by the police jury's collection agents, the Winn Parish School Board Sales and Use Tax Office and the Louisiana Department of Public Safety and Corrections - Office of Motor Vehicles.

**WINN PARISH POLICE JURY**  
Winnfield, Louisiana  
Notes to the Primary Government Financial Statements  
(Continued)

Fines and forfeitures are recognized in the period they are collected by the parish sheriff.

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

Substantially all other revenues are recorded when they become available to the police jury.

Based on the above criteria, ad valorem taxes, state revenue sharing, federal and state grants, sales and use taxes, fines and forfeitures, and licenses and permits are treated as susceptible to accrual.

**Expenditures**

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

**Other Financing Sources (Uses)**

Transfers between funds which are not expected to be repaid and increases in long-term debt are accounted for as other financing sources (uses) and are recognized when the underlying events occur.

**Deferred Revenues**

Deferred revenues arise when resources are received by the police jury before it has legal claim to the revenue, as when grant funds are received before qualifying expenditures are incurred. In subsequent periods, when the police jury establishes legal claim to the funds, the liability for deferred revenue is removed from the balance sheet and the revenue is recognized.

**E. BUDGET PRACTICES**

Preliminary cash basis budgets for the ensuing year are prepared by the treasurer beginning in October. The finance committee reviews the proposed budgets and makes changes as it deems appropriate. The availability of the proposed budgets for public inspection and the date of the public hearing on the budgets are then advertised in the official journal. During its regular December meeting, the jury holds a public hearing on the proposed budgets in order to receive comments from citizens. Changes are made to the proposed budgets based on the public hearing and the desires of the police jury as a whole. The budgets are then adopted during the regular December meeting, and notice is published in the official journal.

**WINN PARISH POLICE JURY**  
Winnfield, Louisiana  
Notes to the Primary Government Financial Statements  
(Continued)

During the year, the police jury receives monthly budget comparison statements which are used as a tool to control the operations of the parish. The treasurer presents necessary budget amendments to the jury when he determines that actual operations are differing materially from those anticipated in the original budget. The jury in regular session reviews the proposed amendments, makes necessary changes, and formally adopts the amendments. The adoption of amendments is included in jury minutes published in the official journal.

The police jury exercises budgetary control at the functional level. Within functional levels, the treasurer has the authority to make amendments as necessary. The police jury does not utilize encumbrance accounting in its budget practices. Unexpended appropriations lapse at year end and must be re-appropriated in the next year's budget to be expended.

Budget comparison statements included in the accompanying primary government financial statements include the original adopted budgets and all subsequent amendments. The following reconciles the excess of revenues and other sources over expenditures and other uses as shown on budgetary comparison financial statements to the same amounts shown on GAAP basis financial statements:

	General Fund	Special Revenue Funds
	-----	-----
Excess (deficiency) of revenues and other sources over expenditures and other uses (cash basis) Statement C	\$278,113	\$10,199
Adjustments:		
Revenues/Receivables (net)	491,568	218,616
Expenditures/Payables (net)	(469,502)	(323,863)
	-----	-----
Excess (deficiency) of revenues and other sources over expenditures and other uses (GAAP basis) Statement B	\$300,180	(\$95,048)
	-----	-----

**F. ENCUMBRANCES**

Encumbrances accounting, under which purchase orders are recorded in order to reserve that portion of the applicable appropriation, is not employed for other commitments of the police jury. However, outstanding purchase orders are taken into consideration before expenditures are incurred in order to assure that applicable appropriations are not exceeded.

**WINN PARISH POLICE JURY**  
Winnfield, Louisiana  
Notes to the Primary Government Financial Statements  
(Continued)

**G. CASH AND CASH EQUIVALENTS**

Under state law, the police jury may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having principal offices in Louisiana.

**H. INVENTORIES**

Inventories, consisting of office supplies and road maintenance materials are considered expenditures when purchased; therefore, physical inventories are not taken. Inventories on hand at December 31, 1998, are considered immaterial; therefore, they have not been included in the financial statements.

**I. COMPENSATED ABSENCES**

**Police Jury** -- employees earn 10 days of annual and 6 days sick leave each year, depending on their length of service. Vacation leave does not accumulate. Sick leave may be accumulated to a maximum of 12 days; however, accumulated sick leave is forfeited upon termination of employment.

**Registrar of Voters** -- the registrar of voters and the chief deputy of Winn Parish are employees of the State of Louisiana, Department of Elections and Registration, and are paid in part by the police jury. Employees accrue and accumulate annual and sick leave in accordance with state law and administrative regulations. The leave is accumulated without limitation; however, upon separation of employment, classified personnel or their heirs are compensated for accumulated annual leave not to exceed 300 hours.

**Library** -- employees earn from 12 to 21 days of vacation leave each year depending on their length of service and professional training. Vacation leave accumulates with up to 10 days being carried forward at the end of the calendar year. Employees shall be paid for any accumulated annual leave upon dismissal or resignation. Employees earn 12 days of sick leave each year which may be accumulated to a maximum of 30 days. Sick leave is forfeited upon termination of employment.

**Criminal Court** -- employees of the Eighth Judicial District Criminal Court earn from 10 to 20 days of vacation leave and 45 days of sick leave each year, depending on their length of service. Vacation and sick leave does not accumulate, and employees are not paid for unused leave upon termination of employment.

The cost of current leave privileges as provided by the aforementioned policies, computed in accordance with GASB Codification Section C60, is recognized as a current-year expenditure in the governmental funds when leave is actually taken. The cost of leave privileges not requiring current resources is recorded in the general long-term debt account group.

**WINN PARISH POLICE JURY**  
Winnfield, Louisiana  
Notes to the Primary Government Financial Statements  
(Continued)

**J. 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. All other interfund transfers are reported as operating transfers.

**K. TOTAL COLUMNS ON COMBINED STATEMENTS**

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

**L. SALES TAX**

Voters of Winn Parish on January 15, 1994, approved a one-half of one per cent sales and use tax with the net proceeds of the tax to be dedicated and used first to establish, construct, acquire, maintain, improve, and operate a solid waste collection and disposal system for Winn Parish, with the balance to be used for the purpose of maintaining and supporting the Winn Parish Courthouse. The tax, collected by the Winn Parish School Board, was approved for a period of ten (10) years beginning March 1, 1994.

**2. CASH AND EQUIVALENTS**

At December 31, 1998, the police jury has cash and equivalents (book balances, net of overdrafts) as follows:

Petty cash	\$300
Interest bearing demand deposits	1,232,692
Time and certificates of deposit	<u>316,587</u>
Total	<u><u>\$1,549,579</u></u>

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 are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

**WINN PARISH POLICE JURY**  
Winnfield, Louisiana  
Notes to the Primary Government Financial Statements  
(Continued)

Cash and cash equivalents (bank balances) totaling \$1,597,936 are secured by \$300,000 of federal deposit insurance (GASB Category 1), and \$1,297,936 of securities held in the trust department of the fiscal agent bank, but not in the name of the police jury (GASB Category 3). Because the pledged securities are held in the trust department of the fiscal agent bank in the name of the fiscal agent bank rather than in the name of the police jury, they are considered uncollateralized under the provisions of GASB Codification 150.163(b); however, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the police jury that the fiscal agent bank has failed to pay deposited funds upon demand.

**3. RECEIVABLES**

The following is a summary of receivables at December 31, 1998:

Class of Receivable	General Fund	Special Revenue Funds	Total
Taxes:			
Ad valorem	\$150,998	\$507,017	\$658,015
Sales and use		53,697	53,697
Licenses and permits			
Intergovernmental revenues:			
Federal		262,329	262,329
State	723,435	105,520	828,956
Other	170	12,933	13,103
Total	\$874,603	\$941,497	\$1,816,100

**4. CHANGES IN GENERAL FIXED ASSETS**

The following schedule presents changes in general fixed assets for the year ended December 31, 1998:

	Balance at Beginning of Year	Additions	Deletions	Balance at End of Year
Land	\$21,495			\$21,495
Buildings	1,287,741			1,287,741
Equipment, furniture, and fixtures	1,328,530	\$123,727		1,452,257
Library books	454,581	47,053	\$13,060	514,694
Total	\$3,092,346	\$170,780	\$13,060	\$3,276,186

At December 31, 1998, approximately \$2,627,216 or 84.96 per cent of the general fixed assets are recorded at estimated historical costs and \$465,130 or 15.04 per cent are valued at actual historical cost.

**WINN PARISH POLICE JURY**  
Winnfield, Louisiana  
Notes to the Primary Government Financial Statements  
(Continued)

**5. PENSION PLANS**

Substantially all employees of the police jury are members of the Parochial Employees Retirement System of Louisiana ("system"), a multiple-employer, public employee retirement system (PERS), controlled and administered by a separate board of trustees. The system is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. Employees of the police jury are members of Plan A.

All permanent employees working at least 28 hours per week who are paid wholly or in part from 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 credited service, at or after age 55 with 25 years of credited service, or at any age with at least 30 years of credited service are entitled to a retirement benefit, payable monthly for life, equal to 3 per cent of their final compensation multiplied by the employee's years of credited service. However, for those employees who were members of the supplemental plan only prior to January 1, 1980, the benefit is equal to 1 per cent of final compensation, plus \$24 for each year of supplemental plan only service earned prior to January 1, 1980. Final compensation is the employee's monthly earnings during the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of credited service stated previously and who do not withdraw their employee contributions, may retire at the ages specified previously and receive the benefit accrued to their date of termination. The system also provides death and disability benefits. Benefits are established by state statute.

The System issues 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 the Parochial Employees' Retirement System, Post office Box 14619, Baton Rouge, LA 70898-4619, or by calling (504) 928-1361.

Under Plan A, members are required by state statute to contribute 9.5 percent of their annual covered salary and the employer is required to contribute at an actuarially determined rate. The current rate is 8.0 percent of annual covered payroll. Contributions to the System include one-fourth of one percent (except Orleans and East Baton Rouge Parishes) of the taxes shown to be collectible by the tax rolls of the parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the employers are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation of the prior fiscal year. The employer contributions to the System under Plan A for the years ending December 31, 1998, 1997, and 1996, were \$53,532, \$57,671, and \$43,703, respectively, equal to the required contributions for each year.

**6. COMPENSATED ABSENCES**

At December 31, 1998, employees of the police jury have accumulated and vested \$1,405 of employee leave benefits, which were computed in accordance with GASB Codification Section C60. This amount is recorded within the general long-term debt account group.

**WINN PARISH POLICE JURY**  
Winnfield, Louisiana  
Notes to the Primary Government Financial Statements  
(Continued)

**7. LEASE/PURCHASES**

During 1997, the police jury entered into a four year lease/purchase agreement for the acquisition of an excavator. The agreement requires 48 monthly payments of \$1,392. The obligation is paid from the Road Maintenance Special Revenue Fund. Title to the equipment transfers to the police jury immediately upon acceptance of the equipment.

During 1998, the police jury entered into a five year lease/purchase agreement for the acquisition of a tractor. The agreement requires 60 monthly payments of \$1,151. The obligation is paid from the Road Maintenance Special Revenue Fund. Title to the equipment transfers to the police jury immediately upon acceptance of the equipment.

During 1998, the police jury entered into a four year lease/purchase agreement for the acquisition of a dump truck. The agreement requires 48 monthly payments of \$1,064. The obligation is paid from the Road Maintenance Special Revenue Fund. Title to the equipment transfers to the police jury immediately upon acceptance of the equipment.

During 1998, the police jury entered into a three year lease agreement for the acquisition of computer software. The agreement requires 36 monthly payments of \$426. The obligation is paid from the General Fund. The agreement contains a provision which allows the police jury to purchase the software for a nominal sum of \$1 at the expiration of the lease term.

The following is a schedule of future minimum payments under the agreements together with the present value of the minimum payments as of December 31, 1998:

Year End December 31,	
-----	
1999	\$35,631
2000	35,631
2001	87,670
2002	13,817
	-----
Totals	172,748
Less - amount representing interest	(20,107)
	-----
Present value of net minimum lease payments	\$152,641
	-----

**8. BANK LOAN**

In November 1998, the police jury entered into a four-year bank loan for the acquisition of a dump truck in the amount of \$44,987, with an annual percentage rate of 6.20 per cent. The agreement requires 48 monthly payments in the amount of \$1,064. Loan payments are made from the Road Fund Special Revenue Fund. At December 31, 1998, the loan balance is \$51,027, including interest of \$6,040.

**WINN PARISH POLICE JURY**  
Winnfield, Louisiana  
Notes to the Primary Government Financial Statements  
(Continued)

**9. CHANGES IN LONG-TERM DEBT**

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

	Bank Loans	Lease/ Purchases	Compensated Absences	Total
Beginning Balance		\$3,169	\$1,564	\$4,733
Additions	\$44,987	174,179	1,311	220,477
Deductions		(24,708)	(1,470)	(26,177)
Ending Balance	\$44,987	\$152,641	\$1,405	\$199,033

**10. INDUSTRIAL REVENUE BONDS**

The parish has issued revenue bonds to provide revenue for constructing, acquiring and installing certain industrial facilities. The funding to pay the bonds is provided solely from sales, leases, or other revenues of the various facilities. The bonds do not constitute an indebtedness or pledge of the general credit of the police jury and are not included in the accompanying financial statements.

**11. LITIGATION**

At December 31, 1998, the police jury is involved in several lawsuits. In the opinion of the police jury's legal counsel, the potential for claims in excess of insurance coverage is remote or undeterminable. No provision for any liability that may result from settlement of these lawsuits has been made in the accompanying financial statements.

**12. YEAR 2000 ISSUE**

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

The police jury has completed an inventory of the mission-critical computer systems that may be affected by the Year 2000 Issue and that are necessary to conducting operations, and is in the process of testing and validating the electronic equipment that is considered mission-critical.

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

**WINN PARISH POLICE JURY**  
Winnfield, Louisiana  
SUPPLEMENTAL INFORMATION SCHEDULES  
For the Year Ended December 31, 1998

**SPECIAL REVENUE FUNDS**

**ROAD MAINTENANCE FUND** -- accounts for the maintenance of roads and bridges in the parish with revenues provided by state and federal grants and parish ad valorem taxes.

**HEALTH UNIT FUND** -- accounts for the operations of the parish health unit with revenues provided by state grants and parish ad valorem taxes.

**LIBRARY FUND** -- accounts for the operations and maintenance of the parish library system with revenues provided by state grants, parish ad valorem taxes, and self-generated revenues.

**CRIMINAL COURT FUND** -- accounts for operations of the criminal court system of the parish. Financing is provided by fines and forfeitures imposed by the district court and district attorney conviction fees in criminal cases. Expenditures are made from the fund on a motion of the district attorney and approval of the district judges. The statute also requires one-half of the fund balance remaining at December 31 of each year be transferred to the General Fund of the parish.

**HOUSING AUTHORITY FUND** -- accounts for funds provided by the United States Department of Housing and Urban Development, through the Section 8 Housing Voucher Program (CFDA No. 14.177). The federal grant is used to develop viable urban communities by providing decent housing, a suitable living environment, and expanding economic opportunities, principally for persons of low and moderate income.

**SALES TAX FUND** -- accounts for the maintenance and operation of a solid waste collection and disposal system for Winn Parish, with the balance to be used for the purpose of maintaining and supporting the Winn Parish Courthouse. Financing is provided by a one-half cent sales and use tax.

**COMMUNICATIONS DISTRICT FUND** -- accounts for the operation and maintenance of the Winn Parish Communications District created by Louisiana Revised Statute 33:9101 et seq. Financing is provided by service fees charged telephone users in the parish.

**WINN PARISH POLICE JURY  
WINNFIELD, LOUISIANA  
GOVERNMENTAL FUND TYPE - SPECIAL REVENUE FUNDS  
  
PRIMARY GOVERNMENT COMBINING SCHEDULES  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 1998**

WINN PARISH POLICE JURY  
Winnfield, Louisiana  
GOVERNMENTAL FUND TYPE - SPECIAL REVENUE FUNDS

Combining Balance Sheet, December 31, 1998

	ROAD	HEALTH UNIT	LIBRARY	CRIMINAL COURT	HOUSING AUTHORITY	SALES TAX
<b>ASSETS</b>						
Cash and cash equivalents	\$52,045	\$479,444	\$67,995	\$556	\$25,583	\$137,210
Receivables	509,478	138,173	227,217	7,804		53,697
Interfund receivables						
<b>TOTAL ASSETS</b>	<b>\$561,523</b>	<b>\$617,617</b>	<b>\$295,212</b>	<b>\$8,360</b>	<b>\$25,583</b>	<b>\$190,907</b>
<b>LIABILITIES AND FUND EQUITY</b>						
<b>Liabilities:</b>						
Accounts payable	\$103,966	\$24,556	\$30,769	\$5,766	\$1,361	\$50,055
Interfund payables						
Deferred revenues					28,222	
<b>Total liabilities</b>	<b>103,966</b>	<b>24,556</b>	<b>30,769</b>	<b>5,766</b>	<b>29,583</b>	<b>50,055</b>
<b>Fund Equity:</b>						
Fund balances - unreserved - undesignated	457,557	593,061	264,443	2,594		140,852
<b>Total Fund Equity</b>	<b>457,557</b>	<b>593,061</b>	<b>264,443</b>	<b>2,594</b>	<b>NONE</b>	<b>140,852</b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$561,523</b>	<b>\$617,617</b>	<b>\$295,212</b>	<b>\$8,360</b>	<b>\$29,583</b>	<b>\$190,907</b>

COMMUNICATIONS DISTRICT	TOTAL
\$98,809	\$861,642
5,129	941,498
-----	-----
\$103,938	\$1,803,140
=====	=====
	\$216,473
	28,222
-----	-----
NONE	244,695
-----	-----
103,938	1,562,445
-----	-----
103,938	1,562,445
-----	-----
\$103,938	\$1,807,140
=====	=====

WINN PARISH POLICE JURY  
Winnfield, Louisiana  
GOVERNMENTAL FUND TYPE - SPECIAL REVENUE FUNDS

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances  
For the Year Ended December 31, 1998

	ROAD MAINTENANCE	HEALTH UNIT	LIBRARY	CRIMINAL COURT	HOUSING AUTHORITY	SALES TAX
<b>REVENUES</b>						
-----						
Taxes:						
Ad valorem	\$183,020	\$129,239	\$215,184			
Sales and use						771,543
Intergovernmental revenues:						
Federal funds	257,051		4,692		\$196,218	
State funds	403,445	20,698	42,901			
Local funds			4,560	\$23,333		
Fees, charges, and commissions for services			11,255			
Fines and forfeitures				138,112		
Use of money - interest earnings	5,483	12,683	6,053		6,184	5,484
Miscellaneous	4,356		49,635			
	-----	-----	-----	-----	-----	-----
Total revenues	853,355	162,620	334,280	161,445	202,402	777,027
	-----	-----	-----	-----	-----	-----
<b>EXPENDITURES</b>						
-----						
Current:						
General government:						
Judicial				348,434		
Elections						
Finance and administration	2,471	589	750	38,645	566	25,146
Other	6,706	4,761	7,925			160,386
Public safety						
Public works	1,142,500					661,179
Health and welfare		126,028			201,836	
Culture and recreation			290,945			
Debt service:						
Principal	24,708					
Interest	9,014					
	-----	-----	-----	-----	-----	-----
Total expenditures	1,185,399	131,378	299,620	387,079	202,402	846,711
	-----	-----	-----	-----	-----	-----
<b>EXCESS (Deficiency) OF REVENUES</b>						
<b>OVER EXPENDITURES</b>	(332,044)	31,242	34,660	(225,634)	NONE	(69,684)
	-----	-----	-----	-----	-----	-----
<b>OTHER FINANCING SOURCES</b>						
-----						
Increase in general long-term debt	205,230					
Operating transfers in				248,232		
	-----	-----	-----	-----	-----	-----
Total other financing sources	205,230	NONE	NONE	248,232	NONE	NONE
	-----	-----	-----	-----	-----	-----
<b>EXCESS (Deficiency) OF REVENUES AND</b>						
<b>OTHER SOURCES OVER EXPENDITURES</b>	(126,814)	31,242	34,660	22,598	NONE	(69,684)
	-----	-----	-----	-----	-----	-----
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	584,371	561,819	229,783	(20,004)	NONE	210,536
	-----	-----	-----	-----	-----	-----
<b>FUND BALANCES AT END OF YEAR</b>	\$457,557	\$593,061	\$264,443	\$2,594	NONE	\$140,852
	=====	=====	=====	=====	=====	=====

COMMUNICATIONS DISTRICT	TOTAL
	\$527,443
	771,543
	457,961
	467,044
	27,893
\$61,255	72,510
	138,112
3,523	39,410
127	54,118
64,905	2,556,034
	348,434
1,671	69,838
	179,778
50,284	50,284
	1,803,679
	327,864
	290,945
	24,708
	9,014
51,955	3,104,544
12,950	(548,510)
	205,230
	248,232
NONE	453,462
12,950	(95,048)
90,988	1,657,493
\$103,938	\$1,562,445

**WINN PARISH POLICE JURY**  
Winnfield, Louisiana

**SUPPLEMENTAL INFORMATION SCHEDULE**  
For the Year Ended December 31, 1998

**COMPENSATION PAID POLICE JURORS**

The schedule of compensation paid to police jurors is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Compensation of the police jurors is included in the legislative expenditures of the General Fund. In accordance with Louisiana Revised Statute 33:1233, the police jury has elected the monthly payment method of compensation. Under this method, jurors receive \$600 per month, while the president receives an additional \$100 per month for performing the additional duties of the office.

Crain, Delane	\$7,200
Flowers, Samuel E.	7,200
Hamilton, Edward L.	7,200
Kuhn, Alden, Jr.	7,200
Lasyone, Earl	7,200
Martin, Todd H	7,200
Tarver, Lamar	<u>8,400</u>
Total	<u>\$51,600</u>

**OTHER REPORTS REQUIRED BY  
GOVERNMENT AUDITING STANDARDS**

The following pages contain reports on compliance with laws and regulations and internal control over financial reporting required by *Government Auditing Standards*, issued by the Comptroller General of the United States. The reports are based solely on the audit of the financial statements.

**HERBIE W. WAY**  
**CERTIFIED PUBLIC ACCOUNTANT**

55 Terra Avenue  
Alexandria, LA 71303  
318/442-7568  
Fax: 318/442-9495

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

**WINN PARISH POLICE JURY**  
Winnfield, Louisiana

I have audited the primary government financial statements of the Winn Parish Police Jury as of and for the year ended December 31, 1998, and have issued my report thereon dated June 18, 1999. I conducted my 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 financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed the following instance of noncompliance that is required to be reported under *Government Auditing Standards*.

**Maintenance Gravel Purchases**

Condition - in December 1997, the police jury awarded bids on the anticipated purchase of gravel to maintain parish roads during 1998. An error in the tabulation of the bids resulted in the bid for maintenance gravel being awarded to a company other than the low bidder.

In March of 1998, the police jury discovered that an error had been made and rescinded its motion of December 1997, and awarded the bid on maintenance gravel to the low bidder.

Criteria - the Louisiana public bid law requires that the bid be awarded to the lowest responsible bidder.

Effect - the error in awarding the bids resulted in a lawsuit being filed by the low bidder alleging violation of the bid law and seeking compensation from the police jury for its loss resulting from the error. Legal counsel for the jury is unable to reasonably estimate the potential liability to the jury.

**WINN PARISH POLICE JURY**  
Winnfield, Louisiana  
Compliance and Internal Control Report  
(Continued)

Recommendation - in the future, bids should be reviewed and approved by the Bid Committee of the police jury before being awarded.

Management's Response - the jury president stated that future bid tabulations will be carefully reviewed by the bid committee

This instance of noncompliance does not affect my report dated June 18, 1999, on the financial statements of the Winn Parish Police Jury.

*Internal Control Over Financial Reporting*

In planning and performing my audit, I considered the internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

*Prior Audit Findings*

The audit for the year ended December 31, 1997, disclosed no instances of noncompliance that were required to be reported under *Government Auditing Standards* or matters involving the internal control over financial reporting and its operation that were considered to be material weaknesses.

*General*

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

*Herbie W. Way*

Herbie W. Way  
Alexandria, Louisiana  
June 18, 1999

**OTHER REPORTS REQUIRED BY**

**OFFICE OF MANAGEMENT AND BUDGET (OMB) CIRCULAR A-133**

The following pages contain reports on the schedule of federal financial assistance, consideration of internal control, and compliance with laws and regulations required by OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, the *Single Audit Act*, and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.

**HERBIE W. WAY**  
**CERTIFIED PUBLIC ACCOUNTANT**

55 Terra Avenue  
Alexandria, LA 71303  
318/442-7568  
Fax: 318/442-9495

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

**WINN PARISH POLICE JURY**  
Winnfield, Louisiana

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

I conducted my audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*. Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the police jury's compliance with those requirements and performing other procedures as we considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination on the police jury's compliance with those requirements.

In my opinion, the police jury complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 1998.

WINN PARISH POLICE JURY  
Winnfield, Louisiana  
A-133 Compliance Report  
(Continued)

*Internal Control over Compliance*

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

My consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a 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 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. I noted no matters involving the internal control over compliance and its operation that I consider to be material weaknesses.

This report is intended for the information of the audit committee, management, and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

*Herbie W. Way*

Herbie W. Way  
Alexandria, Louisiana  
June 18, 1999

WINN PARISH POLICE JURY  
 Winnfield, Louisiana  
 Schedule of Expenditures of Federal Awards  
 For the Year Ended December 31, 1998

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM NAME	CFDA NUMBER	GRANT NUMBER	ISSUES/ EXPENDITURES
<u>UNITED STATES DEPARTMENT OF AGRICULTURE</u>			
Passed through Louisiana Department of Social Services:			
Passed through Louisiana Department of Education - Summer Feeding Program	10.559	SF0037	\$58,371
Passed through Louisiana Department of Treasury - Schools and Roads - Grants to States	10.665		257,051
Total United States Department of Agriculture			<u>315,422</u>
<u>UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
Direct program - Section 8 Housing Voucher Program	14.855		<u>193,216</u>
<u>UNITED STATES DEPARTMENT OF JUSTICE</u>			
Passed through the Louisiana Commission on Law Enforcement and Administration of Criminal Justice - Juvenile Justice and Delinquency Program	16.540	W-95-8-002	<u>7,315</u>
<u>UNITED STATES DEPARTMENT OF THE INTERIOR</u>			
Passed through Louisiana Department of the Treasury - Payments in-lieu-of taxes	15.000		<u>11,115</u>
<u>United States Department of Education</u>			
Passed through the Louisiana Department of Culture and Recreation - State Library of Louisiana - Public Library Construction and Technology Enhancement (LSCA - Title II)	84.154		<u>4,887</u>
Total Issues/Expenditures			<u>\$531,955</u>

## Notes to the Schedule:

- The police jury follows the modified accrual basis of accounting in preparing the schedule. This method is consistent with the preparation of the police jury's financial statements.

**HERBIE W. WAY**  
**CERTIFIED PUBLIC ACCOUNTANT**

55 Terra Avenue  
Alexandria, LA 71303  
318/442-7568  
Fax: 318/442-9495

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**WINN PARISH POLICE JURY**  
Winnfield, Louisiana

1. FINANCIAL STATEMENT ITEMS

- A. The audit contained an unqualified opinion on the financial statements.
- B. The audit contained no reportable conditions.
- C. The audit contained no material weaknesses.

2. SINGLE AUDIT ITEMS

- A. The audit contained no reportable conditions in internal controls over major programs.
- B. The audit contained no reportable conditions that were considered to be material weaknesses in internal control over major programs.
- C. The audit contained an unqualified opinion on the Schedule of Expenditures of Federal Awards of the Winn Parish Police Jury at December 31, 1998, and that the Schedule is fairly presented in all material respects in relation to the financial statements taken as a whole.
- D. The police jury has been determined to be a low risk auditee under Section 530.
- E. As evidenced by the accompanying Schedule of Expenditures of Federal Awards, the police jury had no Federal programs with expenditures of \$300,000 or more. To meet the "percentage of coverage rule," the Section 8 Housing Voucher Program (CFDA No. 14.855) from the United States Department of Housing and Urban Development was selected as a major Federal program.
- F. The audit report contained no findings required to be reported under Section 510(a) of OMB Circular A-133.
- G. The Schedule of Expenditures of Federal Awards was prepared on the modified accrual basis of accounting.

WINN PARISH POLICE JURY  
Winnfield, Louisiana  
A-133 Compliance Report  
(Continued)

3. The Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* contained no reportable conditions relating to compliance with laws, regulations, contracts, and grants applicable to each of its major federal programs.
4. The Report on Compliance with Requirements Applicable to each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133 contained no reportable conditions required to be reported under Section 510(a).

*Herbie W. Way*

Herbie W. Way  
Alexandria, Louisiana  
June 18, 1999