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MONROE/IBRE PARISH ASSESSOR
Bastrop, Louisiana

**General Purpose Financial Statements
With Independent Auditor's Report
As of and for the Two Years Ended
December 31, 1997**

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

Release Date 4-21-98



MOOREHOUSE PARISH ASSessor
Bastrop, Louisiana

General Purpose Financial Statements
With Independent Auditor's Report
As of and for the Two Years Ended
December 31, 1997

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Independent Auditor's Report

HONORABLE MICHAEL D. WOODEN, CLU
MORISHOUSE PARISH ASSESSOR
Bastrop, Louisiana

MEMBER AMERICAN
INSTITUTE OF CERTIFIED
PUBLIC ACCOUNTANTS

SOCIETY OF LOUISIANA
CERTIFIED PUBLIC
ACCOUNTANTS

PRACTICING MEMBER IN
GOODSTANDING
ACCOUNTING, AUDITING
AND FINANCIAL MANAGEMENT

I have audited the general purpose financial statements of the Morishouse Parish Assessor, a component unit of the Morishouse Parish Police Jury, as of December 31, 1997, and for the two years then ended, as listed in the table of contents. These general purpose financial statements are the responsibility of the Morishouse Parish Assessor's management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

I conducted my 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 I 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 presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Morishouse Parish Assessor as of December 31, 1997, and the results of operations for the two years then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, I have also issued a report dated March 30, 1998, on my consideration of the Morishouse Parish Assessor's internal control structure and a report dated March 30, 1998, on compliance with laws and regulations.

West Monroe, Louisiana
March 30, 1998

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**GENERAL PURPOSE FINANCIAL STATEMENTS
(OVERVIEW)**

MORRHOUSE PARISH ASSessor
Bastrop, Louisiana
ALL FUND TYPES AND ACCOUNT GROUPS

Balance Sheet, December 31, 1997

	GOVERNMENTAL FUND TYPE - <u>GENERAL FUNDS</u>	ACCOUNT GROUP - GENERAL FUND <u>ASSETS</u>	TOTAL MEMORANDUM <u>ASSETS</u>
ASSETS			
Cash	\$70,906		\$70,906
Receivables	302,579		302,579
Office furniture and equipment		<u>\$150,488</u>	<u>150,488</u>
TOTAL ASSETS	<u>\$373,485</u>	<u>\$150,488</u>	<u>\$723,969</u>
LIABILITIES AND FUND EQUITY			
Liabilities:			
Accounts payable	\$2,014		\$2,014
Payroll deductions payable	1,391		1,391
Accrued interest payable	348		348
Bank loan payable	65,000		65,000
Total Liabilities	<u>68,753</u>	<u>NONE</u>	<u>68,753</u>
Fund Equity:			
Investment in general fixed assets		\$150,488	150,488
Fund balance - unreserved - undesignated	304,328		304,328
Total Fund Equity	<u>304,328</u>	<u>150,488</u>	<u>454,816</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$72,081</u>	<u>\$150,488</u>	<u>\$723,969</u>

The accompanying notes are an integral part of this statement.

MOREHOUSE PARISH ASSESSOR
Ruston, Louisiana
GOVERNMENTAL FUND TYPE - GENERAL FUND

Statement of Revenues, Expenditures, and
 Changes in Fund Balance - Budget
 (GAAP Basis) and Actual
 For the Year Ended December 31, 1997

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
Taxes - ad valorem	\$290,000	\$296,642	\$6,642
Intergovernmental revenues - state grant - state revenue sharing (net)	50,000	48,480	(1,510)
Use of money and property: Interest earnings	3,200	3,515	315
Use of equipment	2,000	3,155	1,155
Other revenues	6,700	7,110	410
Total revenues	<u>353,900</u>	<u>357,312</u>	<u>3,412</u>
EXPENDITURES			
General government - taxation: Current:			
Personal services and related benefits	265,000	260,027	4,973
Operating services	112,000	95,792	16,208
Materials and supplies	30,000	34,121	(3,879)
Travel and other charges	23,000	18,982	4,018
Debt service	2,000	548	1,452
Capital outlay	15,000	12,382	2,618
Total expenditures	<u>457,000</u>	<u>402,772</u>	<u>54,228</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(103,100)</u>	<u>(45,460)</u>	<u>(57,640)</u>
FUND BALANCE AT BEGINNING OF YEAR	<u>346,938</u>	<u>346,938</u>	<u>NONE</u>
FUND BALANCE AT END OF YEAR	<u>\$243,838</u>	<u>\$201,478</u>	<u>\$42,360</u>

The accompanying notes are an integral part of this statement.

MOOREHOUSE PARISH ASSessor
Baton Rouge, Louisiana
GOVERNMENTAL FUND TYPE - GENERAL FUND

Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget
(GAAP Basis) and Actual
For the Year Ended December 31, 1996

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
Taxes - ad valorem	\$280,000	\$280,380	\$0,380
Intergovernmental revenues - state (grant - state revenue sharing (tax))	50,000	49,346	(654)
Use of money and property:			
Interest earnings	3,300	3,736	436
Use of equipment	2,200	3,244	1,044
Other revenues	6,700	7,110	410
Total revenues	<u>342,400</u>	<u>344,086</u>	<u>1,686</u>
EXPENDITURES			
General government - taxation:			
Current:			
Personal services and related benefits	250,000	228,714	21,286
Operating services	42,000	44,539	(1,539)
Materials and supplies	16,000	19,440	(3,440)
Travel and other charges	18,000	17,847	1,153
Debt service	3,000		3,000
Capital outlay	8,000	1,308	6,692
Total expenditures	<u>328,000</u>	<u>306,848</u>	<u>31,152</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>14,400</u>	<u>17,238</u>	<u>2,838</u>
FUND BALANCE AT BEGINNING OF YEAR	<u>299,750</u>	<u>299,750</u>	<u>NONE</u>
FUND BALANCE AT END OF YEAR	<u>\$204,150</u>	<u>\$216,988</u>	<u>\$12,838</u>

The accompanying notes are an integral part of this statement.

MOREHOUSE PARISH ASSESSOR

Bastrop, Louisiana

Notes to the Financial Statements

As of and For the Two Years Ended December 31, 1997

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As provided by Article VII, Section 24 of the Louisiana Constitution of 1974, the assessor is elected by the voters of the parish and serves a term of four years, beginning January 1 following the year in which elected. The assessor assesses all real and movable property in the parish, subject to ad valorem taxation, prepares tax rolls, and submits the rolls to the Louisiana Tax Commission and other governmental bodies as prescribed by law. The assessor is authorized to appoint as many deputies as necessary for the efficient operation of his office and to provide assistance to the taxpayers of the parish. The deputies are authorized to perform all functions of the office, but the assessor is officially and pecuniarily responsible for the actions of the deputies.

At December 31, 1997, there are 35,767 real estate, personal property, and public service assessment listings totaling 46,741,410, 43,184,860, and 19,699,140, respectively. This represents an increase of 469 assessment listings. The total assessed valuation increased by 8,138,920.

A. REPORTING ENTITY

As the governing authority of the parish, for reporting purposes, the Morehouse Parish Police Jury is the financial reporting entity for Morehouse 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) other 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 establishes criteria for determining which component units should be considered part of the Morehouse Parish Police Jury for financial reporting purposes. The basic criteria for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

- i. Appointing a voting majority of an organization's governing body, and;

MOREHOUSE PARISH ASSESSOR

Batturee, Louisiana

Notes to the Financial Statements (Continued)

- a. The ability of the police jury to impose its will on the organization and/or;
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.
 3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the police jury maintains and operates the parish courthouses in which the assessor's office is located, the assessor was determined to be a component unit of the Morehouse Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the assessor and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

B. FUND ACCOUNTING

The assessor 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.

MOREHOUSE PARISH ASSESSOR

Bastrop, Louisiana

Notes to the Financial Statements (Continued)

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 assessor's current operations require only the use of governmental funds (General Fund). Ad valorem tax revenue, authorized by Louisiana Revised Statute 47:1923.3, is accounted for in this fund. General operating expenditures are paid from this fund.

C. GENERAL FIXED ASSETS AND LONG-TERM DEBT

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the general fixed assets account group, rather than in the General Fund. Fixed assets provided by the police jury are not recorded in the general fixed assets account group. Approximately 4 per cent of fixed assets are valued at estimated historical costs, based on the actual costs of like items, while the remaining 96 per cent are based on actual historical costs. Donated fixed assets are valued at their estimated fair market value on the date received.

The cost 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. No depreciation has been provided on general fixed assets. The assessor has no long-term debt at December 31, 1987.

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.

MOREHOUSE PARISH ASSESSOR

Baton Rouge, Louisiana

Notes to the Financial Statements (Continued)

The modified accrual basis of accounting is used for reporting all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are 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 assessor 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 assessed. Ad valorem taxes are assessed on a calendar year basis, attached 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 47:1993 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.

Fees for preparing tax rolls and tax notices are recorded in the year prepared.

Interest income on demand deposits is recorded monthly when the interest is earned and credited to the account.

Based on the above criteria, ad valorem taxes, state revenue sharing, and fees for preparing tax rolls and tax notices have been treated as susceptible to accrual.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

E. BUDGET PRACTICES

The proposed budget for the General Fund, prepared on the modified accrual basis of accounting, is made available for public inspection at least fifteen days prior to the beginning of each fiscal year. The budget is then legally adopted by the assessor and

WIREHOUSE PARISH ASSESSOR

Redry, Louisiana

Notes to the Financial Statements (Continued)

amended during the year, as necessary. The budget is established and controlled by the assessor at the object level of expenditures. Appropriations lapse at year-end and must be reappropriated for the following year to be expended. All changes in the budget must be approved by the assessor.

Formal budgetary integration is employed as a management control device during the year. Budgeted amounts included in the accompanying financial statement include the original adopted budget amounts and all subsequent amendments.

F. CASH

Under state law, the assessor may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the nation, or the laws of the United States. The assessor may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At December 31, 1997, the assessor has demand deposits (bank balances) totaling \$78,906.

These deposits are stated at cost, which approximates market. Under state law, these deposits, or the remaining 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. Deposit balances (bank balances) at December 31, 1997, total \$78,846 and are fully secured by federal deposit insurance.

G. VACATION AND SICK LEAVE

All employees receive from ten to fifteen days of noncumulative vacation leave each year, depending on length of service. Sick leave, which is noncumulative, is earned at the rate of ten days each year. At December 31, 1997, there are no accumulated and vested benefits relating to vacation and sick leave that require accrual or disclosure.

The cost of leave privileges, computed in accordance with GASB Codification Section C60, is recognized as a current-year expenditure in the General Fund when leave is actually taken.

WREHOUSE PARISH ASSESSOR
 Bayou, Louisiana
 Notes to the Financial Statements (Continued)

**H. TOTAL COLUMN ON THE
 BALANCE SHEET**

The total column on the balance sheet is captioned Memorandum Only to indicate that it is presented only to facilitate financial analysis (review). Data in this column does not present financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

2. PRINCIPAL TAXPAYERS

The following are the principal taxpayers for the parish and their 1997 assessed valuations:

	1997 Assessed Valuation	Per cent of Total Assessed Valuation
International Paper Company	25,599,400	20.61%
Energy Louisiana, Inc.	4,626,110	3.73%
Texas Gas Transmission Company	2,471,320	1.99%
Bell South Telecommunications	2,245,150	1.81%
Peoples Water Service Company	1,326,200	1.07%
Southern Natural Gas	1,320,950	1.07%
Georgia Pacific	1,269,070	1.02%
Hibernia National Bank	1,246,590	1.00%
Tennessee Gas Pipeline	1,154,080	0.93%
Norfolk Gas Transmission	1,084,660	0.87%
Total	<u>47,944,490</u>	<u>34.12%</u>

3. RECEIVABLES

The General Fund receivables of \$302,575 at December 31, 1997, are as follows:

Taxes - ad valorem	\$269,482
Inter-governmental revenues - state grant - state revenue sharing (net)	32,993
Other - preparing tax rolls and tax returns	<u>100</u>
Total	<u>\$302,575</u>

MOREHOUSE PARISH ASSESSOR

Bastrop, Louisiana

Notes to the Financial Statements (Continued)

4. CHANGES IN GENERAL FIXED ASSETS

A summary of changes in office furnishings and equipment follows:

Balance at January 1, 1996	540,857
For the year ended December 31, 1996:	
Additions	1,308
Deletions	(71,880)
For the year ended December 31, 1997:	
Additions	12,302
Deletions	<u>(1,995)</u>
Balance at December 31, 1997	<u>580,488</u>

5. PENSION PLAN

Substantially all employees of the Morehouse Parish Assessor's office are members of the Louisiana Assessor's Retirement System (system), a multiple-employer (cost-sharing), public employee retirement system (PERS), controlled and administered by a separate board of trustees.

All full-time employees who are under the age of 60 at the time of original employment and are not drawing retirement benefits from any other public retirement system in Louisiana are required to participate in the system. Employees who retire at or after age 55 with at least 12 years of credited service or at or after age 50 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-average salary for each year of credited service, not to exceed 100 per cent of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or jointed months that produce the highest average. Employees who terminate with at least 12 years of service and do not withdraw their employer contributions may retire at or after age 55 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 report that includes financial statements and required supplementary information for the system. That report may be obtained by writing to the Louisiana Assessor's Retirement System, Post Office Box 1786, Shreveport, Louisiana 71166-1786, or by calling (318) 425-4446.

Plan members are required by state statute to contribute 7.00 per cent of their annual covered salary and the Morehouse Parish Assessor is required to contribute at an actuarially determined rate. The current rate is 6.00 per cent of annual covered payroll. Contributions to the system include one-fourth of one per cent (one per cent for Orleans Parish) of the taxes shown to be collectible by the tax rolls of

MOREHOUSE PARISH ASSESSOR

Bastrop, Louisiana

Notes to the Financial Statements (Continued)

each parish, plus revenue sharing funds appropriated by the legislature. The contribution requirements of plan members and the Morehouse Parish Assessor are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Morehouse Parish Assessor's contributions to the system for the years ending December 31, 1997, 1998, and 1999, were \$11,702, \$9,608, and \$10,374, respectively, equal to the required contributions for each year.

6. POST RETIREMENT BENEFITS

The Morehouse Parish Assessor provides certain continuing health care and life insurance benefits for its retired employees. Substantially all of the assessor's employees become eligible for these benefits if they reach normal retirement age while working for the assessor. These benefits for retirees and similar benefits for active employees are provided through an insurance company whose monthly premiums are paid jointly by the employee and the assessor. The assessor recognizes the cost of providing the benefits (assessor's cost of premiums) as an expenditure when the monthly premiums are paid. For the two years ended December 31, 1997 and 1998, the total amount of premiums paid were \$30,891 and \$26,763, respectively, while the amounts paid for retirees totaled \$9,510 and \$9,370, respectively.

7. BANK LOAN PAYABLE

On November 12, 1997, the assessor borrowed \$65,000 from the Bank of Oak Ridge for general operations. The loan agreement required a single payment of \$65,000 with interest at 5.5 per cent, which was made on January 10, 1998.

8. LITIGATION AND CLAIMS

At December 31, 1997, the Morehouse Parish Assessor is not involved in any litigation, nor is he aware of any unasserted claims.

9. EXPENDITURES OF THE ASSESSOR'S OFFICE PAID BY THE POLICE JURY

The Morehouse Parish Assessor's office is located in the parish courthouse. The cost of maintaining and operating the courthouse, as required by Louisiana Revised Statute 33:4715, is paid by the Morehouse Parish Police Jury.

**Independent Auditor's Reports Required
by Government Auditing Standards**

The following independent auditor's reports on compliance with laws and regulations, and internal control structure are presented in compliance with the requirements of *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.



**Independent Auditor's Report on
Compliance With Laws and Regulations**

HONORABLE MICHAEL D. WOODEN, CLA
MOOREHOUSE PARISH ASSESSOR
Bastrop, Louisiana

I have audited the general purpose financial statements of the Moorehouse Parish Assessor, a component unit of the Moorehouse Parish Police Jury, as of December 31, 1997, and for the two years then ended, and have issued my report thereon dated March 30, 1998.

I conducted my audit in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; and the Louisiana Governmental Audit Code, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor. These standards and the audit guide require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

Compliance with laws and regulations applicable to the Moorehouse Parish Assessor is the responsibility of the Moorehouse Parish Assessor's management. As part of obtaining reasonable assurance about whether the general purpose financial statements are free of material misstatement, I performed tests of the Moorehouse Parish Assessor's compliance with certain provisions of laws and regulations. However, my objective was not to provide an opinion on overall compliance with such provisions. Accordingly, I do not express such an opinion.

Material instances of noncompliance consist of failures to follow requirements, or violations of prohibitions, contained in statutes, regulations, contracts or grants that cause me to conclude that the aggregation of the misstatements resulting from those failures or violations is material to the general purpose financial statements. The results of my tests of compliance disclosed the following instance of noncompliance.

VERNON R. COON
INDEPENDENT AUDITOR
PUBLIC ACCOUNTANTS

**SOCIETY OF LOUISIANA
CERTIFIED PUBLIC
ACCOUNTANTS**

**PELLOUS GUYARD JR.
GOVERNOR OF
LOUISIANA, AUDITOR
GENERAL**

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HONORABLE MICHAEL D. WOODEN, CLA
MOREHOUSE PARISH ASSESSOR

Bastrop, Louisiana

Independent Auditor's Report
on Compliance, etc.,
December 31, 1997

**Need to comply with Louisiana
Revised Statute 42:1113**

Finding: Louisiana Revised Statute (LRS) 42:1113 provides, in part, that no public servant or member of such a public servant's immediate family shall bid on or enter into any contract or other transaction that is under the supervision or jurisdiction of the agency of such public servant. During the two years ended December 31, 1997, the assessor, unaware that the statute applied to employees, purchased \$4,750 of computer supplies and equipment from a business owned by an employee of the assessor's office.

Recommendation: In the future, the assessor should refrain from entering into transactions involving employees or their immediate families which would cause the assessor to be in violation of state law.

Management's Response: I was not aware that this statute applied to employees of the assessor's office. The items purchased were invoiced at cost to the assessor's office and no one connected with the assessor's office profited from these transactions. As of March 31, 1998, the Morehouse Parish Assessor's Office will no longer enter into any transactions with any business owned by an employee or their immediate family. It was surely not my intent to be in violation of any state law.

I considered this instance of noncompliance in forming my opinion on whether the assessor's financial statements are presented fairly, in all material respects, in conformity with generally accepted accounting principles, and this report does not affect my report dated March 23, 1998, on those general purpose financial statements.

This report is intended for the information of the Morehouse Parish Assessor. This is not intended to limit the distribution of this report, which is a matter of public record.



West Monroe, Louisiana
March 30, 1998



Independent Auditor's Report on Internal Control Structure

HONORABLE MICHAEL D. WOODEN, CLU
MOORHOUSE PARISH ASSESSOR
Boutep, Louisiana

I have audited the general purpose financial statements of the Moorhouse Parish Assessor, a component unit of the Moorhouse Parish Police Jury, as of December 31, 1997, and for the two years then ended, and have issued my report thereon dated March 20, 1998.

I conducted my audit in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; and the Louisiana Governmental Audit Guide, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor. These standards and the audit guide require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

The management of the Moorhouse Parish Assessor 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 my audit of the general purpose financial statements of the Moorhouse Parish Assessor for the two years ended December 31, 1997, I obtained

VERNON R. COON
CHARTERED ACCOUNTANT
PUBLIC ACCOUNTANTS

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HONORABLE MICHAEL D. WOODEN, CLA
MOREHOUSE PARISH ASSESSOR

Bastrop, Louisiana

Independent Auditor's Report on
Internal Control Structure,
December 31, 1997

an understanding of the internal control structure. With respect to the internal control structure, I obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and I assessed control risk in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, I do not express such an opinion.

My consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. 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. I noted no matters involving the internal control structure and its operation that I considered to be material weaknesses as defined above.

This report is intended for the information of the Morehouse Parish Assessor. This is not intended to limit the distribution of this report, which is a matter of public record.



West Monroe, Louisiana
March 26, 1998