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MOREHOUSE PARISH POLICE JURY
BASTROP, LOUISIANA

FINANCIAL REPORT

December 31, 1999

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the 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 09-06-00

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HILL, INZINA & COMPANY

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

Police Jurors
Morehouse Parish Police Jury
Bastrop, Louisiana

We have audited the accompanying general-purpose financial statements of Morehouse Parish Police Jury, primary government, as of and for the year ended December 31, 1999, as listed in the table of contents. These general-purpose financial statements are the responsibility of the management of Morehouse Parish Police Jury. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

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

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

In our opinion, except for the effects on the general-purpose financial statements of the omission described in the preceding paragraph, the general-purpose financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of Morehouse Parish Police Jury, as of December 31, 1999, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 17, 2000, on our consideration of Morehouse Parish Police Jury's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the general-purpose financial statements taken as a whole. The combining financial statements and financial information listed as *supplementary information in the table of contents* are presented for purposes of additional analysis and are not a required part of the general-purpose financial statements of Morehouse Parish Police Jury. The schedule of expenditures of federal awards is presented as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

The supplementary information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements; and, in our opinion, the information is fairly presented, in all material respects, in relation to the general-purpose financial statements taken as a whole.

Hill, Arzoo & Co.
June 17, 2000

GENERAL-PURPOSE FINANCIAL STATEMENTS

(COMBINED STATEMENTS - OVERVIEW)

MOREHOUSE PARISH POLICE JURY
BASTROP, LOUISIANA

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

December 31, 1999

With Comparative Totals for December 31, 1998

	<u>Governmental Fund Types</u>		
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>
ASSETS AND OTHER DEBITS			
Assets:			
Cash and cash equivalents	\$ 189,417	\$ 2,714,055	\$ 223,079
Investments	150,000	4,020,000	90,000
Receivables	346,688	1,453,117	479,409
Due from other funds	50,457	16,564	-
Due from other component unit	16,293	-	-
Fixed assets	-	-	-
Other debits:			
Amount available in Debt Service Fund	-	-	-
Amount to be provided for retirement of general long-term debt	-	-	-
	<hr/>	<hr/>	<hr/>
Total assets and other debits	<u>\$ 752,855</u>	<u>\$ 8,203,736</u>	<u>\$ 792,488</u>

<u>Account Groups</u>		Primary Government Totals - (Memorandum Only)	Component Units	Reporting Entity Totals - (Memorandum Only)	
General Fixed Assets	General Long-Term Debt			<u>December 31,</u> <u>1999</u>	<u>December 31,</u> <u>1998</u>
\$ -	\$ -	\$ 3,126,551	\$ 52,997	\$ 3,179,548	\$ 4,005,621
-	-	4,260,000	125,000	4,385,000	1,640,000
-	-	2,279,214	362,966	2,642,180	2,681,446
-	-	67,021	-	67,021	67,021
-	-	16,293	-	16,293	35,293
10,361,755	-	10,361,755	447,888	10,809,643	9,543,759
-	777,847	777,847	-	777,847	760,790
-	405,865	405,865	3,834	409,699	975,308
<u>\$ 10,361,755</u>	<u>\$ 1,183,712</u>	<u>\$ 21,294,546</u>	<u>\$ 992,685</u>	<u>\$ 22,287,231</u>	<u>\$ 19,709,238</u>

(continued)

MOREHOUSE PARISH POLICE JURY
BASTROP, LOUISIANA

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

(Continued)

December 31, 1999

With Comparative Totals for December 31, 1998

LIABILITIES, EQUITY, AND OTHER CREDITS	<u>Governmental Fund Types</u>		
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>
Liabilities:			
Accounts payable	\$ 47,386	\$ 40,440	\$ 14,641
Deposits due to others	-	-	-
Due to other funds	-	67,021	-
Capital leases payable	-	-	-
General obligation bonds payable	-	-	-
Certificates of indebtedness payable	-	-	-
Claims and judgments payable	-	-	-
Compensated absences payable	-	-	-
Total liabilities	<u>\$ 47,386</u>	<u>\$ 107,461</u>	<u>\$ 14,641</u>
Equity and other credits:			
Investment in general fixed assets	\$ -	\$ -	\$ -
Fund balances:			
Reserved for long-term loan to component unit	20,000	-	-
Reserved for debt service	-	-	777,847
Unreserved and undesignated	685,469	8,096,275	-
Total equity and other credits	<u>\$ 705,469</u>	<u>\$ 8,096,275</u>	<u>\$ 777,847</u>
Total liabilities, equity, and other credits	<u>\$ 752,855</u>	<u>\$ 8,203,736</u>	<u>\$ 792,488</u>

See notes to financial statements.

<u>Account Groups</u>		Primary Government Totals - (Memorandum Only)	Component Units	Reporting Entity Totals - (Memorandum Only)	
General Fixed Assets	General Long-Term Debt			<u>December 31,</u> <u>1999</u>	<u>1998</u>
\$ -	\$ -	\$ 102,467	\$ 4,735	\$ 107,202	\$ 334,133
-	-	-	-	-	500
-	-	67,021	-	67,021	67,021
-	55,950	55,950	-	55,950	127,804
-	880,000	880,000	-	880,000	1,290,000
-	136,000	136,000	-	136,000	203,000
-	88,147	88,147	-	88,147	98,402
-	23,615	23,615	3,834	27,449	17,892
<u>\$ -</u>	<u>\$ 1,183,712</u>	<u>\$ 1,353,200</u>	<u>\$ 8,569</u>	<u>\$ 1,361,769</u>	<u>\$ 2,138,752</u>
\$ 10,361,755	\$ -	\$ 10,361,755	\$ 447,888	\$ 10,809,643	\$ 9,543,759
-	-	20,000	-	20,000	39,000
-	-	777,847	-	777,847	760,790
-	-	8,781,744	536,228	9,317,972	7,226,937
<u>\$ 10,361,755</u>	<u>\$ -</u>	<u>\$ 19,941,346</u>	<u>\$ 984,116</u>	<u>\$ 20,925,462</u>	<u>\$ 17,570,486</u>
<u>\$ 10,361,755</u>	<u>\$ 1,183,712</u>	<u>\$ 21,294,546</u>	<u>\$ 992,685</u>	<u>\$ 22,287,231</u>	<u>\$ 19,709,238</u>

MOREHOUSE PARISH POLICE JURY
BASTROP, LOUISIANA

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES
AND DISCRETELY PRESENTED COMPONENT UNITS
Year Ended December 31, 1999
With Comparative Totals for Year Ended December 31, 1998

	<u>Governmental Fund Types</u>			
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
Revenues:				
Taxes	\$ 304,030	\$ 5,552,396	\$ 477,492	\$ -
Licenses and permits	81,531	-	-	-
Intergovernmental	789,906	572,259	-	407,976
Fees, charges, and commissions for services	203	23,741	-	-
Fines and forfeitures	-	-	-	-
Interest and miscellaneous	75,492	437,140	15,527	-
	<u>\$ 1,521,162</u>	<u>\$ 6,585,536</u>	<u>\$ 493,019</u>	<u>\$ 407,976</u>
Expenditures:				
Current:				
General government:				
Legislative	\$ 63,778	\$ -	\$ -	\$ -
Judicial	307,474	12,762	-	-
Elections	43,341	-	-	-
Finance and administrative	316,480	-	14,641	-
Other	53,398	46,855	-	-
Public safety	338,300	60,115	-	-
Public works	-	3,163,214	-	-
Health and welfare	64,741	23,533	-	-
Culture and recreation	114	-	-	-
Economic development and assistance	296,148	-	-	-
Claims and judgments	3,500	-	-	-
Debt service:				
Principal	19,000	48,000	410,000	-
Interest	5,053	7,700	51,321	-
Costs of issuance	-	-	-	-
Capital outlay	-	953,208	-	407,976
	<u>\$ 1,511,327</u>	<u>\$ 4,315,387</u>	<u>\$ 475,962</u>	<u>\$ 407,976</u>

See notes to financial statements.

Primary Government Totals - (Memorandum Only)	Component Units	Reporting Entity Totals - (Memorandum Only) Year Ended December 31,	
		1999	1998
\$ 6,333,918	\$ 141,274	\$ 6,475,192	\$ 6,229,807
81,531	-	81,531	104,527
1,770,141	346,688	2,116,829	1,791,565
23,944	-	23,944	22,402
-	261,358	261,358	242,209
528,159	26,980	555,139	402,254
<u>\$ 8,737,693</u>	<u>\$ 776,300</u>	<u>\$ 9,513,993</u>	<u>\$ 8,792,764</u>

\$ 63,778	\$ -	\$ 63,778	\$ 68,552
320,236	281,595	601,831	519,967
43,341	-	43,341	38,880
331,121	-	331,121	302,452
100,253	-	100,253	127,911
398,145	424,597	823,012	859,769
3,163,214	-	3,163,214	3,797,104
88,274	10,793	99,067	108,810
114	-	114	4,563
296,148	-	296,148	316,794
3,500	-	3,500	1,847
477,000	-	477,000	458,000
64,074	-	64,074	86,219
-	-	-	-
1,361,184	-	1,361,184	3,199,176
<u>\$ 6,710,652</u>	<u>\$ 716,985</u>	<u>\$ 7,427,637</u>	<u>\$ 9,890,044</u>

(continued)

MOREHOUSE PARISH POLICE JURY
BASTROP, LOUISIANA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES
AND DISCRETELY PRESENTED COMPONENT UNITS (Continued)
Year Ended December 31, 1999
With Comparative Totals for Year Ended December 31, 1998

	<u>Governmental Fund Types</u>			
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
Excess (deficiency) of revenues over expenditures	\$(260,165)	\$ 2,270,149	\$ 17,057	\$ -
Other financing sources (uses):				
Sale of assets	-	2,736	-	-
Proceeds from capital leases	-	210,000	-	-
Proceeds of refunding bonds	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Operating transfers in (out)	<u>40,629</u>	<u>(40,527)</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	\$(219,536)	\$(2,232,358)	\$ 17,057	\$ -
Fund balances - beginning	<u>925,005</u>	<u>5,863,917</u>	<u>760,790</u>	<u>-</u>
Fund balances - ending	<u><u>\$ 705,469</u></u>	<u><u>\$ 8,096,275</u></u>	<u><u>\$ 777,847</u></u>	<u><u>\$ -</u></u>

See notes to financial statements.

Primary Government Totals - (Memorandum Only)	Component Units	Reporting Entity Totals - (Memorandum Only) Year Ended December 31,	
		1999	1998
\$ 2,027,041	\$ 59,315	\$ 2,086,356	\$ (1,097,280)
2,736	-	2,736	836
-	-	-	210,000
-	-	-	-
-	-	-	-
<u>102</u>	<u>(102)</u>	<u>-</u>	<u>-</u>
\$ 2,029,879	\$ 59,213	\$ 2,089,092	\$ (886,444)
<u>7,549,712</u>	<u>477,015</u>	<u>8,026,727</u>	<u>8,913,171</u>
<u>\$ 9,579,591</u>	<u>\$ 536,228</u>	<u>\$ 10,115,819</u>	<u>\$ 8,026,727</u>

MOREHOUSE PARISH POLICE JURY
BASTROP, LOUISIANA

COMBINED STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS) - ALL GOVERNMENTAL FUND TYPES AND
DISCRETELY PRESENTED COMPONENT UNITS
Year Ended December 31, 1999

	<u>Budget</u>	<u>General Actual</u>	<u>Variance - Favorable (Unfavorable)</u>	<u>Budget</u>
Revenues:				
Taxes	\$ 303,776	\$ 307,643	\$ 3,867	\$ 5,218,991
Licenses and permits	94,900	86,084	(8,816)	-
Intergovernmental	807,585	863,717	56,132	544,542
Fee, charges, and commissions for services	626	211	(415)	23,000
Fines and forfeitures	-	-	-	-
Interest and miscellaneous	80,802	72,133	(8,669)	376,389
	<u>\$ 1,287,689</u>	<u>\$ 1,329,788</u>	<u>\$ 42,099</u>	<u>\$ 6,162,922</u>
Expenditures:				
Current:				
General government:				
Legislative	\$ 75,105	\$ 63,857	\$ 11,248	\$ -
Judicial	300,278	298,354	1,924	23,600
Elections	62,585	47,924	14,661	-
Finance and administrative	321,803	316,571	5,232	-
Other	62,480	24,786	37,694	97,759
Public safety	427,409	336,356	91,053	106,000
Public works	-	-	-	4,458,646
Health and welfare	89,922	65,273	24,649	41,969
Culture and recreation	900	114	786	-
Economic development and assistance	355,045	296,148	58,897	-
Claims and judgments	-	4,500	(4,500)	-
Debt service:				
Principal	-	19,000	(19,000)	55,700
Interest	-	5,053	(5,053)	-
Capital outlay	-	-	-	5,448,941
	<u>\$ 1,695,527</u>	<u>\$ 1,477,936</u>	<u>\$ 217,591</u>	<u>\$ 10,232,615</u>

Governmental Fund Types

<u>Special Revenue</u>			<u>Debt Service</u>			<u>Component Units</u>		
<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>	
\$ 5,559,876	\$ 340,885	\$ 487,427	\$ 487,449	\$ 22	\$ 132,299	\$ 132,376	\$ 77	
-	-	-	-	-	-	-	-	
601,979	57,437	-	-	-	256,650	273,099	16,449	
24,101	1,101	-	-	-	-	-	-	
-	-	-	-	-	235,000	262,411	27,411	
423,559	47,170	10,000	15,234	5,234	57,950	25,779	(32,171)	
<u>\$ 6,609,515</u>	<u>\$ 446,593</u>	<u>\$ 497,427</u>	<u>\$ 502,683</u>	<u>\$ 5,256</u>	<u>\$ 681,899</u>	<u>\$ 693,665</u>	<u>\$ 11,766</u>	

\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
12,728	10,872	-	-	-	290,976	281,233	9,743
-	-	-	-	-	-	-	-
-	-	18,000	14,870	3,130	-	-	-
65,333	32,426	-	-	-	-	-	-
60,299	45,701	-	-	-	433,315	423,597	9,718
3,259,057	1,199,589	-	-	-	-	-	-
23,532	18,437	-	-	-	20,834	11,175	9,659
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
48,000	7,700	461,321	410,000	51,321	-	-	-
7,700	(7,700)	18,106	51,321	(33,215)	-	-	-
1,093,909	4,355,032	-	-	-	-	-	-
<u>\$ 4,570,558</u>	<u>\$ 5,662,057</u>	<u>\$ 497,427</u>	<u>\$ 476,191</u>	<u>\$ 21,236</u>	<u>\$ 745,125</u>	<u>\$ 716,005</u>	<u>\$ 29,120</u>

(continued)

MOREHOUSE PARISH POLICE JURY
BASTROP, LOUISIANA

COMBINED STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS) - ALL GOVERNMENTAL FUND TYPES AND
DISCRETELY PRESENTED COMPONENT UNITS (Continued)
Year Ended December 31, 1999

	<u>Budget</u>	<u>General Actual</u>	<u>Variance - Favorable (Unfavorable)</u>	<u>Budget</u>
Excess (deficiency) of revenues over expenditures	\$(407,838)	\$(148,148)	\$ 259,690	\$(4,069,693)
Other financing sources (uses):				
Sale of fixed assets	-	-	-	-
Repayment of advance	20,709	-	(20,709)	-
Operating transfers in (out)	<u>30,027</u>	<u>40,629</u>	<u>10,602</u>	<u>(55,350)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	\$(357,102)	\$(107,519)	\$ 249,583	\$(4,125,043)
Fund balances - beginning (non-GAAP and GAAP budgetary basis)	<u>925,005</u>	<u>925,005</u>	<u>-</u>	<u>5,863,917</u>
Fund balances - ending (non-GAAP budgetary basis)	<u>\$ 567,903</u>	\$ 817,486	<u>\$ 249,583</u>	<u>\$ 1,738,874</u>
Adjustments to generally accepted accounting principles:				
Revenue accruals		(87,746)		
Claims and judgments accrual		1,000		
Expenditure accruals		<u>(25,271)</u>		
Fund balances - ending (GAAP basis)		<u>\$ 705,469</u>		

See notes to financial statements.

Governmental Fund Types

Special Revenue

Debt Service

Component Units

<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
\$ 2,038,957	\$ 6,108,650	\$ -	\$ 26,492	\$ 26,492	\$ (63,226)	\$ (22,340)	\$ 40,886
2,736	2,736	-	-	-	-	-	-
(40,527)	14,823	-	-	-	(200)	(102)	98
\$ 2,001,166	\$ 6,126,209	\$ -	\$ 26,492	\$ 26,492	\$ (63,426)	\$ (22,422)	\$ 40,984
<u>5,863,917</u>	<u>-</u>	<u>760,790</u>	<u>760,790</u>	<u>-</u>	<u>477,015</u>	<u>477,015</u>	<u>-</u>
\$ 7,865,083	\$ 6,126,209	\$ 760,790	\$ 787,282	\$ 26,492	\$ 413,589	\$ 454,573	\$ 40,984
(23,980)			(9,664)			82,125	
<u>255,172</u>			<u>229</u>			<u>(470)</u>	
<u>\$ 8,096,275</u>			<u>\$ 777,847</u>			<u>\$ 536,228</u>	

MOREHOUSE PARISH POLICE JURY
BASTROP, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 1999

Note 1. Organization and Summary of Significant Accounting Policies

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

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

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

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

Basis of Presentation:

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

NOTES TO FINANCIAL STATEMENTS

Financial Reporting Entity:

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

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

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

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

NOTES TO FINANCIAL STATEMENTS

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

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

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

NOTES TO FINANCIAL STATEMENTS

Combining balance sheet:

	<u>Ward Two Cemetery</u>	<u>Bastrop Fire District Two</u>	<u>Criminal Court</u>	<u>Totals</u>
ASSETS AND OTHER DEBIT				
Assets:				
Cash and cash equivalents	\$ 14,374	\$ 36,373	\$ 2,250	\$ 52,997
Investments	-	125,000	-	125,000
Receivables	19,947	334,230	8,789	362,966
Fixed assets	12,788	430,320	4,780	447,888
Other debit:				
Amount to be provided for retirement of general long-term debt	-	-	3,834	3,834
Total assets and other debit	<u>\$ 47,109</u>	<u>\$ 925,923</u>	<u>\$ 19,653</u>	<u>\$ 992,685</u>
LIABILITIES, EQUITY, AND OTHER CREDIT				
Liabilities:				
Accounts payable	\$ 202	\$ 4,533	\$ -	\$ 4,735
Compensated absences payable	-	-	3,834	3,834
Total liabilities	<u>\$ 202</u>	<u>\$ 4,533</u>	<u>\$ 3,834</u>	<u>\$ 8,569</u>
Equity and other credit:				
Investment in general fixed assets	\$ 12,788	\$ 430,320	\$ 4,780	\$ 447,888
Fund balances - unreserved and undesignated	34,119	491,070	11,039	536,228
Total equity and other credit	<u>\$ 46,907</u>	<u>\$ 921,390</u>	<u>\$ 15,819</u>	<u>\$ 984,116</u>
Total liabilities, equity, and other credit	<u>\$ 47,109</u>	<u>\$ 925,923</u>	<u>\$ 19,653</u>	<u>\$ 992,685</u>

NOTES TO FINANCIAL STATEMENTS

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

	<u>Ward Two Cemetery</u>	<u>Bastrop Fire District Two</u>	<u>Criminal Court</u>	<u>Totals</u>
Revenues:				
Taxes	\$ 19,775	\$ 121,499	\$ -	\$ 141,274
Intergovernmental	650	346,038	-	346,688
Fines and forfeitures	-	-	261,358	261,358
Interest and miscellaneous	710	11,123	15,147	26,980
	<u>\$ 21,135</u>	<u>\$ 478,662</u>	<u>\$ 276,505</u>	<u>\$ 776,300</u>
Expenditures:				
Current:				
General government:				
Judicial	\$ -	\$ -	\$ 281,595	\$ 281,595
Public safety	-	424,597	-	424,597
Health and welfare	10,793	-	-	10,793
	<u>\$ 10,793</u>	<u>\$ 424,597</u>	<u>\$ 281,595</u>	<u>\$ 716,985</u>
Excess (deficiency) of revenues over expenditures	\$ 10,342	\$ 54,063	\$(5,090)	\$ 59,315
Other financing sources (uses):				
Operating transfers in (out)	<u>(102)</u>	<u>-</u>	<u>-</u>	<u>(102)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	\$ 10,240	\$ 54,063	\$(5,090)	\$ 59,213
Fund balances - beginning	<u>23,879</u>	<u>437,007</u>	<u>16,129</u>	<u>477,015</u>
Fund balances - ending	<u>\$ 34,119</u>	<u>\$ 491,070</u>	<u>\$ 11,039</u>	<u>\$ 536,228</u>

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

NOTES TO FINANCIAL STATEMENTS

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

Fund Accounting:

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

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

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

Governmental funds:

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

NOTES TO FINANCIAL STATEMENTS

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

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

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

Capital Projects Fund - accounts for financial resources received and used for the acquisition, construction, or improvement of capital facilities not reported in the other governmental funds.

Basis of Accounting:

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

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

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

NOTES TO FINANCIAL STATEMENTS

Budgets and Budgetary Accounting:

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

The Jury adopted annual budgets for the General Fund, Special Revenue Funds, Debt Service Fund, and component units on December 28, 1998. The annual budgets were prepared on a non - GAAP budgetary basis of accounting. All budget amendments were approved by the Jury. Budgets were amended at various times throughout the year approving additional revenues and expenditures for the funds. The budget comparison statements included in the accompanying financial statements include the original adopted budgets (non - GAAP budgetary basis) and all subsequent amendments. All annual appropriations lapse at fiscal year end.

Encumbrances:

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

Cash and Cash Equivalents:

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

NOTES TO FINANCIAL STATEMENTS

Investments:

Investments are limited by Louisiana Revised Statute 33:2955. If the original maturities of time deposits exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents. At December 31, 1999, the Jury's investments consist of non-negotiable certificates of deposit that are reported in the accompanying financial statements at cost.

Uncollectible Allowance:

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

Short-Term Interfund Receivables/Payables:

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

Fixed Assets:

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

Accumulated Compensated Absences:

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

NOTES TO FINANCIAL STATEMENTS

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

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

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

Long-Term Obligations:

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

Fund Balance - Reserved:

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

Interfund Transactions:

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

NOTES TO FINANCIAL STATEMENTS

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

Revenue Recognition - Ad Valorem and Sales Taxes:

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

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

Total Columns on Combined Statements - Overview:

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

Comparative Data:

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

NOTES TO FINANCIAL STATEMENTS

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

The following component unit's actual revenues failed to meet budgeted revenues for the year ended December 31, 1999:

	<u>Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>	<u>Percentage Unfavorable Variance</u>
Criminal Court	\$ <u>287,650</u>	\$ <u>277,400</u>	\$ <u>10,250</u>	<u>3.56%</u>

Note 3. Deposits with Financial Institutions

The following is a summary of cash, cash equivalents, and investments (book balances) at December 31, 1999:

	<u>Primary Government</u>	<u>Component Units</u>	<u>Totals</u>
Interest-bearing demand deposits	\$ 211,552	\$ 12,996	\$ 224,548
Time deposits	<u>7,175,000</u>	<u>165,000</u>	<u>7,340,000</u>
	<u>\$ 7,386,552</u>	<u>\$ 177,996</u>	<u>\$ 7,564,548</u>

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

At December 31, 1999, the Jury and the discretely presented component units had \$8,530,079 in deposits (collected bank balances). These deposits were secured from risk by \$500,000 of federal deposit insurance and \$7,831,317 of pledged securities held by the custodial bank, the Jury, or the Jury's agent in the Jury's or custodial bank's name (GASB Category 1 and 2). The remaining balance of \$198,762 was not secured by the pledge of securities and was in violation of state law.

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

There were no repurchase or reverse repurchase agreements at December 31, 1999.

NOTES TO FINANCIAL STATEMENTS

Note 4. Receivables

A summary of receivables at December 31, 1999, is as follows:

	<u>Primary Government</u>			<u>Component Units</u>	<u>Totals</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>		
Taxes:					
Ad valorem	\$ 294,003	\$ 1,292,047	\$ 477,475	\$ 141,198	\$ 2,204,723
Beer	2,323	-	-	-	2,323
Sales	-	73,824	-	-	73,824
Licenses and permits	45	-	-	-	45
Intergovernmental:					
Severance taxes	44,411	-	-	-	44,411
Parish transportation	-	50,011	-	-	50,011
Structure assessments	-	-	-	210,734	210,734
Other	2,898	-	-	-	2,898
Fees, charges, and commissions for services	14	1,384	-	-	1,398
Fines and forfeitures	-	-	-	8,631	8,631
Interest and miscellaneous	2,994	35,851	1,934	2,403	43,182
	<u>\$ 346,688</u>	<u>\$ 1,453,117</u>	<u>\$ 479,409</u>	<u>\$ 362,966</u>	<u>\$ 2,642,180</u>

Note 5. Taxes

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

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
<u>Primary Government</u>			
General corporate purposes	6.15	6.15	Perpetual
Road maintenance	4.89	4.89	2008
Drainage maintenance	2.23	2.23	2007
Public buildings	.53	.53	2005
Public buildings and health facility	.89	.89	2007
Health unit	.99	.99	2001
Courthouse and detention center	4.00	4.00	1999
Hospital sinking	5.00	5.00	2001
<u>Component Units</u>			
Ward Two Cemetery	3.00	3.00	2001 and 2007
Bastrop Fire District Two	6.70	6.70	2008

NOTES TO FINANCIAL STATEMENTS

Total ad valorem taxes levied were \$2,222,253 for the above mileages. As of December 31, 1999, no amounts were due from prior year tax levies.

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

<u>Taxpayer</u>	<u>Assessed Valuation</u>	<u>Approximate Percentage of Total Assessed Valuation</u>	<u>Ad Valorem Tax Revenue</u>
International Paper Co.	\$ 20,319,630	18.60%	\$ 1,253,612
Texas Gas Transmission Corp.	4,567,240	4.66%	313,771
Entergy Louisiana, Inc.	5,173,831	4.59%	309,169

For the year ended December 31, 1999, sales taxes of 1½% were levied as follows:

<u>Rate</u>	<u>Purpose</u>	<u>Expiration Date</u>
1%	(i) constructing, renovating, equipping, and furnishing the Morehouse Parish Courthouse, and (ii) acquiring, constructing, equipping, and furnishing a Morehouse Parish Detention Center, title to which shall be in the public, including payment of the costs of relocation and temporary quarters for parish offices during such construction and renovation.	December 31, 1999
½%	(i) constructing, acquiring, maintaining, improving, and operating a solid waste collection and disposal system and maintaining a fund balance of at least \$250,000, and (ii) constructing, maintaining, and improving roads and bridges in Morehouse Parish	April 30, 2005

Note 6. Due From/To Other Funds

A summary of amounts due from/to other funds at December 31, 1999, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amounts</u>
General	Road Maintenance	\$ 50,457
Drainage Maintenance	Road Maintenance	16,264
Solid Waste	Road Maintenance	<u>300</u>
		<u>\$ 67,021</u>

NOTES TO FINANCIAL STATEMENTS

Note 7. Changes in Fixed Assets

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

	<u>Primary Government</u>			Balance December 31, 1999
	Balance January 1, 1999	<u>Additions</u>	<u>Retirements</u>	
	Land	\$ 488,724	\$ 4,000	
Buildings	6,174,165	940,519	-	7,114,684
Equipment and furniture	2,222,982	87,266	(139,677)	2,170,571
Construction in progress	-	373,776	-	373,776
Under capital lease	<u>210,000</u>	<u>-</u>	<u>-</u>	<u>210,000</u>
Totals	<u>\$ 9,095,871</u>	<u>\$ 1,405,561</u>	<u>\$(139,677)</u>	<u>\$ 10,361,755</u>

	<u>Component Units</u>			Balance December 31, 1999
	Balance January 1, 1999	<u>Additions</u>	<u>Retirements</u>	
	Equipment and furniture	<u>\$ 447,888</u>	<u>\$ -</u>	

Note 8. Changes in General Long-Term Debt

The following is a summary of long-term obligation transactions for the year ended December 31, 1999:

	<u>Capital Lease</u>	<u>General Obligation Bonds</u>	<u>Primary Government</u>			<u>Totals</u>
			<u>Certificates of Indebtedness</u>	<u>Claims and Judgments</u>	<u>Compensated Absences</u>	
Balance - January 1, 1999	\$ 127,804	\$1,290,000	\$ 203,000	\$ 97,402	\$ 16,221	\$1,734,427
Additions	-	-	-	-	7,394	7,394
Retirements	<u>(71,854)</u>	<u>(410,000)</u>	<u>(67,000)</u>	<u>(9,255)</u>	<u>(-)</u>	<u>(558,109)</u>
Balance - December 31, 1999	<u>\$ 55,950</u>	<u>\$ 880,000</u>	<u>\$ 136,000</u>	<u>\$ 88,147</u>	<u>\$ 23,615</u>	<u>\$1,183,712</u>

NOTES TO FINANCIAL STATEMENTS

			Component Units			
	Capital Lease	General Obligation Bonds	Certificates of Indebtedness	Claims and Judgments	Compensated Absences	Totals
Balance - January 1, 1999	\$ -	\$ -	\$ -	\$ -	\$ 1,671	\$ 1,671
Additions	-	-	-	-	2,163	2,163
Retirements	-	-	-	-	-	-
Balance - December 31, 1999	\$ -	\$ -	\$ -	\$ -	\$ 3,834	\$ 3,384

Capital lease, general obligation bonds, certificates of indebtedness, and claims and judgments payable at December 31, 1999, are comprised of the following individual issues:

Capital Lease - the Jury records items under capital lease as fixed assets and the related obligation in the General Long-Term Debt Account Group. At December 31, 1999, the Jury had one equipment capital lease in effect with an original recorded amount of \$210,000. The following is a schedule of future minimum lease payments together with the present value of the net minimum lease payments as of December 31, 1999:

Year Ending	
<u>December 31,</u>	
2000	\$ 56,958
Less amounts representing interest	(1,008)
Present value of net minimum lease payments	\$ 55,950

\$2,100,000 General Obligation Hospital Refunding Bonds, Series 1997 - due in annual installments ranging from \$395,000 to \$450,000 through March 1, 2001. Interest at 4.73% is payable March 1 and September 1 of each year.

On January 30, 1997, the Jury issued \$2,100,000 of general obligation refunding bonds for the purpose of refunding \$2,040,000 of then outstanding 1991 general obligation refunding bonds.

The bonds are secured by an annual ad valorem tax levy. In accordance with R.S. 39:562, the Jury is legally restricted from incurring long-term bonded debt in excess of 10% of the assessed value of taxable property in the parish.

At December 31, 1999, the Jury has accumulated \$777,847 in the Debt Service Fund for future general obligation debt requirements.

NOTES TO FINANCIAL STATEMENTS

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

The Jury issued a certificate of indebtedness to a local bank for \$410,000 to be used for the purpose of constructing and equipping a parish health unit. The certificate of indebtedness will be repaid from a pledge and dedication of a one mill tax to be levied on taxable property within the parish in each of the years 1992 through 2001, inclusive.

Certificate of Indebtedness Series 1996 (Library) - due in annual installments ranging from \$18,000 to \$20,000 through March 1, 2000. Interest of 5.79% is payable March 1 and September 1 of each year.

The Jury issued another certificate of indebtedness to a local bank for \$75,000 which was advanced to Morehouse Parish Library for the purpose of acquiring a public library building, including equipment and furnishings. This certificate of indebtedness and interest thereon will be repaid by reimbursement from Morehouse Parish Library, which has a pledge and dedication of a 3.29 mill tax to be levied on taxable property within the parish for the years 1990 to 1999, inclusive.

Claims and Judgments - the settlement of a lawsuit in February, 1994, by the Jury resulted in a long-term debt in the amount of \$139,777. This amount was calculated by discounting the long-term portion of the required monthly payments to present value at 5.50%. The settlement will be paid by monthly installments ranging from \$1,000 to \$1,250 through February, 2012.

The annual requirements to amortize all capital leases, bonds, certificates of indebtedness, and claims and judgments outstanding as of December 31, 1999, including interest payments of \$118,207 are as follows:

NOTES TO FINANCIAL STATEMENTS

Year Ending December 31,	Capital Lease	General Obligation Bonds	Certificates of Indebtedness	Claims and Judgments	Totals
2000	\$ 56,958	\$ 461,455	\$ 76,556	\$ 13,150	\$ 608,119
2001	-	460,642	56,090	13,200	529,932
2002	-	-	11,303	13,200	24,503
2003	-	-	-	13,750	13,750
2004	-	-	-	13,800	13,800
Thereafter	-	-	-	-	116,950
	<u>\$ 56,958</u>	<u>\$ 922,097</u>	<u>\$ 143,949</u>	<u>\$ 155,300</u>	<u>\$ 1,278,304</u>

At December 31, 1999, employees of the Jury and component units had accumulated and vested \$23,615 and \$3,834, respectively, of employee leave benefits, which were computed in accordance with GASB Codification Section C60. The Jury's obligation is recorded within the General Long-Term Debt Account Group and the component units' obligations are accounted for within the individual funds.

Note 9. Pension Plan and Other Pension Liabilities

Plan Description:

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

All permanent employees, working at least 28 hours per week who are paid wholly or in part from parish funds, and all elected parish officials are eligible to participate in the System. Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to three percent of their final-average salary for each year of creditable service. However, for those employees who were members of the supplemental plan only before January 1, 1980, the benefit is equal to one percent of final-average salary plus \$24 for each year of supplemental-plan-only service earned before January 1, 1980, plus three percent of final-average salary for each year of service credited after the revision date.

NOTES TO FINANCIAL STATEMENTS

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

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to Parochial Employees' Retirement System, Post Office Box 14619, Baton Rouge, Louisiana 70898-4619, or by calling (225)928-1361.

Funding Policy:

Under Plan A, members are required by state statute to contribute 9.5 percent of their annual covered salary and the Jury is required to contribute at an actuarially determined rate. The current rate is 7.75 percent of annual covered payroll. Contributions to the System also include one-fourth of one percent (except Orleans and East Baton Rouge Parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Jury are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Jury's contributions to the System under Plan A for the years ended December 31, 1999, 1998, and 1997 were \$48,627, \$47,584, and \$44,685, respectively, equal to the required contributions for each year.

Other Pension Liabilities:

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

Note 10. Deferred Compensation Plan

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

NOTES TO FINANCIAL STATEMENTS

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

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

Note 11. Fund Balance Reservation

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

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

Note 12. Criminal Court Fund Balance

Louisiana Revised Statute 15:571.11 requires that one-half of any balance remaining in the Criminal Court Fund at year end be transferred to the General Fund. However, because of constraints related to funding the Criminal Court Fund, the Jury has elected not to transfer any amounts due from Fourth Judicial District Criminal Court. The remaining balance at each year end in the Criminal Court Fund, since the transfers have ceased being made, have not been material in relation to the financial statements as a whole.

Note 13. On-Behalf Payments for Salaries

For the year ended December 31, 1999, the Jury recognized revenue and expenditures of \$16,470 in salary supplements from State of Louisiana paid directly to justices of the peace and constables.

Note 14. Contingencies and Risk Management

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

NOTES TO FINANCIAL STATEMENTS

As of the date of this report, the Jury is not involved in litigation or aware of any claims. Accordingly, no provision for any losses have been recorded for pending lawsuits.

The Jury participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the Jury has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at December 31, 1999, may be impaired. In the opinion of the Jury's management, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

Note 15. Commitments

The Jury was awarded a Community Development Block Grant from State of Louisiana Division of Administration in 1998 for \$225,000 to be used for sewer improvements of Collinston Sewerage District No. 1 (a component unit). The construction bid was awarded by the Jury on July 12, 1999. As of December 31, 1999, \$160,719 had been expended on the improvements and the project was completed as of the date of this report at a total cost of \$216,499.

A Community Development Block Grant from State of Louisiana Division of Administration was also awarded to the Jury in 1998 for \$599,984 to be used for the purpose of acquiring land, constructing fire stations, and acquiring equipment for Tenth Ward Fire Protection District No. 1 (a component unit). Bids for construction and equipment acquisition were awarded by the Jury on June 14, 1999. As of December 31, 1999, \$247,257 had been expended on the construction and acquisitions. As of the date of this report, the project had been completed at a total cost of \$546,066.

As of December 31, 1999, the capital expenditures (\$373,776 for construction in progress and \$34,200 for equipment) under both of the projects described in the two previous paragraphs are reported as fixed assets of the Jury. Within the next fiscal year, acts of donations and transfers will be made by the Jury of the fixed assets to the appropriate component units.

The Jury was awarded a Community Development Block Grant from State of Louisiana Division Administration in April, 1999, for \$21,500 for repairing a water system. As of December 31, 1999, no expenditures had been incurred under the project but as of the date of this report, the project had been completed.

COMBINING FINANCIAL STATEMENTS

SPECIAL REVENUE FUNDS

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

Primary Government:

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

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

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

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

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

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

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

Component Units:

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

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

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

MOREHOUSE PARISH POLICE JURY
 BASTROP, LOUISIANA
 SPECIAL REVENUE FUNDS
 COMBINING BALANCE SHEET
 December 31, 1999

	<u>Road Maintenance</u>	<u>Drainage Maintenance</u>	<u>Building Maintenance</u>
ASSETS			
Cash and cash equivalents	\$ 175,152	\$ 191,325	\$ 164,684
Investments	300,000	225,000	80,000
Receivables	518,835	215,929	136,828
Due from other funds	<u>-</u>	<u>16,264</u>	<u>-</u>
Total assets	<u>\$ 993,987</u>	<u>\$ 648,518</u>	<u>\$ 381,512</u>
LIABILITIES AND EQUITY			
Liabilities:			
Accounts payable	\$ 14,319	\$ 6,500	\$ 4,900
Due to other funds	<u>67,021</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>\$ 81,340</u>	<u>\$ 6,530</u>	<u>\$ 4,900</u>
Equity:			
Fund balances - unreserved and undesignated	<u>\$ 912,647</u>	<u>\$ 641,988</u>	<u>\$ 376,612</u>
Total liabilities and equity	<u>\$ 993,987</u>	<u>\$ 648,518</u>	<u>\$ 381,512</u>

<u>Solid Waste</u>	<u>Health Unit</u>	<u>Witness Fee</u>	<u>Courthouse and Detention Center</u>	<u>Totals</u>
\$ 683,804	\$ 80,572	\$ 62,804	\$ 1,355,714	\$ 2,714,055
-	65,000	-	3,350,000	4,020,000
29,264	95,477	1,556	455,228	1,453,117
300	-	-	-	16,564
<u>\$ 713,368</u>	<u>\$ 241,049</u>	<u>\$ 64,360</u>	<u>\$ 5,160,942</u>	<u>\$ 8,203,736</u>
\$ -	\$ 2,944	\$ 34	\$ 11,713	\$ 40,440
-	-	-	-	67,021
<u>\$ -</u>	<u>\$ 2,944</u>	<u>\$ 34</u>	<u>\$ -</u>	<u>\$ 107,461</u>
<u>\$ 713,368</u>	<u>\$ 238,105</u>	<u>\$ 64,326</u>	<u>\$ 5,149,229</u>	<u>\$ 8,096,275</u>
<u>\$ 713,368</u>	<u>\$ 241,049</u>	<u>\$ 64,360</u>	<u>\$ 5,160,942</u>	<u>\$ 8,203,736</u>

MOREHOUSE PARISH POLICE JURY
BASTROP, LOUISIANA

SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
Year Ended December 31, 1999

	<u>Road Maintenance</u>	<u>Drainage Maintenance</u>	<u>Building Maintenance</u>
Revenues:			
Taxes	\$ 467,063	\$ 12,996	\$ 135,630
Intergovernmental	538,374	-	33,885
Fees, charges, and commissions for services	-	-	-
Interest and miscellaneous	28,694	22,957	179,187
	<u>\$ 1,080,154</u>	<u>\$ 235,999</u>	<u>\$ 157,859</u>
Expenditures:			
Current:			
General government:			
Judicial	\$ -	\$ -	\$ -
Other	-	-	46,855
Public safety	-	-	-
Public works	867,837	223,774	248,631
Health and welfare	-	-	-
Debt service:			
Principal	-	-	-
Interest	-	-	-
Capital outlay	-	-	-
	<u>\$ 867,837</u>	<u>\$ 223,774</u>	<u>\$ 295,486</u>
Excess (deficiency) of revenues over expenditures	\$ 166,294	\$ 12,179	\$ 53,216
Other financing sources (uses):			
Sale of assets	2,736	-	-
Operating transfers in (out)	<u>(7,814)</u>	<u>(2,105)</u>	<u>(2,344)</u>

<u>Solid Waste</u>	<u>Health Unit</u>	<u>Witness Fee</u>	<u>Courthouse and Detention Center</u>	<u>Totals</u>
\$ 1,440,955	\$ 94,661	\$ -	\$ 3,201,091	\$ 5,552,396
-	-	-	-	572,259
-	-	23,741	-	23,741
43,840	6,405	2,246	153,811	437,140
<u>\$ 1,484,795</u>	<u>\$ 101,066</u>	<u>\$ 25,987</u>	<u>\$ 3,354,902</u>	<u>\$ 6,585,536</u>

\$ -	\$ -	\$ 12,762	\$ -	\$ 12,762
-	-	-	-	46,855
-	-	-	60,115	60,115
1,822,972	-	-	-	3,163,214
-	23,533	-	-	23,533
-	48,000	-	-	48,000
-	7,700	-	-	7,700
-	-	-	953,208	953,208
<u>\$ 1,822,972</u>	<u>\$ 79,233</u>	<u>\$ 12,762</u>	<u>\$ 1,013,323</u>	<u>\$ 4,315,387</u>

\$(338,117) \$ 21,833 \$ 13,225 \$(2,341,579) \$(2,270,149)

- - - - 2,736
(17,256) (713) - (10,385) (40,527)

(continued)

MOREHOUSE PARISH POLICE JURY
BASTROP, LOUISIANA

SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES (Continued)
Year Ended December 31, 1999

	<u>Road Maintenance</u>	<u>Drainage Maintenance</u>	<u>Building Maintenance</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	\$ 161,216	\$ 10,164	\$ 50,872
Fund balances - beginning	<u>751,431</u>	<u>631,824</u>	<u>325,740</u>
Fund balances - ending	<u>\$ 912,647</u>	<u>\$ 641,988</u>	<u>\$ 376,612</u>

<u>Solid Waste</u>	<u>Health Unit</u>	<u>Witness Fee</u>	<u>Courthouse and Detention Center</u>	<u>Totals</u>
\$(355,433)	\$ 21,120	\$ 13,225	\$ 2,331,194	\$ 2,232,358
<u>1,068,801</u>	<u>216,985</u>	<u>51,101</u>	<u>2,818,035</u>	<u>5,863,917</u>
<u>\$ 713,368</u>	<u>\$ 238,105</u>	<u>\$ 64,326</u>	<u>\$ 5,149,229</u>	<u>\$ 8,096,275</u>

MOREHOUSE PARISH POLICE JURY
BASTROP, LOUISIANA

COMPONENT UNITS - GOVERNMENTAL FUND TYPES - SPECIAL REVENUE
COMBINING BALANCE SHEET
December 31, 1999

	Ward Two <u>Cemetery</u>	Bastrop Fire <u>District Two</u>	<u>Criminal Court</u>	<u>Totals</u>
ASSETS AND OTHER DEBIT				
Assets:				
Cash and cash equivalents	\$ 14,374	\$ 36,373	\$ 2,250	\$ 52,997
Investments	-	125,000	-	125,000
Receivables	19,947	334,230	8,789	362,966
Fixed assets	12,788	430,320	4,780	447,888
Other debit:				
Amount to be provided for retirement of general long- term debt	-	-	3,834	3,834
Total assets and other debit	<u>\$ 47,109</u>	<u>\$ 925,923</u>	<u>\$ 19,653</u>	<u>\$ 992,685</u>
LIABILITIES, EQUITY, AND OTHER CREDIT				
Liabilities:				
Accounts payable	\$ 202	\$ 4,533	\$ -	\$ 4,735
Compensated absences payable	-	-	3,834	3,834
Total liabilities	<u>\$ 202</u>	<u>\$ 4,533</u>	<u>\$ 3,834</u>	<u>\$ 8,569</u>
Equity and other credit:				
Investment in general fixed assets	\$ 12,788	\$ 430,320	\$ 4,780	\$ 447,888
Fund balances - unreserved and undesignated	<u>34,119</u>	<u>491,070</u>	<u>11,039</u>	<u>536,228</u>
Total equity and other credit	<u>\$ 46,907</u>	<u>\$ 921,390</u>	<u>\$ 15,819</u>	<u>\$ 984,116</u>
Total liabilities, equity, and other credit	<u>\$ 47,109</u>	<u>\$ 925,923</u>	<u>\$ 19,653</u>	<u>\$ 992,685</u>

MOREHOUSE PARISH POLICE JURY
BASTROP, LOUISIANA

COMPONENT UNITS - GOVERNMENTAL FUND TYPES - SPECIAL REVENUE
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
Year Ended December 31, 1999

	<u>Ward Two Cemetery</u>	<u>Bastrop Fire District Two</u>	<u>Criminal Court</u>	<u>Totals</u>
Revenues:				
Taxes	\$ 19,775	\$ 121,499	\$ -	\$ 141,274
Intergovernmental	650	346,038	-	346,688
Fines and forfeitures	-	-	261,358	261,358
Interest and miscellaneous	<u>710</u>	<u>11,123</u>	<u>15,147</u>	<u>26,980</u>
	<u>\$ 21,135</u>	<u>\$ 478,660</u>	<u>\$ 276,505</u>	<u>\$ 776,300</u>
Expenditures:				
Current:				
General government:				
Judicial	\$ -	\$ -	\$ 281,595	\$ 281,595
Public safety	-	424,597	-	424,597
Health and welfare	<u>10,793</u>	<u>-</u>	<u>-</u>	<u>10,793</u>
	<u>\$ 10,793</u>	<u>\$ 424,597</u>	<u>\$ 281,595</u>	<u>\$ 716,985</u>
Excess (deficiency) of revenues over expenditures	\$ 10,342	\$ 54,063	\$(5,090)	\$ 59,315
Other financing sources (uses):				
Operating transfers in (out)	<u>(102)</u>	<u>-</u>	<u>-</u>	<u>(102)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	\$ 10,240	\$ 54,063	\$(5,090)	\$ 59,213
Fund balances - beginning	<u>23,879</u>	<u>437,007</u>	<u>16,129</u>	<u>477,015</u>
Fund balances - ending	<u>\$ 34,119</u>	<u>\$ 491,070</u>	<u>\$ 11,039</u>	<u>\$ 536,228</u>

SUPPLEMENTARY INFORMATION

MOREHOUSE PARISH POLICE JURY
BASTROP, LOUISIANA

SCHEDULE OF JURORS' COMPENSATION
Year Ended December 31, 1999

The schedule of compensation paid to jurors is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Compensation of the jurors is included in the legislative expenditures of the General Fund. In accordance with Louisiana Revised Statute 33:1233, the Jury has elected the monthly payment method of compensation. Under this method, the jurors receive \$525 to \$575 per month each as follows:

James W. Brent, III	\$ 6,300
Cecil Cain	6,900
Calvin B. Lambert	6,900
Lee Loche	6,900
Terry R. Matthews	6,900
Harry Reese, Sr.	6,900
D.W. Thomas, Jr.	<u>6,900</u>
Total jurors' compensation	<u>\$ 47,700</u>

MOREHOUSE PARISH POLICE JURY
BASTROP, LOUISIANA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 1999

Federal Grantor/Pass Through Grantor/Program Title	Federal CFDA Number	Pass- Through Entity Identifying Number	<u>Expenditures</u>
Department of Housing and Urban Development:			
Louisiana Division of Administration/ Community Development Block Grant	14.228	107-900358	\$ 160,719
Community Development Block Grant	14.228	107-900360	247,257
Section 8 Rental Voucher Program	14.855	FW2272V	<u>270,494</u>
Total - Department of Housing and Urban Development			\$ 678,470
Federal Emergency Management Agency:			
Office of Emergency Preparedness/ Public Assistance Grants	83.544	067-5609-00	17,007
United States Department of Justice:			
Juvenile Officer's Training/ Louisiana Commission on Law Enforcement	16.540	PVQ00002995	<u>12,465</u>
Total expenditures of federal awards			<u>\$ 707,942</u>

See notes to schedule of expenditures of federal awards.

MOREHOUSE PARISH POLICE JURY
BASTROP, LOUISIANA

NOTES TO SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS
Year Ended December 31, 1999

Note 1. Basis of Presentation

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

Note 2. Subrecipients

Of the federal expenditures presented in the schedule, the Jury provided \$270,494 of the Section 8 Rental Voucher Program and \$12,465 of the Louisiana Commission on Law Enforcement to subrecipients.

HILL, INZINA & COMPANY

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

Police Jurors
Morehouse Parish Police Jury
Bastrop, Louisiana

We have audited the general-purpose financial statements of Morehouse Parish Police Jury as of and for the year ended December 31, 1999, and have issued our report thereon dated June 17, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Jury's general-purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an *opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion.* The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 1999-2.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Jury's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general-purpose financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Jury's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying schedule of findings as item 1999-1.

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

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

Hill, Arizna & Co.

June 17, 2000

HILL, INZINA & COMPANY

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

Police Jurors
Morehouse Parish Police Jury
Bastrop, Louisiana

Compliance

We have audited the compliance of Morehouse Parish Police Jury with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal programs for the year ended December 31, 1999. Morehouse Parish Police Jury's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal programs is the responsibility of the Jury's management. Our responsibility is to express an opinion on the Jury's compliance based on our audit.

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

In our opinion, Morehouse Parish Police Jury complied, in all material respects, with the requirements referred to above that are applicable to its major federal programs for the year ended December 31, 1999.

Internal Control Over Compliance

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

Our 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 the applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

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

Hill, Arzoo & Co.

June 17, 2000

MOREHOUSE PARISH POLICE JURY
BASTROP, LOUISIANA

SCHEDULE OF FINDINGS
Year Ended December 31, 1999

We have audited the general-purpose financial statements of Morehouse Parish Police Jury as of and for the year ended December 31, 1999, and have issued our report thereon dated June 17, 2000. We conducted our audit in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the provisions of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Our audit of the financial statements as of December 31, 1999, resulted in an unqualified opinion.

Section I - Summary of Auditor's Reports

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

Compliance

Compliance Material to Financial Statements Yes No

Internal Control

Material Weaknesses Yes No Reportable Conditions Yes No

b. Federal Awards

Internal Control

Material Weaknesses Yes No Reportable Conditions Yes No

Type of Opinion On Compliance Unqualified Qualified
For Major Programs Disclaimer Adverse

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

Yes No

c. Identification of Major Program:

CFDA Number 14.228

Community Development Block Grant

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

Section II - Financial Statement Findings

1999-1 Inadequate Segregation of Duties (finding was first cited in audit conducted by our firm as of and for the two years ended December 31, 1993)

Criteria: Adequate segregation of duties is essential to a proper internal control structure

Condition: The segregation of duties is inadequate to provide effective internal control.

Effect: Not determined.

Cause: The condition is due to economic and space limitations.

Recommendation: No action is recommended.

Management's
response and
planned cor-
rective action:

We concur in the finding, but it is not economically feasible nor does space allow for corrective action to be taken.

1999-2 Unsecured Deposits (initial citing)

Criteria: Under state law, bank balances must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank.

Condition: As of December 31, 1999, the market value of pledged securities plus the federal deposit insurance was \$198,762 less than the amount on the deposit with a local fiscal agent.

Effect: Deposits of the Jury were uninsured and uncollateralized.

Cause: Market value of pledged securities was not adequately monitored.

Recommendation: The Secretary should monitor the market value of securities pledged on behalf of the Jury's funds to insure adequacy of pledging.

Management's
response and
planned cor-
rective action:

We concur in the finding and will monitor the market value of pledged securities on a more frequent basis.

Section III - Federal Awards Findings

No findings.

MOREHOUSE PARISH POLICE JURY
BASTROP, LOUISIANA

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
Year Ended December 31, 1999

Section I - Compliance and Internal Control Material to Financial Statements

1998-1 Budgeting

Budgets should be periodically monitored and amended under the provisions of the Local Government Budget Act.

Resolved.

1998-2 Inadequate Segregation of Duties

Adequate segregation of duties is essential to proper internal control.

Unresolved - 1999-1.

Section II - Compliance and Internal Control Material to Federal Awards

1998-2 Inadequate Segregation of Duties

Adequate segregation of duties is essential to proper internal control.

Unresolved - 1999-1.

Section III - Management Letter

None issued.