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MOREHOUSE PARISH POLICE JURY  
FINANCIAL REPORT  
December 31, 1995

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 8-28-96

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HILL, INZINA & COMPANY

Police Jurors  
Morehouse Parish Police Jury  
Bastrop, Louisiana

In performing our audit of the general-purpose financial statements of Morehouse Parish Police Jury as of and for the two years ended December 31, 1995, we noted certain matters that are presented for your information and as suggestions for improvement.

- o The minutes of Jury meetings should be signed by the president or secretary.
- o A membership fee was paid to a private organization (Sam's Wholesale Club). This is in apparent violation of Article VII, Section 14 of the Louisiana Constitution.
- o A check remitted by Morehouse Sales and Use Tax Commission for \$2,403.24, made payable to Morehouse Parish School Board and dated January 31, 1995, was erroneously endorsed and deposited into the Jury's bank account. You may wish to contact the Commission to verify this transaction. The funds should be repaid to the School Board.
- o An ad valorem tax receipt was erroneously recorded as revenue of the Building Maintenance fund which should have been recorded as revenue of the Health Unit fund. A journal entry to correct the cash in bank and fund balance accounts of each fund is required.
- o We recommend that the Jury adopt a capitalization policy providing that individual items whose cost does not exceed a certain amount (e.g. \$500) be recorded as "supplies", due to the nominal cost and life expectancy. This will eliminate insignificant items from the general fixed asset records.
- o We noted five instances where budget amendment amounts reflected in the Jury meeting minutes were not posted or not posted correctly to the actual appropriations. We also noted two other instances where the original appropriation plus the posted adjustment did not equal the final appropriation amount. We recommend that greater care be exercised in recording amendments to the budget.

- o In our test of disbursements, we noted ten individual invoices or statements for goods and services (totalling \$624) that were not signed by the employee responsible for receiving the goods and services. We recommend that employees be reminded of the importance of this procedure, as it provides evidence that the goods and services were actually received by the Jury.
- o Also in our test of disbursements, we noted three purchases that were made (totalling \$1,058) for which the purchase orders were dated after the documented date of purchase on the invoice or statement. We recommend that no purchases be authorized until a valid purchase order has been issued and approved.
- o The audited financial statements and reports of the Jury as of and for the two years ended December 31, 1995, were issued subsequent to the June 30, 1996, deadline due to the untimely response of the local district attorney's office concerning possible legal matters that would have to be reported or disclosed in the applicable financial statements.

This communication is intended solely for the information and use of management and Morehouse Parish Police Jury and should not be used for any other purpose.

May 29, 1996

*Hill, Arzoo & Co.*

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# HILL, INZINA & COMPANY

## INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

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 two years ended December 31, 1995. These general-purpose financial statements are the responsibility of the management of Morehouse Parish Police Jury, primary government's management. 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 *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 statements 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, 1995, and the results of its operations and for the two years then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued reports dated May 29, 1996, on the Jury's compliance with laws and regulations and on our consideration of its internal control structure which are presented on page 35 and pages 36 through 38, respectively, of this document.

Our audit was made for the purpose of forming an opinion on the accompanying general-purpose financial statements taken as a whole. The combining financial statements and financial information listed as a supporting schedule in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements of Morehouse Parish Police Jury. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general-purpose financial statements taken as a whole.

*Hill, Arjuna & Company*

May 29, 1996

GENERAL-PURPOSE UNIT FINANCIAL STATEMENTS

(COMBINED STATEMENTS - OVERVIEW)



MOREHOUSE PARISH POLICE JURY

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS  
December 31, 1995

	Governmental Fund Types		
	General	Special Revenue	Debt Service
<b>ASSETS AND OTHER DEBITS</b>			
<b>Assets:</b>			
Cash and cash equivalents (Notes 1 and 3)	\$ 441,612	\$ 868,442	\$ 134,542
Investments (Notes 1 and 3)	300,000	1,850,000	-
Receivables (Notes 5 and 15)	380,260	926,368	636,877
Due from other funds	-	16,569	-
Fixed assets (Notes 1, 6 and 17)	-	-	-
<b>Other debits:</b>			
Amount available in Debt Service Fund (Note 8)	-	-	-
Amount to be provided for retirement of general long- term debt	-	-	-
<b>Total assets and other debts</b>	<u>\$ 1,121,872</u>	<u>\$ 3,661,379</u>	<u>\$ 771,419</u>
<b>LIABILITIES, EQUITY AND OTHER CREDITS</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 16,084	\$ 157,256	\$ 19,604
Due to other funds	-	16,569	-
Bank loan payable	-	-	-
General obligation bonds payable (Note 8)	-	-	-
Certificate of indebtedness (Note 8)	-	-	-
Claims and judgments payable (Notes 8 and 13)	20,000	-	-
<b>Total liabilities</b>	<u>\$ 36,084</u>	<u>\$ 173,825</u>	<u>\$ 19,604</u>
<b>Equity and other credits:</b>			
Investment in general fixed assets	\$ -	\$ -	\$ -
<b>Fund balances:</b>			
Reserved for debt service (Note 9)	-	-	751,815
Unreserved and undesignated	1,085,788	3,487,554	-
<b>Total equity and other credits</b>	<u>\$ 1,085,788</u>	<u>\$ 3,487,554</u>	<u>\$ 751,815</u>
<b>Total liabilities, equity and other credits</b>	<u>\$ 1,121,872</u>	<u>\$ 3,661,379</u>	<u>\$ 771,419</u>

See Notes to Financial Statements.

Account Groups		Primary Government Totals - (Memorandum Only)	Component Units	Reporting Entity Totals - (Memorandum Only)
General Fixed Assets	General Long-term Debt			
\$ -	\$ -	\$ 1,444,596	\$ 26,852	\$ 1,471,448
-	-	2,150,000	10,000	2,160,000
-	-	1,943,505	238,706	2,182,211
-	-	16,569	-	16,569
5,456,038	-	5,456,038	-	5,456,038
-	751,815	751,815	-	751,815
-	2,044,042	2,044,042	-	2,044,042
<u>\$ 5,456,038</u>	<u>\$ 2,795,857</u>	<u>\$ 13,806,565</u>	<u>\$ 275,558</u>	<u>\$ 14,082,123</u>
\$ -	\$ -	\$ 192,944	\$ 4,447	\$ 197,391
-	-	16,569	-	16,569
-	-	-	96,238	96,238
-	2,375,000	2,375,000	-	2,375,000
-	293,000	293,000	-	293,000
-	127,857	147,857	-	147,857
<u>\$ -</u>	<u>\$ 2,795,857</u>	<u>\$ 3,025,370</u>	<u>\$ 100,685</u>	<u>\$ 3,126,055</u>
\$ 5,456,038	\$ -	\$ 5,456,038	\$ -	\$ 5,456,038
-	-	751,815	-	751,815
-	-	4,573,342	174,873	4,748,215
<u>\$ 5,456,038</u>	<u>\$ -</u>	<u>\$ 10,781,195</u>	<u>\$ 174,873</u>	<u>\$ 10,956,068</u>
<u>\$ 5,456,038</u>	<u>\$ 2,795,857</u>	<u>\$ 13,806,565</u>	<u>\$ 275,558</u>	<u>\$ 14,082,123</u>

MOREHOUSE PARISH POLICE JURY

COMBINED STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES  
Year Ended December 31, 1995

	General	Special Revenue	Debt Service
Revenues:			
Taxes	\$ 280,363	\$ 2,215,096	\$ 622,542
Licenses and permits	112,388	-	-
Intergovernmental	926,093	362,825	-
Fees, charges and commissions for services	734	21,761	-
Fines and forfeitures	-	-	-
Interest and miscellaneous	64,046	186,311	8,762
	<u>\$ 1,383,624</u>	<u>\$ 2,785,993</u>	<u>\$ 631,304</u>
Expenditures:			
Current:			
General government:			
Legislative	\$ 54,949	\$ -	\$ -
Judicial	178,878	19,839	-
Elections	26,222	-	-
Finance and administrative	228,768	-	34,761
Other	168,088	39,415	-
Public safety	241,447	-	-
Public works	-	2,607,245	-
Health and welfare	84,871	20,963	-
Culture and recreation	773	-	-
Economic development and assistance	139,987	-	-
Claims and judgments	20,000	-	-
Debt service:			
Principal	-	47,792	315,000
Interest	1,022	17,349	170,944
Capital outlay	-	105,907	-
	<u>\$ 1,145,005</u>	<u>\$ 2,858,510</u>	<u>\$ 520,705</u>
Excess (deficiency) of revenues over expenditures	\$ 238,619	\$( 72,517)	\$ 110,599
Other financing sources (uses):			
Operating transfers in (out)	29,961	( 29,878)	-
Excess (deficiency) of revenues and other financing sources (uses) over expenditures	\$ 268,580	\$( 102,395)	\$ 110,599
Fund balances - beginning	817,208	3,589,949	641,216
Fund balances - ending	<u>\$ 1,085,788</u>	<u>\$ 3,487,554</u>	<u>\$ 751,815</u>

See Notes to Financial Statements.

Primary Government Totals - (Memorandum Only)	Component Units	Reporting Entity Totals - (Memorandum Only)
\$ 3,118,001	\$ 98,296	\$ 3,216,297
112,388	-	112,388
1,288,918	229,668	1,518,586
22,495	-	22,495
-	235,171	235,171
259,119	10,385	269,504
<u>\$ 4,800,921</u>	<u>\$ 573,520</u>	<u>\$ 5,374,441</u>
\$ 54,949	\$ -	\$ 54,949
198,717	227,233	425,950
26,222	-	26,222
263,529	-	263,529
207,503	-	207,503
241,447	249,092	490,539
2,607,245	-	2,607,245
105,834	7,964	113,798
773	-	773
139,987	-	139,987
20,000	-	20,000
362,792	-	362,792
189,315	9,202	198,517
105,907	-	105,907
<u>\$ 4,524,220</u>	<u>\$ 493,491</u>	<u>\$ 5,017,711</u>
\$ 276,701	\$ 80,029	\$ 356,730
83	( 83)	-
\$ 276,784	\$ 79,946	\$ 356,730
5,048,373	94,927	5,143,300
<u>\$ 5,325,157</u>	<u>\$ 174,873</u>	<u>\$ 5,500,030</u>

MOREHOUSE PARISH POLICE JURY

COMBINED STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES  
Year Ended December 31, 1994

	General	Special Revenue	Debt Service
Revenues:			
Taxes	\$ 272,234	\$ 2,019,109	\$ 608,766
Licenses and permits	87,980	-	-
Intergovernmental	761,718	581,687	-
Fees, charges and commissions for services	1,012	23,737	-
Fines and forfeitures	-	-	-
Interest and miscellaneous	37,593	142,483	21,053
	<u>\$ 1,160,537</u>	<u>\$ 2,767,016</u>	<u>\$ 629,819</u>
Expenditures:			
Current:			
General government:			
Legislative	\$ 55,084	\$ -	\$ -
Judicial	134,038	23,103	-
Elections	31,044	-	-
Finance and administrative	222,753	-	19,325
Other	19,066	40,185	-
Public safety	225,460	-	-
Public works	-	2,497,775	-
Health and welfare	85,008	23,439	-
Culture and recreation	846	-	-
Economic development and assistance	69,459	-	-
Debt service:			
Principal	-	99,810	790,000
Interest	58	26,639	230,738
Capital outlay	-	123,302	-
	<u>\$ 842,816</u>	<u>\$ 2,834,253</u>	<u>\$ 1,040,063</u>
Excess (deficiency) of revenues over expenditures	\$ 317,721	\$( 67,237)	\$( 410,244)
Other financing sources (uses):			
Sale of assets	-	9,868	-
Operating transfers in (out)	149,557	( 149,465)	-
Excess (deficiency) of revenues and other financing sources (uses) over expenditures	\$ 467,278	\$( 206,834)	\$( 410,244)
Fund balances - beginning	349,930	3,796,783	1,051,460
Fund balances - ending	<u>\$ 817,208</u>	<u>\$ 3,589,949</u>	<u>\$ 641,216</u>

See Notes to Financial Statements.



Primary Government Totals - (Memorandum Only)	Component Units	Reporting Entity Totals - (Memorandum Only)
\$ 2,900,109	\$ 98,497	\$ 2,998,606
87,980	-	87,980
1,343,405	208,730	1,552,135
24,749	-	24,749
-	210,271	210,271
201,129	12,946	214,075
<u>\$ 4,557,372</u>	<u>\$ 530,444</u>	<u>\$ 5,087,816</u>

\$ 55,084	\$ -	\$ 55,084
157,141	232,534	389,675
31,044	-	31,044
242,078	-	242,078
59,251	-	59,251
225,460	229,432	454,892
2,497,775	-	2,497,775
108,447	7,883	116,330
846	-	846
69,459	-	69,459
889,810	-	889,810
257,435	1,360	258,795
123,302	-	123,302
<u>\$ 4,717,132</u>	<u>\$ 471,209</u>	<u>\$ 5,188,341</u>

\$ ( 159,760)	\$ 59,235	\$ ( 100,525)
9,868	1,130	10,998
<u>92</u>	<u>( 92)</u>	<u>-</u>

\$ ( 149,800)	\$ 60,273	\$ ( 89,527)
<u>5,198,173</u>	<u>34,654</u>	<u>5,232,827</u>
<u>\$ 5,048,373</u>	<u>\$ 94,927</u>	<u>\$ 5,143,300</u>

MOREHOUSE PARISH POLICE JURY

COMBINED STATEMENT OF REVENUES AND EXPENDITURES -  
 BUDGET (CASH BASIS) AND ACTUAL - GENERAL AND SPECIAL REVENUE FUNDS  
 Year Ended December 31, 1995

	General Fund		Variance - Favorable (Unfavor- able)
	Budget	Actual	
Revenues:			
Taxes	\$ 276,162	\$ 260,115	\$ ( 16,047)
Licenses and permits	70,800	108,523	37,723
Intergovernmental	867,665	948,094	80,429
Fees, charges and commissions for services	1,200	786	( 414)
Fines and forfeitures	-	-	-
Interest and miscellaneous	26,200	58,952	32,752
	<u>\$ 1,242,027</u>	<u>\$ 1,376,470</u>	<u>\$ 134,443</u>
Expenditures:			
Current:			
General government:			
Legislative	\$ 58,480	\$ 54,949	\$ 3,531
Judicial	196,038	179,329	16,709
Elections	45,750	29,620	16,130
Finance and administrative	269,657	227,326	42,331
Other	230,597	183,129	47,468
Public safety	284,651	257,464	27,187
Public works	-	-	-
Health and welfare	85,895	86,296	( 401)
Culture and recreation	800	773	27
Economic development and assistance	212,022	139,987	72,035
Debt service:			
Principal	-	-	-
Interest	-	1,022	( 1,022)
Capital outlay	-	-	-
	<u>\$ 1,383,890</u>	<u>\$ 1,159,895</u>	<u>\$ 223,995</u>
Excess (deficiency) of revenues over expenditures	\$ ( 141,863)	\$ 216,575	\$ 358,438
Other financing sources (uses):			
Loan proceeds	-	-	-
Operating transfers in (out)	30,000	29,961	( 39)
Excess (deficiency) of revenues and other financing sources (uses) over expenditures	<u>\$ ( 111,863)</u>	<u>\$ 246,536</u>	<u>\$ 358,399</u>

See Notes to Financial Statements.

Special Revenue Funds			Component Units		
Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
\$ 2,083,422	\$ 2,165,468	\$ 82,046	\$ 90,803	\$ 90,317	\$ ( 486)
400,010	362,903	( 37,107)	246,896	209,668	( 37,228)
23,000	21,047	( 1,953)	-	-	-
-	-	-	193,482	235,555	42,073
114,108	186,887	72,779	35,221	9,850	( 25,371)
<u>\$ 2,620,540</u>	<u>\$ 2,736,305</u>	<u>\$ 115,765</u>	<u>\$ 566,402</u>	<u>\$ 545,390</u>	<u>\$ ( 21,012)</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
23,600	19,839	3,761	239,462	228,623	10,839
-	-	-	-	-	-
-	-	-	-	-	-
73,874	39,358	34,516	-	-	-
-	-	-	250,927	248,953	1,974
3,114,660	2,598,684	515,976	-	-	-
32,755	20,923	11,832	11,116	7,970	3,146
-	-	-	-	-	-
-	-	-	-	-	-
55,160	47,792	7,368	212,965	203,762	9,203
-	17,349	( 17,349)	-	9,203	( 9,203)
6,008	105,907	( 99,899)	-	-	-
<u>\$ 3,306,057</u>	<u>\$ 2,849,852</u>	<u>\$ 456,205</u>	<u>\$ 714,470</u>	<u>\$ 698,511</u>	<u>\$ 15,959</u>
\$ ( 685,517)	\$ ( 113,547)	\$ 571,970	\$ ( 148,068)	\$ ( 153,121)	\$ ( 5,053)
-	-	-	110,000	110,000	-
( 25,350)	( 29,878)	( 4,528)	( 200)	( 82)	118
<u>\$ ( 710,867)</u>	<u>\$ ( 143,425)</u>	<u>\$ 567,442</u>	<u>\$ ( 38,268)</u>	<u>\$ ( 43,203)</u>	<u>\$ ( 4,935)</u>

MOREHOUSE PARISH POLICE JURY

COMBINED STATEMENT OF REVENUES AND EXPENDITURES -  
 BUDGET (CASH BASIS) AND ACTUAL - GENERAL AND SPECIAL REVENUE FUNDS  
 Year Ended December 31, 1994

	General Fund		Variance - Favorable (Unfavor- able)
	Budget	Actual	
Revenues:			
Taxes	\$ 257,402	\$ 259,811	\$ 2,409
Licenses and permits	82,159	91,639	9,480
Intergovernmental	774,096	768,481	( 5,615)
Fees, charges and commissions for services	1,800	917	( 883)
Fines and forfeitures	-	-	-
Interest and miscellaneous	25,894	36,867	10,973
	<u>\$ 1,141,351</u>	<u>\$ 1,157,715</u>	<u>\$ 16,364</u>
Expenditures:			
Current:			
General government:			
Legislative	\$ 58,650	\$ 55,247	\$ 3,403
Judicial	226,513	206,029	20,484
Elections	44,015	27,511	16,504
Finance and administrative	255,688	222,104	33,584
Other	17,126	17,408	( 282)
Public safety	227,389	215,220	12,169
Public works	-	-	-
Health and welfare	85,931	83,192	2,739
Culture and recreation	1,000	846	154
Economic development and assistance	77,600	73,465	4,135
Debt service:			
Principal	-	-	-
Interest	-	-	-
Capital outlay	-	-	-
	<u>\$ 993,912</u>	<u>\$ 901,022</u>	<u>\$ 92,890</u>
Excess (deficiency) of revenues over expenditures	\$ 147,439	\$ 256,693	\$ 109,254
Other financing sources (uses):			
Sale of assets	-	-	-
Loan proceeds	-	-	-
Operating transfers in (out)	146,136	149,557	3,421
Excess (deficiency) of revenues and other financing sources (uses) over expenditures	<u>\$ 293,575</u>	<u>\$ 406,250</u>	<u>\$ 112,675</u>

See Notes to Financial Statements.

Special Revenue Funds			Component Units		
Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
\$ 1,961,724	\$ 1,971,368	\$ 9,644	\$ 95,169	\$ 96,299	\$ 1,130
582,525	585,964	3,439	231,124	239,957	8,833
23,000	24,863	1,863	-	-	-
-	-	-	203,482	213,202	9,720
131,354	131,691	337	31,492	12,946	( 18,546)
<u>\$ 2,698,603</u>	<u>\$ 2,713,886</u>	<u>\$ 15,283</u>	<u>\$ 561,267</u>	<u>\$ 562,404</u>	<u>\$ 1,137</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
24,100	23,104	996	238,183	229,734	8,449
-	-	-	-	-	-
83,197	36,237	46,960	-	-	-
-	-	-	232,537	230,339	2,198
2,628,163	2,391,657	236,506	-	-	-
25,375	23,213	2,162	9,310	7,707	1,603
-	-	-	-	-	-
-	-	-	-	-	-
99,810	99,810	-	235,000	235,000	-
26,639	26,639	-	1,360	1,360	-
123,163	123,302	( 139)	-	-	-
<u>\$ 3,010,447</u>	<u>\$ 2,723,962</u>	<u>\$ 286,485</u>	<u>\$ 716,390</u>	<u>\$ 704,140</u>	<u>\$ 12,250</u>
\$ ( 311,844)	\$ ( 10,076)	\$ 301,768	\$ ( 155,123)	\$ ( 141,736)	\$ 13,387
9,868	9,868	-	1,130	1,130	-
-	-	-	190,000	190,000	-
( 141,486)	( 149,465)	( 7,979)	( 200)	( 93)	107
<u>\$ ( 443,462)</u>	<u>\$ ( 149,673)</u>	<u>\$ 293,789</u>	<u>\$ 35,807</u>	<u>\$ 49,301</u>	<u>\$ 13,494</u>



MOREHOUSE PARISH POLICE JURY

NOTES TO FINANCIAL STATEMENTS  
(PRIMARY GOVERNMENT)

Note 1. Organization and Summary of Significant Accounting Policies

Morehouse Parish Police Jury (the "Jury") is the governing authority for Morehouse Parish and is a political subdivision of the State of Louisiana. The Jury is governed by seven jurors representing the various districts within the parish whose terms expired on December 31, 1995.

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

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

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

NOTES FINANCIAL STATEMENTS

Financial Reporting Entity:

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

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

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

## NOTES TO FINANCIAL STATEMENTS

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

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

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 in the parish. It was determined that these governmental and nonprofit entities are not component units of Morehouse Parish Police Jury reporting entity. With the exception of the District Attorney and Judges, none of the above entities meet the criteria shown above. They are considered by the Jury to be separate autonomous entities and issue financial statements separate from those of Morehouse Parish Police Jury reporting entity. The District Attorney and Judges for the Fourth Judicial District are 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 accounts of the Jury are organized on the basis of funds or account groups, each of which is considered to be a separate accounting entity. The operations of each fund or account group are

## NOTES TO FINANCIAL STATEMENTS

summarized by providing a separate set of self-balancing accounts, which include its assets, liabilities, fund equity, revenues and expenditures. The following funds and account groups are used by the Jury:

### Governmental fund types:

#### General Fund:

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

#### Special Revenue Funds:

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

#### Debt Service Fund:

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

### General fixed assets and general long-term debt:

#### General Fixed Assets Account Group:

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

#### General Long-Term Debt Account Group:

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

### Total Columns on Combined Statements - Overview:

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



## NOTES TO FINANCIAL STATEMENTS

### Basis of Accounting:

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

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

Those major revenues susceptible to accrual are ad valorem taxes, sales taxes and intergovernmental revenues. Licenses and permits, fees, charges and commissions for services, fines, 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 Treasurer during October of each year. During November, the finance committee reviews the proposed budgets and makes changes as it deems appropriate. Notice of the location and the availability of the proposed budgets for public inspection and the date of the public hearing to be conducted on the budgets are then advertised in the official journal. Prior to its regular December meeting, the Jury conducts a public hearing on the proposed budgets in order to receive comments from residents. Changes are made to the proposed budgets based on the public hearing and the desires of the Jury as a whole. The budgets are then adopted during the Jury's regular December meeting, and notice of adoption, which includes budget summaries, is published in the official journal.

### Cash and Cash Equivalents:

The Jury considers all highly liquid investments, with a maturity of three months or less when purchased, to be cash equivalents.

Cash is reported at net book value - the December 31, 1995, bank balance plus deposits in transit and less checks that have not cleared the bank as of that date.

Under state law, the Jury may invest in obligations of the United States, deposit funds in state banks organized under state law or national banks having their principal offices in Louisiana.

### 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.

## NOTES TO FINANCIAL STATEMENTS

### Investments:

Investments consist of certificates of deposit which are carried at cost.

### Fixed Assets:

Fixed assets used in governmental fund type operations are accounted for in the General Fund Assets Account Group, rather than in governmental funds. Public domain ("infrastructure") general fixed assets including roads, bridges, curbs and gutter, streets and sidewalks, drainage systems and lighting systems are not capitalized. These assets are immovable and of value only to the Jury. No depreciation has been provided on general fixed assets.

All fixed assets are valued at historical cost or if donated, at their estimated market value on the date donated. Repairs and maintenance are recorded as expenditures; renewals and betterments are capitalized.

### Revenue Recognition - Ad Valorem and Sales Taxes:

Ad valorem taxes attach as an enforceable lien on property as of the date the tax rolls are filed with the recorder of mortgages which, by law, must be on or before November 15 of each year. Billed taxes become delinquent on January 1 of the following year. Revenues from ad valorem taxes are recognized when levied.

Sales taxes collected and held by other governments at year end on behalf of the Jury and those collected by other governments and remitted to the Jury within 60 days after December 31 for preceding months are recognized as revenue.

## NOTES TO FINANCIAL STATEMENTS

### Accumulated Compensated Absences:

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

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

### Note 2. Budget (Cash Basis)

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

NOTES TO FINANCIAL STATEMENTS

	<u>Year Ended</u> <u>December 31, 1995</u>	
	<u>General</u>	<u>Special Revenue</u>
Excess (deficiency) of revenues and other financing sources (uses) over expenditures - GAAP basis	\$ 268,580	\$( 102,395)
Adjustments:		
Receivables	( 7,444)	( 54,001)
Payables	( 34,600)	12,971
Claims and judgments payable	<u>20,000</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources (uses) over expenditures - budgetary basis	<u>\$ 246,536</u>	<u>\$( 143,425)</u>
	<u>Year Ended</u> <u>December 31, 1994</u>	
	<u>General</u>	<u>Special Revenue</u>
Excess (deficiency) of revenues and other financing sources (uses) over expenditures - GAAP basis	\$ 467,278	\$( 206,834)
Adjustments:		
Receivables	( 2,821)	( 53,129)
Payables	14,293	110,290
Claims and judgments payable	<u>( 72,500)</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources (uses) over expenditures - budgetary basis	<u>\$ 406,250</u>	<u>\$( 149,673)</u>

Note 3. Deposits with Financial Institutions

At December 31, 1995, the carrying amount of the Jury's deposits (checking and certificates) was \$3,631,449 and the bank balance was \$3,820,179. Of the bank balance, \$500,000 was covered by federal depository insurance (Category 1) and \$3,320,179 was secured by the market value of collateral held by third party banks' trust departments in the Jury's name.



NOTES TO FINANCIAL STATEMENTS

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

As the collateral pledge agreements of two financial institutions do not meet all of the conditions above, \$435,000 of the Jury's deposits with financial institutions in excess of the applicable FDIC coverage are deemed to be collateralized (Category 2) and \$2,885,179 are deemed to be uncollateralized (Category 3), even though all of the arrangements meet the provisions of state law.

There were no repurchase or reverse repurchase agreements at December 31, 1995.

Note 4. Ad Valorem Taxes

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

For the year ended December 31, 1995, taxes of 22.79 mills were levied on property and were dedicated as follows:

General Fund	6.18 mills
Debt Service Fund	7.00 mills
Special Revenue Funds	9.61 mills

Total taxes levied were \$1,759,627. As of December 31, 1995, taxes of \$1,787,069 had not yet been collected by the Sheriff for the Jury. This uncollected amount included \$27,442 of taxes from the 1994 levy.



NOTES TO FINANCIAL STATEMENTS

Note 5. Receivables

A summary of receivables at December 31, 1995, is as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Totals</u>
Taxes:				
Ad valorem	\$ 276,424	\$ 874,061	\$ 636,584	\$1,787,069
Beer	4,960	-	-	4,960
Sales	-	8,963	-	8,963
Licenses and permits	4,269	-	-	4,269
Intergovernmental:				
Severance taxes	59,903	-	-	59,903
Parish Transportation Act	-	28,867	-	28,867
Other	28,492	-	-	28,492
Fees, charges and commissions	-	2,350	-	2,350
Interest and miscellaneous	6,212	12,127	293	18,632
	<u>\$ 380,260</u>	<u>\$ 926,368</u>	<u>\$ 636,877</u>	<u>\$1,943,505</u>

Note 6. Changes in Fixed Assets

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

	Balance January 1, 1995	Additions	Retire- ments	Balance December 31, 1995
Land	\$ 288,724	\$ -	\$ -	\$ 288,724
Buildings	3,138,340	-	-	3,138,340
Equipment and furniture	1,368,266	116,611	-	1,484,877
Under capital lease	110,270	-	-	110,270
Totals	<u>\$4,905,600</u>	<u>\$ 116,611</u>	<u>\$ -</u>	<u>\$5,022,211</u>

## NOTES TO FINANCIAL STATEMENTS

### Note 7. Pension Plan and Other Pension Liabilities

#### Plan Description:

Substantially all employees of Morehouse Parish Police Jury are members of the 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.

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

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Parochial Employees' Retirement System, Post Office Box 14619, Baton Rouge, Louisiana 70898-4619, or by calling (504)928-1361.

NOTES TO FINANCIAL STATEMENTS

Note 8. Changes in General Long-Term Debt

The following is a summary of long-term obligation transactions for the year ended December 31, 1995:

	Capital Leases	General Obligation Bonds	Certif- icate of Indebted- ness	Claims and Judgments
Balance - January 1, 1995	\$ 9,792	\$ 2,690,000	\$ 331,000	\$ 138,835
Retirements	9,792	315,000	38,000	10,978
Balance - December 31, 1995	<u>\$ -</u>	<u>\$ 2,375,000</u>	<u>\$ 293,000</u>	<u>\$ 127,857</u>

General Obligation Bonds:

\$3,805,000 Hospital Refunding Bonds due in annual installments ranging from \$55,000 to \$465,000 through March 1, 2001. Interest at 6.75% is payable March 1 and September 1 of each year. Principal payments due March 1 of each year are as follows:

1996	\$335,000	1998	\$380,000	2000	\$435,000
1997	355,000	1999	405,000	2001	465,000

The annual requirements to amortize bonded debt outstanding as of December 31, 1995, including interest payments of \$511,819 are as follows:

Year Ending <u>December 31,</u>	
1996	\$ 484,006
1997	480,719
1998	480,913
1999	479,419
2000	481,069
2001	<u>480,693</u>
	<u>\$2,886,819</u>

At December 31, 1995, \$751,815 is available in the Debt Service Fund to service the general obligation bonds. In November, 1994, the Jury prepaid the final maturity originally due on March 1, 2002, in the amount of \$500,000 for principal and \$5,625 for interest.

NOTES TO FINANCIAL STATEMENTS

Certificate of Indebtedness:

During 1993, 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.

The certificate is 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.

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

1996	\$41,000	1999	\$48,000	2002	\$11,000
1997	43,000	2000	51,000		
1998	45,000	2001	54,000		

The annual requirements to amortize the certificate of indebtedness as of December 31, 1995, including interest payments of \$52,992 are as follows:

Year Ending	
<u>December 31,</u>	
1996	\$ 55,987
1997	55,678
1998	55,257
1999	55,700
2000	55,977
Thereafter	<u>67,393</u>
	<u>\$ 345,992</u>

In November, 1994, the Jury prepaid a portion of the final maturity originally due on March 1, 2002, in the amount of \$45,000 for principal and \$413 for interest.

NOTES TO FINANCIAL STATEMENTS

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 of \$1,000 through February, 2012. The following is a schedule of the present values of future payments as of December 31, 1995:

<u>Year Ending</u> <u>December 31,</u>	
1996	\$ 10,392
1997	10,287
1998	9,777
1999	9,255
2000	9,139
Thereafter	<u>79,007</u>
	<u>\$ 127,857</u>

Note 9. Fund Balance Reservation

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 10. Food Stamp Program

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

Note 11. Risk Management

The Jury is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The Jury carries commercial insurance for all risks of loss, including worker's compensation and employee health and accident insurance. Settlements have not exceeded insurance coverage in any of the past three fiscal years.



## NOTES TO FINANCIAL STATEMENTS

### Note 12. Subsequent Events

In March, 1996, the Jury adopted a resolution giving preliminary approval to the issuance of general obligation hospital refunding bonds not to exceed \$2,100,000. The bonds will be used to refund all of the general obligation bonds discussed in Note 8 and will be payable from unlimited ad valorem taxes which were authorized on January 16, 1982.

Also in March, 1996, the Jury adopted a resolution providing for issuance of certificates of indebtedness of \$75,000 for the purpose of acquiring a public library building, including equipment and furnishings. The certificates will be repaid from a special 3.29 mill tax levy approved on January 20, 1990, for the purpose of improvement, operation, maintenance and support of, and the construction of Morehouse Parish Library and its branches.

### Note 13. Contingent Liabilities

The Jury has been named in six lawsuits which are pending as of the date of this report. The Jury's legal counsel is of the opinion that the Jury has no liability in five of the six lawsuits beyond its deductible. The financial statements contain no provision for any uninsured loss that may result from these cases.

The Jury's legal counsel has estimated the amount of potential liability in the remaining lawsuit at \$20,000. This amount has been recorded as claims and judgments payable by the General Fund as of December 31, 1995, under the assumption that the settlements will require current financial resources.

MOREHOUSE PARISH POLICE JURY

NOTES TO FINANCIAL STATEMENTS  
(ADDITIONAL DISCLOSURES FOR COMPONENT UNITS)

Note 14. Budget (Cash Basis)

	<u>Year Ended December 31,</u>	
	<u>1995</u>	<u>1994</u>
Excess of revenues and other financing sources (uses) over expenditures - GAAP basis	\$ 79,946	\$ 60,273
Adjustments:		
Receivables	( 27,898)	31,958
Payables	( 1,489)	2,070
Bank loan payable	( 93,762)	( 45,000)
Excess (deficiency) of revenues and other financing sources (uses) over expenditures - budgetary basis	<u>\$ ( 43,203)</u>	<u>\$ 49,301</u>

Note 15. Ad Valorem Taxes

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

For the year ended December 31, 1995, taxes of 7.91 mills were levied on property and were dedicated for Special Revenue Funds.

Total taxes levied were \$104,519. As of December 31, 1995, taxes of \$107,133 had not yet been collected by the Sheriff for Ward Two Cemetery and Bastrop Fire District Two. This uncollected amount included \$2,614 of taxes from the 1994 levy.

NOTES TO FINANCIAL STATEMENTS

Note 16. Receivables

A summary of receivables at December 31, 1995, is as follows:

Taxes:		
Ad valorem	\$107,133	
Intergovernmental:		
Structure assessments	119,137	
Fines and forfeitures	12,134	
Interest and miscellaneous	<u>302</u>	
		<u>\$238,706</u>

Note 17. Changes in Fixed Assets

Changes in fixed assets of component unit operations are as follows for the year ended December 31, 1995:

	Balance January 1, 1995	Addi- tions	Retire- ments	Balance December 31, 1995
Equipment and furniture	<u>\$431,851</u>	<u>\$ 1,976</u>	<u>\$ -</u>	<u>\$433,827</u>

Note 18. 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 the Fourth Judicial Criminal Court Fund.

Note 19. Pension Plan

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

MOREHOUSE PARISH POLICE JURY

SPECIAL REVENUE FUNDS  
 COMBINING BALANCE SHEET  
 December 31, 1995

ASSETS	<u>Road Maintenance</u>	<u>Drainage Maintenance</u>	<u>Building Maintenance</u>
Cash and cash equivalents	\$ 386,823	\$ 38,525	\$ 108,596
Investments	-	-	-
Receivables	480,712	204,580	131,821
Due from other funds	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 867,535</u>	<u>\$ 243,105</u>	<u>\$ 240,417</u>
 LIABILITIES AND EQUITY			
Liabilities:			
Payables	\$ 107,739	\$ 39,796	\$ 4,517
Due to other funds	<u>-</u>	<u>-</u>	<u>16,569</u>
	<u>\$ 107,739</u>	<u>\$ 39,796</u>	<u>\$ 21,086</u>
 Equity:			
Fund balances - unreserved and undesignated	<u>\$ 759,796</u>	<u>\$ 203,309</u>	<u>\$ 219,331</u>
Total liabilities and equity	<u>\$ 867,535</u>	<u>\$ 243,105</u>	<u>\$ 240,417</u>

<u>Solid Waste</u>	<u>Health Unit</u>	<u>Witness Fee</u>	<u>Totals</u>
\$ 298,245	\$ 4,780	\$ 31,473	\$ 868,442
1,800,000	50,000	-	1,850,000
15,578	91,050	2,627	926,368
-	16,569	-	16,569
<u>\$ 2,113,823</u>	<u>\$ 162,399</u>	<u>\$ 34,100</u>	<u>\$ 3,661,379</u>
\$ 2,403	\$ 2,801	\$ -	\$ 157,256
-	-	-	16,569
<u>\$ 2,403</u>	<u>\$ 2,801</u>	<u>\$ -</u>	<u>\$ 173,825</u>
<u>\$ 2,111,420</u>	<u>\$ 159,598</u>	<u>\$ 34,100</u>	<u>\$ 3,487,554</u>
<u>\$ 2,113,823</u>	<u>\$ 162,399</u>	<u>\$ 34,100</u>	<u>\$ 3,661,379</u>



MOREHOUSE PARISH POLICE JURY

SPECIAL REVENUE FUNDS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES  
 Year Ended December 31, 1995

	<u>Road Maintenance</u>	<u>Drainage Maintenance</u>	<u>Building Maintenance</u>
Revenues:			
Taxes	\$ 439,367	\$ 202,781	\$ 95,120
Intergovernmental	362,825	-	-
Fees, charges and commissions for services	-	-	-
Interest and miscellaneous	46,520	12,042	17,006
	<u>\$ 848,712</u>	<u>\$ 214,823</u>	<u>\$ 112,126</u>
Expenditures:			
Current:			
General government:			
Judicial	\$ -	\$ -	\$ -
Other	-	-	39,415
Public works	802,160	410,748	70,504
Health and welfare	-	-	-
Debt service:			
Principal	9,792	-	-
Interest	189	-	-
Capital outlay	105,907	-	-
	<u>\$ 918,048</u>	<u>\$ 410,748</u>	<u>\$ 109,919</u>
Excess (deficiency) of revenues over (under) expenditures	\$( 69,336)	\$( 195,925)	\$ 2,207
Other financing sources (uses):			
Operating transfers in (out)	<u>( 10,048)</u>	<u>( 4,320)</u>	<u>( 1,177)</u>
Excess (deficiency) of revenues and other financing sources (uses) over expenditures	\$( 79,384)	\$( 200,245)	\$ 1,030
Fund balances - beginning	<u>839,180</u>	<u>403,554</u>	<u>218,301</u>
Fund balances - ending	<u>\$ 759,796</u>	<u>\$ 203,309</u>	<u>\$ 219,331</u>

<u>Solid Waste</u>	<u>Health Unit</u>	<u>Witness Fee</u>	<u>Totals</u>
\$ 1,358,594	\$ 119,234	\$ -	\$ 2,215,096
-	-	-	362,825
-	-	21,761	21,761
105,893	3,322	1,528	186,311
<u>\$ 1,464,487</u>	<u>\$ 122,556</u>	<u>\$ 23,289</u>	<u>\$ 2,785,993</u>
\$ -	\$ -	\$ 19,839	\$ 19,839
-	-	-	39,415
1,323,833	-	-	2,607,245
-	20,963	-	20,963
-	38,000	-	47,792
-	17,160	-	17,349
-	-	-	105,907
<u>\$ 1,323,833</u>	<u>\$ 76,123</u>	<u>\$ 19,839</u>	<u>\$ 2,858,510</u>
\$ 140,654	\$ 46,433	\$ 3,450	\$ ( 72,517)
<u>( 13,488)</u>	<u>( 845)</u>	<u>-</u>	<u>( 29,878)</u>
\$ 127,166	\$ 45,588	\$ 3,450	\$ ( 102,395)
<u>1,984,254</u>	<u>114,010</u>	<u>30,650</u>	<u>3,589,949</u>
<u>\$ 2,111,420</u>	<u>\$ 159,598</u>	<u>\$ 34,100</u>	<u>\$ 3,487,554</u>

MOREHOUSE PARISH POLICE JURY

SPECIAL REVENUE FUNDS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES  
 Year Ended December 31, 1994

	<u>Road Maintenance</u>	<u>Drainage Maintenance</u>	<u>Building Maintenance</u>
Revenues:			
Taxes	\$ 429,476	\$ 195,909	\$ 124,490
Intergovernmental	581,687	-	-
Fees, charges and			
commissions for			
services	-	-	-
Interest and			
miscellaneous	30,601	12,830	13,034
	<u>\$ 1,041,764</u>	<u>\$ 208,739</u>	<u>\$ 137,524</u>
Expenditures:			
Current:			
General government:			
Judicial	\$ -	\$ -	\$ -
Other	-	-	40,185
Public works	868,003	301,161	35,325
Health and welfare	-	-	-
Debt service:			
Principal	20,810	-	-
Interest	2,043	-	-
Capital outlay	-	-	-
	<u>\$ 890,856</u>	<u>\$ 301,161</u>	<u>\$ 75,510</u>
Excess (deficiency) of			
revenues over			
expenditures	\$ 150,908	\$( 92,422)	\$ 62,014
Other financing sources			
(uses):			
Sale of assets	9,466	402	-
Operating transfers			
in (out)	<u>( 126,950)</u>	<u>( 3,364)</u>	<u>( 891)</u>
Excess (deficiency) of			
revenues and other			
financing sources			
(uses) over			
expenditures	\$ 33,424	\$( 95,384)	\$ 61,123
Fund balances -			
beginning	<u>805,756</u>	<u>498,938</u>	<u>157,178</u>
Fund balances - ending	<u>\$ 839,180</u>	<u>\$ 403,554</u>	<u>\$ 218,301</u>

<u>Solid Waste</u>	<u>Health Unit</u>	<u>Witness Fee</u>	<u>Totals</u>
\$ 1,182,049	\$ 87,185	\$ -	\$ 2,019,109
-	-	-	581,687
-	-	23,737	23,737
80,498	4,476	1,044	142,483
<u>\$ 1,262,547</u>	<u>\$ 91,661</u>	<u>\$ 24,781</u>	<u>\$ 2,767,016</u>
\$ -	\$ -	\$ 23,103	\$ 23,103
-	-	-	40,185
1,293,286	-	-	2,497,775
-	23,439	-	23,439
-	79,000	-	99,810
-	24,596	-	26,639
-	123,302	-	123,302
<u>\$ 1,293,286</u>	<u>\$ 250,337</u>	<u>\$ 23,103</u>	<u>\$ 2,834,253</u>
\$ ( 30,739)	\$ ( 158,676)	\$ 1,678	\$ ( 67,237)
-	-	-	9,868
<u>( 15,302)</u>	<u>( 2,958)</u>	<u>-</u>	<u>( 149,465)</u>
\$ ( 46,041)	\$ ( 161,634)	\$ 1,678	\$ ( 206,834)
<u>2,030,295</u>	<u>275,644</u>	<u>28,972</u>	<u>3,796,783</u>
<u>\$ 1,984,254</u>	<u>\$ 114,010</u>	<u>\$ 30,650</u>	<u>\$ 3,589,949</u>

MOREHOUSE PARISH POLICE JURY

COMPONENT UNITS  
 COMBINING BALANCE SHEET  
 December 31, 1995

	<u>Ward Two Cemetery</u>	<u>Bastrop Fire District Two</u>	<u>Criminal Court</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 593	\$ 4,962	\$ 21,297
Investments	10,000	-	-
Receivables	<u>5,567</u>	<u>220,819</u>	<u>12,320</u>
	<u>\$ 16,160</u>	<u>\$ 225,781</u>	<u>\$ 33,617</u>
<b>LIABILITIES AND EQUITY</b>			
<b>Liabilities:</b>			
Payables	\$ 170	\$ 3,098	\$ 1,179
Bank loan payable	<u>-</u>	<u>96,238</u>	<u>-</u>
Total liabilities	<u>\$ 170</u>	<u>\$ 99,336</u>	<u>\$ 1,179</u>
<b>Equity:</b>			
Fund balances - unreserved and undesignated	<u>\$ 15,990</u>	<u>\$ 126,445</u>	<u>\$ 32,438</u>
Total liabilities and equity	<u>\$ 16,160</u>	<u>\$ 225,781</u>	<u>\$ 33,617</u>



Totals

\$ 26,852  
10,000  
238,706  
  
\$ 275,558

\$ 4,447  
96,238  
\$ 100,685

\$ 174,873

\$ 275,558

MOREHOUSE PARISH POLICE JURY

COMPONENT UNITS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES - GOVERNMENTAL FUND TYPES  
 Year Ended December 31, 1995

	<u>Ward Two Cemetery</u>	<u>Bastrop Fire District Two</u>	<u>Criminal Court</u>
Revenues:			
Taxes	\$ 5,446	\$ 92,850	\$ -
Intergovernmental	383	229,285	-
Fines and forfeitures	-	-	235,171
Interest and miscellaneous	662	2,240	7,483
	<u>\$ 6,491</u>	<u>\$ 324,375</u>	<u>\$ 242,654</u>
Expenditures:			
Current:			
General government:			
Judicial	\$ -	\$ -	\$ 227,233
Public safety	-	249,092	-
Health and welfare	7,964	-	-
Debt service:			
Interest	-	9,202	-
	<u>\$ 7,964</u>	<u>\$ 258,294</u>	<u>\$ 227,233</u>
Excess (deficiency) of revenues over expenditures	\$( 1,473)	\$ 66,081	\$ 15,421
Other financing sources (uses):			
Operating transfers in (out)	<u>( 83)</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources (uses) over expenditures	\$( 1,556)	\$ 66,081	\$ 15,421
Fund balances - beginning	<u>17,546</u>	<u>60,364</u>	<u>17,017</u>
Fund balances - ending	<u>\$ 15,990</u>	<u>\$ 126,445</u>	<u>\$ 32,438</u>

Totals

\$ 98,296  
229,268  
235,171

10,385  
\$ 573,520

\$ 227,233  
249,092  
7,964

9,202  
\$ 493,491

\$ 80,029

( 83)

\$ 79,946

94,927

\$ 174,873

MOREHOUSE PARISH POLICE JURY

COMPONENT UNITS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES - GOVERNMENTAL FUND TYPES  
 Year Ended December 31, 1994

	<u>Ward Two Cemetery</u>	<u>Bastrop Fire District Two</u>	<u>Criminal Court</u>
Revenues:			
Taxes	\$ 5,150	\$ 93,347	\$ -
Intergovernmental	394	208,336	-
Fines and forfeitures	-	-	210,271
Interest and miscellaneous	722	677	11,547
	<u>\$ 6,266</u>	<u>\$ 302,360</u>	<u>\$ 221,818</u>
Expenditures:			
Current:			
General government:			
Judicial	\$ -	\$ -	\$ 232,534
Public safety	-	229,432	-
Health and welfare	7,883	-	-
Debt service:			
Interest	-	1,360	-
	<u>\$ 7,883</u>	<u>\$ 230,792</u>	<u>\$ 232,534</u>
Excess (deficiency) of revenues over expenditures	\$( 1,617)	\$ 71,568	\$( 10,716)
Other financing sources (uses):			
Sale of assets	1,130	-	-
Operating transfers in (out)	<u>( 92)</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources (uses) over expenditures	\$( 579)	\$ 71,568	\$( 10,716)
Fund balances (deficit) - beginning	<u>18,125</u>	<u>( 11,204)</u>	<u>27,733</u>
Fund balances - ending	<u>\$ 17,546</u>	<u>\$ 60,364</u>	<u>\$ 17,017</u>

Totals

\$ 98,497  
208,730  
210,271

12,946  
\$ 530,444

\$ 232,534  
229,432  
7,883

1,360  
\$ 471,209

\$ 59,235

1,130

( 92)

\$ 60,273

34,654

\$ 94,927



MOREHOUSE PARISH POLICE JURY

SCHEDULE OF JURORS' COMPENSATION  
 Years Ended December 31, 1995 and 1994

	<u>Year Ended December 31,</u>	
	<u>1995</u>	<u>1994</u>
Margaret Herrington	\$ -	\$ 3,261
James T. Bonsall	509	2,268
Cecil Cain	5,191	-
Ray Yarbrough	5,700	5,700
D. W. Thomas, Jr.	5,700	5,700
Lee Loche	5,700	6,300
Fred Montgomery	5,700	5,700
John F. Shackelford, III	6,300	5,700
Harry Reese, Sr.	<u>5,700</u>	<u>5,700</u>
Total jurors' compensation	<u>\$ 40,500</u>	<u>\$ 40,329</u>

# HILL, INZINA & COMPANY

## INDEPENDENT AUDITOR'S REPORT ON SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE

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 two years ended December 31, 1995, and have issued our report thereon dated May 29, 1996. 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 *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 financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit was made for the purpose of forming an opinion on the general-purpose financial statements of Morehouse Parish Police Jury, taken as a whole. The accompanying Schedule of Federal Financial Assistance is presented for purposes of additional analysis and is not a required part of the general-purpose financial statements. The information in that schedule has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general-purpose financial statements taken as a whole.

May 29, 1996

*Hill, Inzina & Company*

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MOREHOUSE PARISH POLICE JURY

SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE  
 Years Ended December 31, 1995 and 1994

<u>Federal Grantor/Pass Through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Year Ended December 31, 1995</u>	
		<u>Federal Revenue</u>	<u>Total Expenditures</u>
<u>Department of Agriculture</u>			
Passed through Louisiana:			
Department of Social Services			
Food Stamps	* 10.551	\$ 5,848,790	\$ 5,848,790
State Administrative Matching Grants for Food Stamp Program	10.561	<u>15,479</u>	<u>15,479</u>
Total - Department of Agriculture		\$ 5,864,269	\$ 5,864,269
<u>Department of Housing and Urban Development</u>			
Direct:			
Section 8 Housing Voucher Program	14.177	<u>183,240</u>	<u>136,987</u>
Totals		<u>\$ 6,047,509</u>	<u>\$ 6,001,256</u>

\* major program

Year Ended	
<u>December 31, 1994</u>	
<u>Federal</u>	<u>Total</u>
<u>Revenue</u>	<u>Expenditures</u>
\$ 6,290,312	\$ 6,290,312
<u>13,977</u>	<u>13,977</u>
\$ 6,304,289	\$ 6,304,289
<u>85,612</u>	<u>66,859</u>
<u>\$ 6,389,901</u>	<u>\$ 6,371,148</u>

# HILL, INZINA & COMPANY

## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH LAWS AND REGULATIONS REQUIRED BY 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 two years ended December 31, 1995, and have issued our report thereon dated May 29, 1996.

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

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

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

We noted certain immaterial instances of noncompliance that we have reported to the management of Morehouse Parish Police Jury in a separate letter dated May 29, 1996.

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

May 29, 1996

*Hill, Meyna & Company*



# HILL, INZINA & COMPANY

## INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL STRUCTURE REQUIRED BY 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 two years ended December 31, 1995, and have issued our report thereon dated May 29, 1996.

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

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

In planning and performing our audit of the general-purpose financial statements of Morehouse Parish Police Jury, for the two years ended December 31, 1995, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the general-purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

We noted a certain matter involving the internal control structure and its operation that we consider to be a reportable condition under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the Jury's ability to record, process, summarize and report financial data consistent with the assertions of management in the general-purpose financial statements.

A material weakness is a reportable condition in which the design or operation of one or more of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the general-purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we noted the following matter involving the internal control structure and its operation that we consider to be a material weakness as defined above. This condition was considered in determining the nature, timing, and extent of the procedures to be performed in our audit of the financial statements of Morehouse Parish Police Jury as of and for the two years ended December 31, 1995.

- o Criteria: Adequate segregation of duties is essential to a proper internal control structure.
- Condition: The segregation of duties is inadequate to provide effective internal control.
- Cause: The condition is due to economic and space limitations.

Effect: Not determined.

Recommendation: No action is recommended.

Management's  
response: We concur in the finding.

We also noted other matters involving the internal control structure and its operation that we have reported to the management of Morehouse Parish Police Jury in a separate letter dated May 29, 1996.

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

May 29, 1996

*Hill, Orsina & Company*

# HILL, INZINA & COMPANY

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

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 two years ended December 31, 1995, and have issued our report thereon dated May 29, 1996.

We have applied procedures to test Morehouse Parish Police Jury's compliance, with the following requirements applicable to its federal financial assistance programs, which are identified in the Schedule of Federal Financial Assistance, for the two years ended December 31, 1995:

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

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

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



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

*Hill, Prigina & Company*

May 29, 1996

# HILL, INZINA & COMPANY

## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH SPECIFIC REQUIREMENTS APPLICABLE TO MAJOR FEDERAL FINANCIAL ASSISTANCE PROGRAMS

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 two years ended December 31, 1995, and have issued our report thereon dated May 29, 1996.

We have also audited Morehouse Parish Police Jury's compliance with the requirements governing reporting, special requirements and claims for advances and reimbursements that are applicable to its major federal financial assistance program, which is identified in the accompanying Schedule of Federal Financial Assistance, for the two years ended December 31, 1995. The management of Morehouse Parish Police Jury is responsible for Morehouse Parish Police Jury's compliance with those requirements. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

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

In our opinion, Morehouse Parish Police Jury complied, in all material respects, with the requirements governing reporting, special requirements and claims for advances and reimbursements that are applicable to its major federal financial assistance program for the two years ended December 31, 1995.

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

May 29, 1996

*Hill, Arzina & Company*

# HILL, INZINA & COMPANY

## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH SPECIFIC REQUIREMENTS APPLICABLE TO NONMAJOR FEDERAL FINANCIAL ASSISTANCE PROGRAMS TRANSACTIONS

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 two years ended December 31, 1995, and have issued our report thereon dated May 29, 1996.

In connection with our audit of the general-purpose financial statements of Morehouse Parish Police Jury, and with our consideration of Morehouse Parish Police Jury's control structure used to administer federal financial assistance programs, as required by Office of Management and Budget (OMB) Circular A-128, *Audits of State and Local Governments*, we selected certain transactions applicable to its nonmajor federal financial assistance programs for the two years ended December 31, 1995. As required by OMB Circular A-128, we have performed auditing procedures to test compliance with the requirements governing matching, level of effort or earmarking; reporting; special requirements; monitoring subrecipients; and claims for advances and reimbursements that are applicable to those transactions. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on Morehouse Parish Police Jury's compliance with these requirements. Accordingly, we do not express such an opinion.

The results of our tests indicate that, with respect to the items tested, Morehouse Parish Police Jury, complied with those requirements, except as described in the attached schedule. However, the extent of noncompliance noted in our testing indicates that, with respect to nonmajor program transactions not tested by us, there is more than a relatively low risk that Morehouse Parish Police Jury may not have complied with the requirements referred to in the preceding paragraph. These matters were considered by us in evaluating whether the general-purpose financial statements are presented fairly in conformity with general accepted accounting principles.

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

May 29, 1996

*Hill, Ingersoll & Company*

# HILL, INZINA & COMPANY

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

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 two years ended December 31, 1995, and have issued our report thereon dated May 29, 1996. We have also audited the compliance of Morehouse Parish Police Jury with requirements applicable to major federal financial assistance programs and have issued our report thereon dated May 29, 1996.

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

In planning and performing our audits for the two years ended December 31, 1995, we considered the internal control structure of Morehouse Parish Police Jury in order to determine our auditing procedures for the purpose of expressing our opinions on the general-purpose financial statements of Morehouse Parish Police Jury, and on the compliance of Morehouse Parish Police Jury with requirements applicable to major programs and to report on the internal control structure in accordance with OMB Circular A-128. This report addresses our consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal financial assistance programs. We have addressed internal control structure policies and procedures relevant to our audit of the general-purpose financial statements in a separate report dated May 29, 1996.



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

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

Accounting Controls

- Cash receipts/disbursements
- Investments
- Revenue/receivables
- Expenditures/accounts payable
- Property and equipment
- Debt and debt service
- Payroll
- Equity
- Financial reporting/  
budgeting

Administrative Controls

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

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

During the two years ended December 31, 1995, and 1994, Morehouse Parish Police Jury, expended 96.7 percent and 98.4 percent, respectively, of its total federal financial assistance under major federal financial assistance programs.

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

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

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

Our consideration of the internal control structure policies and procedures used in administering federal assistance would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we noted the following matter involving the internal control structure and its operation that we consider to be a material weakness as defined above. This condition was considered in determining the nature, timing and extent of the procedures to be performed in our



audit of the compliance of Morehouse Parish Police Jury with requirements applicable to its federal financial assistance programs for the two years ended December 31, 1995, and this report does not affect our report thereon dated May 29, 1996.

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

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

May 29, 1996

*Hill, Oryman & Company*

MOREHOUSE PARISH POLICE JURY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 Years Ended December 31, 1995 and 1994

Program (CFDA No.)	Finding/Noncompliance	Ques- tioned Costs
Section 8 Housing Voucher Program (14.777)	<p>Criteria: OMB Circular A-128 requires that state or local governments that receive federal financial assistance and provide \$25,000 or more of it in a fiscal year to a subrecipient shall:</p> <ul style="list-style-type: none"> <li>a) determine whether the subrecipient has met the audit requirements of the Act; i.e., has had a Single Audit in accordance with either Circular A-128 or A-133, as applicable.</li> <li>b) determine whether the subrecipient spent federal financial assistance funds provided in accordance with applicable laws and regulations.</li> <li>c) ensure that appropriate corrective action is taken within six months after receipt of the audit report in instances of noncompliance with federal laws and regulations.</li> <li>d) consider whether subrecipient audits necessitate adjustment of the governmental unit's own records.</li> <li>e) require subrecipients to permit independent auditors to have access to records and financial statements.</li> </ul>	

Condition: The Jury entered into a formal agreement with a new subrecipient on June 14, 1994. Such agreement provided that the subrecipient would comply with audit requirements contained in the Single Audit Act of 1984 and would provide the Jury with a copy of its annual audit.

The Jury had not obtained a copy of the subrecipient's latest audited financial statements. The report was subsequently obtained directly from the subrecipient by the auditors.

Upon review of the audited financial statements for the subrecipient's year ended June 30, 1995, it was noted that the audit was performed in accordance with OMB Circular A-128. However, the audit did not include the Section 8 Housing Voucher Program.

If current audited financial statements of the subrecipient are not requested or received by Morehouse Parish Police Jury, none of the above mentioned criteria can be met.

Cause: The Jury did not enforce the terms of the subrecipient agreement so that the Jury could meet its compliance requirements.

Effect: Undetermined.

Recommendation: We recommend that the Jury enforce all terms of the subrecipient agreement immediately.

Management's response: We concur in the finding.