

**MOREHOUSE PARISH POLICE JURY
BASTROP, LOUISIANA**

**FINANCIAL STATEMENTS
AND SUPPLEMENTAL INFORMATION
AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2022**



**MOREHOUSE PARISH POLICE JURY
BASTROP, LOUISIANA**

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Independent Auditor's Report

To the Honorable Members of the Police Jury
Morehouse Parish Police Jury
Bastrop, Louisiana

Adverse and Unmodified Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Morehouse Parish Police Jury, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Morehouse Parish Police Jury's basic financial statements as listed in the table of contents.

Adverse Opinion on Aggregate Discretely Presented Component Units

In our opinion, because of the significance of the matter discussed in the Basis for Adverse and Unmodified Opinions section of our report, the financial statements referred to above do not present fairly the financial position of the aggregate discretely presented component units of the Morehouse Parish Police Jury, as of December 31, 2022, or the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions on Governmental Activities, Each Major Fund, and the Aggregate Remaining Fund Information

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Morehouse Parish Police Jury, as of December 31, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Adverse and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and the *Louisiana Governmental Audit Guide*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Morehouse Parish Police Jury, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse and unmodified audit opinions.

Matters Giving Rise to Adverse Opinion on the Aggregate Discretely Presented Component Units

The financial statements do not include financial data for the Morehouse Parish Police Jury's legally separate component units. Accounting principles generally accepted in the United States of America require the financial data for those component units to be reported with the financial data of the Police Jury's primary government unless the Morehouse Parish Police Jury also issues financial statements for the financial reporting entity that include the financial data for its component units. The Morehouse Parish Police Jury has not issued such reporting entity financial statements. The effects of not including the Morehouse Parish Police Jury's legally separate component units on the aggregate discretely presented component units have not been determined.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Morehouse Parish Police Jury's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the *Louisiana Governmental Audit Guide* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the *Louisiana Governmental Audit Guide* we:

- Exercise professional judgment and maintain professional skepticism throughout the audit
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Morehouse Parish Police Jury's internal control. Accordingly, no such opinion is expressed
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Morehouse Parish Police Jury's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 32-37 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Morehouse Parish Police Jury
Bastrop, Louisiana
Independent Auditor's Report
December 31, 2022

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Morehouse Parish Police Jury's basic financial statements. The accompanying combining fund financial statements; the Schedule of Compensation Paid Police Jurors; the Schedule of Compensation, Benefits, Reimbursements, and Other Payments to Agency Head; the Justice Schedule (receiving entity); and Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining fund financial statements; the Schedule of Compensation Paid Police Jurors; the Schedule of Compensation, Benefits, Reimbursements, and Other Payments to Agency Head; the Justice Schedule (receiving entity); and Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2024 , on our consideration of the 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 grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Morehouse Parish Police Jury's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Morehouse Parish Police Jury's internal control over financial reporting and compliance.

BOSCH & STATHAM, LLC

Bosch & Statham

Ruston, Louisiana
October 31, 2024

Basic Financial Statements

**MOREHOUSE PARISH POLICE JURY
BASTROP, LOUISIANA**

**GOVERNMENTAL ACTIVITIES
STATEMENT OF NET POSITION
AS OF DECEMBER 31, 2022**

ASSETS	
Cash and cash equivalents	\$ 12,560,790
Receivables	2,828,273
Internal balances	20,468
Capital assets, net of accumulated depreciation	10,928,814
Net pension asset	565,770
TOTAL ASSETS	<u>26,904,115</u>
DEFERRED OUTFLOWS	
Deferred outflow - pension related	<u>166,581</u>
LIABILITIES	
Current liabilities:	
Accounts, salaries and other payables	579,950
Noncurrent liabilities:	
Due within one year	153,052
Due within more than one year	458,421
TOTAL LIABILITIES	<u>1,191,423</u>
DEFERRED INFLOWS	
Deferred revenue	3,963,416
Deferred inflows - pension related	556,377
TOTAL DEFERRED INFLOWS	<u>4,519,792</u>
NET POSITION	
Net investment in capital assets	10,317,341
Restricted	12,099,784
Unrestricted	(1,057,644)
TOTAL NET POSITION	<u>\$ 21,359,481</u>

The accompanying notes are an integral part of these financial statements.

**MOREHOUSE PARISH POLICE JURY
BASTROP, LOUISIANA**

**GOVERNMENTAL ACTIVITIES
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022**

FUNCTIONS	EXPENSES	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	
General government	\$ 2,196,696	\$ 103,405	\$ 1,081,335	\$ 122,771	\$ (889,185)
Public safety	855,050	51,763	188,223	-	(615,064)
Flood control	363,903	-	(8,897)	-	(372,800)
Highway and streets	1,851,735	1,105	420,716	-	(1,429,914)
Sanitation	1,503,284	35,616	-	-	(1,467,668)
Health and welfare	810,020	-	680,029	-	(129,991)
Economic development and assistance	193,975	-	-	-	(193,975)
Interest expense	49,038	-	-	-	(49,038)
Total governmental activities	<u>\$ 7,823,701</u>	<u>\$ 191,889</u>	<u>\$ 2,361,406</u>	<u>\$ 122,771</u>	<u>(5,147,635)</u>

General revenues:

Taxes:

Ad valorem 2,414,794

Sales and use taxes 2,203,474

Other taxes, penalties, and interest 329,548

Grants and contributions not restricted to specific programs 269,765

Unrestricted investment earnings 17,656

Proceeds from insurance 36,753

Other revenues 37,238

Total general revenues 5,309,228

Change in net position 161,593

Net position at beginning of year, restated 21,197,888

Net position at end of year \$ 21,359,481

The accompanying notes are an integral part of these financial statements.

**MOREHOUSE PARISH POLICE JURY
BAS TROP, LOUISIANA**

**GOVERNMENTAL FUNDS - BALANCE SHEET
AS OF DECEMBER 31, 2022**

ASSETS	GENERAL	ROAD MAINTENANCE	DRAINAGE MAINTENANCE	BUILDING MAINTENANCE	SOLID WASTE	AMERICAN RESCUE PLAN	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
Cash and cash equivalents	\$ 4,788	\$ 1,428,663	\$ 2,362,330	\$ 387,016	\$ 4,700,573	\$ 1,794,421	\$ 1,882,999	\$ 12,560,790
Receivables	609,848	895,429	388,696	243,300	233,826	-	457,174	2,828,273
Due from other funds	830,315	469,783	1,127	-	25,720	2,550,211	-	3,877,156
TOTAL ASSETS	\$ 1,444,951	\$ 2,793,875	\$ 2,752,153	\$ 630,316	\$ 4,960,119	\$ 4,344,632	\$ 2,340,173	\$ 19,266,219
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES								
Liabilities:								
Accounts, salaries and other payables	\$ 101,643	\$ 83,505	\$ 35,544	\$ 14,307	\$ 99,062	\$ -	\$ 245,889	\$ 579,950
Due to other funds	1,196,391	175,860	-	858,824	101,461	381,216	1,142,936	3,856,688
Total liabilities	1,298,034	259,365	35,544	873,131	200,523	381,216	1,388,825	4,436,638
Deferred inflows:								
Unavailable ad valorem tax revenue	78,724	115,510	52,543	30,940	-	-	19,970	297,687
Unearned	-	-	-	-	-	3,963,416	-	3,963,416
Total deferred inflows	78,724	115,510	52,543	30,940	-	3,963,416	19,970	4,261,103
Fund balances:								
Restricted fund balances	-	2,419,000	2,664,066	-	4,759,596	-	1,612,978	11,455,640
Unassigned fund balances	68,193	-	-	(273,755)	-	-	(681,600)	(887,162)
Total fund balances	68,193	2,419,000	2,664,066	(273,755)	4,759,596	-	931,378	10,568,478
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES	\$ 1,444,951	\$ 2,793,875	\$ 2,752,153	\$ 630,316	\$ 4,960,119	\$ 4,344,632	\$ 2,340,173	\$ 19,266,219

The accompanying notes are an integral part of these financial statements.

**MOREHOUSE PARISH POLICE JURY
BASTROP, LOUISIANA**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS' BALANCE SHEET
TO THE STATEMENT OF NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2022**

Total fund balance - governmental funds	\$ 10,568,478
Amounts reported for governmental activities in the statement of net position are different because:	
Some assets are not financial resources.	
Capital assets	10,928,814
Net pension asset	565,770
Revenues that do not provide current financial resources are deferred in the funds but are recognized for government-wide reporting.	297,687
Deferred items for pension related items are not reported in the fund statements:	
Deferred outflows	166,581
Deferred inflows	(556,377)
Some liabilities, such as bonds payable and compensated absences, are not due and payable in the current period and are therefore not reported in the funds.	
Lease liability	(611,473)
Net position of governmental activities	<u>\$ 21,359,481</u>

The accompanying notes are an integral part of these financial statements.

**MOREHOUSE PARISH POLICE JURY
BASTROP, LOUISIANA**

**GOVERNMENTAL FUNDS - STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2022**

	GENERAL	ROAD MAINTENANCE	DRAINAGE MAINTENANCE	BUILDING MAINTENANCE	SOLID WASTE	AMERICAN RESCUE PLAN	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES								
Taxes:								
Ad valorem	\$ 673,928	\$ 932,623	\$ 426,224	\$ 264,385	\$ -	\$ -	\$ 264,297	\$ 2,561,457
Sales and use	5,668	146,985	-	-	2,050,821	-	-	2,203,474
Other taxes								
Severance taxes	103,382	-	-	-	-	-	-	103,382
Franchise taxes	83,476	-	-	-	-	-	-	83,476
Other taxes	142,690	-	-	-	-	-	-	142,690
Licenses and permits	86,421	-	-	-	-	-	-	86,421
Intergovernmental funds:								
Federal government grants	683,898	-	-	-	-	984,686	233,680	1,902,264
State government grants	-	438,856	-	-	-	-	-	438,856
State government shared revenue	334,079	74,066	33,370	16,473	-	-	-	457,988
Charges for services	27,384	1,105	-	-	8,953	-	16,264	53,706
Fines and forfeitures	16,431	-	-	-	-	-	35,332	51,763
Investment earnings	15,946	-	352	-	575	-	783	17,656
Other revenues	22,095	-	-	2,668	184	-	2,355	27,302
Total revenues	2,195,398	1,593,635	459,946	283,526	2,060,533	984,686	552,711	8,130,435

The accompanying notes are an integral part of these financial statements.

**MOREHOUSE PARISH POLICE JURY
BASTROP, LOUISIANA**

**GOVERNMENTAL FUNDS - STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2022**

	GENERAL	ROAD MAINTENANCE	DRAINAGE MAINTENANCE	BUILDING MAINTENANCE	SOLID WASTE	AMERICAN RESCUE PLAN	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
EXPENDITURES								
Current:								
General government:								
Judicial	100,738	-	-	20,279	-	-	369,743	490,760
Executive	-	-	-	-	-	298,038	-	298,038
Elections	1,981	-	-	-	-	-	-	1,981
Other general government	286,795	-	-	235,914	-	563,877	330,930	1,417,516
Public safety	639,698	-	-	130,090	1,000	-	-	770,788
Flood Control	-	-	329,946	-	-	-	-	329,946
Highways and streets	-	1,661,300	-	-	-	-	-	1,661,300
Sanitation	19,602	-	-	-	1,481,326	-	-	1,500,928
Health and welfare	683,898	-	-	-	-	-	96,382	780,280
Economic development and assistance	10,620	-	-	-	-	-	80,843	91,463
Debt service	-	136,212	40,771	-	2,287	-	-	179,270
Capital outlay	-	438,049	227,246	-	237,084	122,771	-	1,025,150
Total expenditures	<u>1,743,332</u>	<u>2,235,561</u>	<u>597,963</u>	<u>386,283</u>	<u>1,721,697</u>	<u>984,686</u>	<u>877,898</u>	<u>8,547,420</u>
Excess (deficiency) of revenues over expenditures	<u>452,066</u>	<u>(641,926)</u>	<u>(138,017)</u>	<u>(102,757)</u>	<u>338,836</u>	<u>-</u>	<u>(325,187)</u>	<u>(416,985)</u>
OTHER FINANCING SOURCES (USES)								
Interfund transfers in	63,004	-	-	-	-	-	97,250	160,254
Proceeds from general long-term debt issuance	-	278,457	181,751	-	20,194	-	-	480,402
Proceeds from insurance	5,925	3,500	-	-	27,328	-	-	36,753
Interfund transfers out	(97,250)	-	-	(63,004)	-	-	-	(160,254)
Total other financing sources (uses)	<u>(28,321)</u>	<u>281,957</u>	<u>181,751</u>	<u>(63,004)</u>	<u>47,522</u>	<u>-</u>	<u>97,250</u>	<u>517,155</u>
Net change in fund balances	423,745	(359,969)	43,734	(165,761)	386,358	-	(227,937)	100,170
Fund balances at beginning of year, restated	(355,552)	2,778,969	2,620,332	(107,994)	4,373,238	-	1,159,315	10,468,308
Fund balances at end of year	<u>\$ 68,193</u>	<u>\$ 2,419,000</u>	<u>\$ 2,664,066</u>	<u>\$ (273,755)</u>	<u>\$ 4,759,596</u>	<u>\$ -</u>	<u>\$ 931,378</u>	<u>\$ 10,568,478</u>

The accompanying notes are an integral part of these financial statements.

**MOREHOUSE PARISH POLICE JURY
BASTROP, LOUISIANA**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022**

Net change in fund balances - total governmental funds	\$ 100,170
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>	
Capital outlay and other expenditures being capitalized	1,025,150
Depreciation and amortization	(633,188)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>	
Current year deferred inflows	297,687
Prior year deferred inflows	(489,516)
<p>Governmental funds report the issuance of long-term debt as an other source. However, in the government-wide financial statements, proceeds from the issuance of long-term debt is not treated as an other source but instead increases long-term debt on the Statement of Net Position.</p>	
Proceeds from leases	(480,402)
<p>Governmental funds report the retirement of long-term debt as an expenditure. However, in the government-wide financial statements, that amount representing principal on long-term debt is not treated as an expense but is instead applied against outstanding long-term debt on the Statement of Net Position</p>	
	130,232
<p>Some items reported in the statement of activities, such as a net decrease or increase in compensated absences, do not require the use of current financial resources, nor do they provide any, and therefore are not reported as expenditures or revenues in the governmental funds.</p>	
Pension expense	201,524
Nonemployer contributions	9,936
Change in net position of governmental activities	<u>\$ 161,593</u>

The accompanying notes are an integral part of these financial statements.

**MOREHOUSE PARISH POLICE JURY
BASTROP, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2022**

NOTE 1 – 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 serve four-year terms that will expire on December 31, 2023.

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 in part is provided by property taxes, sales taxes, severance taxes, permits, state revenue sharing, and various other state and federal grants.

The parish is located in northeast Louisiana and its population is approximately 24,300. Approximately 540 miles of roads are maintained by the parish. The Jury employs approximately 60 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.

Reporting Entity

As the governing authority of the parish, for reporting purposes, the 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.

The police jury also has the authority to create special districts (component units) within the parish to help in fulfilling its functions. The districts perform specialized functions, such as fire protection, water distribution, sewerage collection and disposal, drainage control, library facilities, and health care facilities.

As required by GASB Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, a legally separate entity is considered a component unit of the police jury if at least one of the following criteria is met.

- The police jury appoints a voting majority of the organization's governing body and is either able to impose its will on the organization or there is a potential financial benefit burden to the police jury.
- The entity is fiscally dependent on the police jury.
- The nature and significance of the relationship between the police jury and the entity is such that exclusion would cause the financial statements of the police jury to be misleading or incomplete.

Under provisions of this Statement, the police jury is considered a primary government since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments.

**MOREHOUSE PARISH POLICE JURY
BASTROP, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2022**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reporting Entity (Continued)

Based on the previous criteria, the police jury has determined that the following component units are part of the Morehouse Parish reporting entity:

Component Units:	<u>Fiscal Year End</u>	<u>Criteria Used</u>
Morehouse Parish:		
Assessor	December 31	2
Communications District	December 31	1
Council on Aging, Inc.	June 30	2
Economic Development Corporation	September 30	3
Library	December 31	2 & 3
Sales and Use Tax Commission	June 30	1
Tourist Commission	December 31	3
Bastrop Fire District Two	December 31	1
Bayou Bonne Idee Gravity Drainage District	December 31	1
Bayou Desiard and Bayou Bartholomew Loop		
Water Conservation Board	December 31	1
Consolidated Waterworks District No. 2	December 31	1
Fourth Judicial District Criminal Court	December 31	3
Ward Two Fire Protection District No. 1	December 31	1
Ward Five Fire Protection District No. 1	December 31	1
Ward Six Fire Protection District No. 1	December 31	1
Ward Eight Fire Protection District No. 1	December 31	1
Ward Ten Fire Protection District No. 1	December 31	1
Morehouse General Hospital Service District		
Morehouse General Hospital	December 31	1
Ward Two Cemetery	December 31	1

Considered in the determination of component units of the reporting entity were the Morehouse Parish Sheriff, Clerk of Court, School Board, the District Attorney for the Fourth Judicial District, the Fourth Judicial District Court, and the various municipalities in the parish. It was determined that these governmental entities are not component units of Morehouse Parish reporting entity because they have separately elected governing bodies, are legally separate, and are fiscally independent of Morehouse Parish Police Jury.

GASB Statement No. 14 provides for the issuance of primary government financial statements that are separate from those of the reporting entity. However, the primary government's (police jury's) financial statements are not a substitute for the reporting entity's financial statements. The accompanying primary government financial statements have been prepared in conformity with generally accepted accounting principles as applied to governmental units.

The police jury has chosen to issue financial statements of the primary government (police jury) only; therefore, none of the previously listed component units, except as discussed in the following paragraph, are included in the accompanying primary government financial statements. These financial statements are not intended to and do not report on the Morehouse Parish reporting entity but rather are intended to reflect only the financial statements of the primary government (police jury).

**MOREHOUSE PARISH POLICE JURY
BASTROP, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2022**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reporting Entity (Continued)

The primary government financial statements include all funds, account groups, and organizations for which the police jury maintains the accounting records. The organizations for which the police jury maintains the accounting records are considered part of the primary government (police jury) and include the Fourth Judicial District Criminal Court.

Basis of Presentation

The government-wide financial statements consist of a Statement of Net Position and a Statement of Activities. These statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Major revenues such as ad valorem taxes and sales taxes are assessed, collected and susceptible to accrual. Assets, liabilities, revenues, and expenses of the government are reported in the financial statements. The statements distinguish between the governmental and business-type activities of the police jury by reporting each in a separate column. The police jury does not have any business-type activities at this time

All capital (long-lived) assets, receivables, and long-term obligations are reported in the Statement of Net Position. The Statement of Activities reports revenues and expenses in a format that allows the reader to focus on the net cost of each function of the police jury. Both the gross and net cost per function, which is otherwise being supported by general government revenues, is compared to the revenues generated directly by the function. In the Statement of Activities, gross expenses, including depreciation, are reduced by related program revenues, which are comprised of charges for services, operating grants, and capital grants. Direct and indirect expenses are reported as program expenses for individual functions and activities. The program revenues must be directly associated with the function or a business-type activity. The types of transactions included in program revenues are licenses and permits, fines, lease income, court costs, charges for mowing, and charges for gravesites. The operating grants include operating-specific and discretionary (either operating or capital) grants, while the capital grants column reflects capital-specific grants.

The fund financial statements report the police jury as a collection of major and nonmajor funds presented on separate schedules by fund category – governmental, proprietary, and fiduciary funds.

- The governmental fund statements include a balance sheet and a statement of revenues, expenditures, and changes in fund balances, with one column for the general fund, one for each of the other major funds, and one column combining all the nonmajor governmental funds. The statements are prepared using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized in the accounting period in which they become measurable and available to finance expenditures of the current period, generally considered sixty days after the end of the fiscal year. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest payments on general long-term liabilities which are recognized when due.

**MOREHOUSE PARISH POLICE JURY
BASTROP, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2022**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

- The proprietary fund statements include a statement of net position; a statement of revenues, expenses, and changes in fund net position; and a statement of cash flows. Each statement has a column for each major enterprise fund. The police jury does not have any nonmajor proprietary funds or internal service funds. The proprietary fund statements are prepared using the economic resources measurement focus and the accrual basis of accounting in order to make a determination of net income, financial position, and cash flows. The police jury does not currently have any proprietary funds.

Although the financial statements presented in each of these three schedules contain “total” columns, they merely combine rather than consolidate the funds. Hence, interfund transactions that generate receivables and payables or transfers from one fund to another are not eliminated.

Major funds are those whose revenues, expenditures expenses, assets, or liabilities are at least ten percent of the total for their fund category or type (governmental or enterprise) and at least five percent of the corresponding element total for all governmental and enterprise funds combined.

The data on the face of the three sets of financial statements must be accompanied by certain disclosures to ensure accurate information is presented in the form of a single set of notes to the financial statements.

The police jury's current year financial statements include the following major governmental funds:

The General Fund is the police jury's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

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

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

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

The Solid Waste Fund accounts for the 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.

The American Rescue Plan Fund accounts for funds received under the federal American Rescue Plan Act.

**MOREHOUSE PARISH POLICE JURY
BASTROP, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2022**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

Assets, Liabilities, and Net Position, Equity, or Net Fund Balances

Cash and Investments

The police jury's cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. State law allows the police jury to invest in collateralized certificates of deposits, government backed securities, commercial paper, the Louisiana Asset Management Pool (a state sponsored investment pool), and mutual funds consisting solely of government backed securities. Currently, investments include short-term certificates of deposit with local banks, investments in the Louisiana Asset Management Pool, and investments with an investment service institution. Investments for the police jury are reported at fair value.

Investments are reported at fair value in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. Cash and investment earnings are recorded in the Fund that holds the investment.

Receivables and Payables

Activity between funds that is outstanding at the end the fiscal year is referred to as either “due to or from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.” All internal balances are eliminated in the total primary government column. Receivables include all amounts susceptible to accrual that have not been collected at December 31 but will be collected soon enough after the end of the year to pay liabilities of that year. They include all amounts earned, but not collected at December 31. Receivables (net of any uncollectible amounts) and payables are reported on separate lines.

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied by the police jury in September or October, are actually billed on October 1, and are mailed to the taxpayers in November. Billed taxes become delinquent on January 1 of the following year. Revenues from ad valorem taxes are budgeted in the year they are billed. The Morehouse Parish Sheriff bills and collects the police jury’s property taxes using the assessed value determined by the assessor of Morehouse Parish and approved by the State of Louisiana Tax Commission. For the year ended December 31, 2022, taxes of 17.98 mills were levied on property with assessed valuations totaling \$198,842,601 as follows:

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration</u>
Parishwide taxes:			
General corporate purposes	6.66	6.66	Indefinite
Road maintenance	5.58	5.58	2028
Drainage maintenance	2.55	2.55	2027
Public buildings - constuction, repairing, renovating, etc.	1.02	1.02	2027
Public buildings - maintenance & operations	0.60	0.60	2025
Health unit	1.00	1.00	2031
Arigculture center	0.57	0.57	2026

**MOREHOUSE PARISH POLICE JURY
BASTROP, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2022**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, and Net Position, Equity, or Net Fund Balances (Continued)

The difference between authorized and levied millage is the result of reassessments of taxable property within the parish as required by Article 7, Section 18 of the Louisiana Constitution of 1974.

On October 24, 2015, voters approved a renewal of the public buildings tax, for the maintenance and operations of the buildings, for 0.60 mill beginning 2016 and ending in 2025. On March 5, 2016, voters approved a renewal of the agriculture center tax for 0.57 mill beginning 2017 and ending in 2026. On April 24, 2017, voters approved a renewal of the road maintenance tax for 5.58 mill beginning 2019 and ending in 2028, the public buildings tax for 1.02 mill beginning 2018 and ending in 2027, and the drainage tax for 2.55 mills beginning 2018 and ending in 2027. On April 24, 2021, voters approved a renewal of the health unit tax for 1.00 mill beginning 2022 and ending in 2031.

The following are the principal taxpayers for the parish and their 2022 assessed valuation (amounts expressed in thousands):

	Assessed Valuation	Percent of Total Assessec Valuation
Entergy Louisiana Holdings, Inc.	\$ 9,612,840	4.83%
Texas Gas Transmission Corp.	6,941,390	3.49%
Union Pacific Corp. Tax	5,467,150	2.75%
Kennedy Rice Dryers, LLC	4,735,598	2.38%
Morehouse Bioenergy, LLC	4,279,446	2.15%
Tennessee Gas Pipeline	4,233,450	2.13%
Gulf South Pipeline	3,377,040	1.70%
Midcontinent Express Pipeline, LLC	2,543,440	1.28%
Atmos Energy Louisiana	2,221,650	1.12%
Southern Natural Gas Co.	2,687,930	1.35%
Total	<u>\$ 46,099,934</u>	<u>23.18%</u>

On October 2, 2010, voters of the parish renewed a half (1/2) percent sales tax for the construction, reconstruction, repair, maintenance, and improvements for roads, bridges, and related drainage improvements. On December 6, 2014, voters of the parish renewed a half (1/2) percent sales tax for the construction, acquisition, maintenance, improvements, and operation of a solid waste collection and disposal system for parish, including the closing of existing landfills. By an agreement between the police jury and the Morehouse Parish School Board, the school board serves as the collection agent for the sales tax. The school board receives three percent of all taxes collected in return for its services as the police jury's collection agent.

**MOREHOUSE PARISH POLICE JURY
BASTROP, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2022**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, and Net Position, Equity, or Net Fund Balances (Continued)

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are recorded as expenditures in each fund and capitalized at the government-wide level; fixed assets of enterprise funds are reported in the respective funds. The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend assets' lives are not capitalized. The police jury's capitalization threshold is \$1,000. For reporting purposes, the police jury defines capital assets as follows:

- Land is an inexhaustible asset with no capitalization threshold and an unlimited useful life; therefore, it is not depreciated.
- Buildings are permanent structures erected above ground, while improvements are major repairs, renovations, or additions that increase the future service potential of the asset. Leasehold improvements are improvements made by the lessee to leased property. They are depreciated principally using the straight-line method with an estimated useful life typically of 40 years for structures and improvements and 10-40 years for depreciable land improvements. Leasehold improvements are depreciated using the straight-line method with an estimated useful life depending on the term of the lease. Construction-in-progress is not depreciated.
- Movable property (furniture, equipment, and vehicles) consists of assets that are not fixed or stationary in nature. The straight-line method of depreciation is used, which divides the historical cost by the estimated useful life of the asset, generally 5 to 10 years.
- Infrastructure assets include roads, bridges, tunnels, drainage systems, water and sewer systems, dams, and lighting systems. Infrastructure is depreciated using the straight-line method with an estimated useful life of 30 to 40 years.
- Purchased computer software is depreciated using the straight-line method over an estimated useful life of 3 years.
- Donated capital assets are recorded at their estimated fair value at the date of donation.

Compensated absences

The following policies relating to vacation and sick leave are currently in effect:

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.

**MOREHOUSE PARISH POLICE JURY
BASTROP, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2022**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, and Net Position, Equity, or Net Fund Balances (Continued)

Compensated absences (Continued)

Estimated accrued compensated absences resulting from unused annual leave at the end of the fiscal year are recorded in the government-wide financial statements as long-term liabilities. No liability is recorded for nonvesting accumulating rights to receive sick pay benefits or personal holidays upon termination of employment. Compensated absences are paid from the fund responsible for the employee's compensation.

The entire compensated absence liability, determined in accordance with the provisions of GASB Codification Section C60, is reported on the government-wide financial statements. For governmental fund financial statements, the current portion of unpaid compensated absences is the amount that is normally expected to be paid using expendable available financial resources. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated leave are paid. The noncurrent portion of the liability is not reported in the governmental funds.

Long-Term Obligations

In the government-wide financial statements, long-term obligations are reported as liabilities in the applicable governmental or business-type activities. In the fund financial statements, proprietary fund long-term obligations are reported as liabilities in the proprietary fund type statement of net position. Individual funds have been used to liquidate other long-term liabilities such as compensated absences, claims and litigation payable, etc. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds.

Fund balances are reported under the following fund balance classifications:

Non-spendable	Includes fund balance amounts that cannot be spent either because it is not in spendable form or are legally or contractually required to be maintained intact.
Restricted	Includes amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.
Committed	Includes amounts that can only be used for specific purposes pursuant to constraints that are internally imposed by the government through formal action of the police jury and does not lapse at year-end.
Assigned	Includes amounts that are constrained by the police jury's intent to be used for specific purposes that are neither considered restricted nor committed.
Unassigned	Includes amounts that have not been assigned to other funds and that have not been restricted, committed or assigned to specific purposes within the General Fund. Negative fund balances in other governmental funds can also be classified as unassigned.

**MOREHOUSE PARISH POLICE JURY
BASTROP, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2022**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance Classifications and Net Position (Continued)

The police jury has a general policy to first use restricted resources for expenditures incurred for which both restricted and unrestricted (committed, assigned, and unassigned) resources are available. When expenditures are incurred for which only unrestricted resources are available, the general policy of the police jury is to use committed resources first, followed by assigned, and then unassigned. The use of restricted/committed resources may be deferred based on a review of the specific transaction.

The difference between assets and liabilities is "net position" on the government-wide, proprietary, and fiduciary fund statements. Net position is segregated into three categories on the government-wide statement of net position:

Net investment in capital assets - Consists of capital assets including restricted capital assets net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

Restricted net position - Consists of net position with constraints placed on the use either by (1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislations. The police jury first uses restricted net position for expenses incurred when both restricted and unrestricted net position are available for use. The use of restricted net position may be deferred based on a review of the specific transaction.

Unrestricted net position – The balance of net position that does not meet the definition of "restricted" or "net investment in capital assets."

Reconciliation of Government-wide and Fund Financial Statements

The governmental fund balance sheet includes a reconciliation of the government-wide statements to the governmental fund financial statements. This reconciliation is necessary to bring the financial statements from the current financial resources measurement focus and modified accrual basis of accounting to the economic measurement focus and full accrual basis of accounting. Major items included in the reconciliation are capital assets, inventories and prepaids, long-term debt, accrued interest, long-term liabilities, and deferred revenue, which are shown on the government-wide but not the governmental fund statements.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

**MOREHOUSE PARISH POLICE JURY
BASTROP, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2022**

NOTE 2 - STEWARDSHIP

The following presents a summary of major funds' budget variances for the year ended December 31, 2022:

Fund	Revenues and Other Sources (Uses)			Expenditures and Other Sources (Uses)		
	Budget	Actual	Favorable (Unfavorable) Variance	Budget	Actual	Favorable (Unfavorable) Variance
General	\$ 1,887,418	\$ 2,264,327	\$ 376,909	\$ 1,769,130	\$ 1,840,582	\$ (71,452)
Road Maintenance	1,303,400	1,597,135	293,735	1,552,419	1,957,104	(404,685)
Drainage Maintenance	392,400	459,946	67,546	571,615	416,212	155,403
Building Maintenance	247,530	283,526	35,996	239,850	449,287	(209,437)
Solid Waste	1,700,150	2,087,861	387,711	2,068,333	1,701,503	366,830
Total	<u>\$ 3,830,748</u>	<u>\$ 4,604,934</u>	<u>\$ 774,186</u>	<u>\$ 4,133,014</u>	<u>\$ 4,663,185</u>	<u>\$ (530,171)</u>

NOTE 3 - CASH AND CASH EQUIVALENTS

Custodial credit risk is the risk that in the event of a bank failure, the police jury's deposits may not be returned to it. The police jury's policy (not a formal written policy) to ensure that there is no exposure to this risk is to require each financial institution to pledge its own securities to cover any amount in excess of Federal Depository Insurance Coverage. Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Police Jury that the fiscal agent bank has failed to pay deposited funds upon demand.

At December 31, 2022, the police jury has cash and cash equivalents (book balances) as follows:

Demand deposits	\$ 8,062,468
Time deposits	<u>4,556,908</u>
Total	<u>\$ 12,619,376</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.

**MOREHOUSE PARISH POLICE JURY
BASTROP, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2022**

NOTE 3 - CASH AND CASH EQUIVALENTS (CONTINUED)

These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. As of December 31, 2022, \$11,437,725 of the police jury's bank balances of \$12,657,717 were exposed to custodial credit risk as follows:

Insured by FDIC	\$ 1,219,992
Uninsured and uncollateralized	-
Collateralized by pledged securities not in the police jury's name	11,437,725
Total balances exposed to custodial credit risk	<u>11,437,725</u>
Total bank balances	<u><u>\$ 12,657,717</u></u>

NOTE 4 - RECEIVABLES

The receivables at December 31, 2022, are as follows:

	Taxes	Due From Other Governments		Fines and Forfeitures	Accounts and Other	Total
		Federal	State			
General	\$ 567,603	\$ -	\$ 42,245	\$ -	\$ -	\$ 609,848
Road Fund	807,872	-	87,557	-	-	895,429
Drainage Fund	363,040	-	25,656	-	-	388,696
Maintenance Building Fund	230,634	-	12,666	-	-	243,300
Solid Waste	233,826	-	-	-	-	233,826
Other Governmental	223,494	233,680	-	-	-	457,174
Total	<u>\$ 2,426,469</u>	<u>\$ 233,680</u>	<u>\$ 168,124</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,828,273</u>

NOTE 5 - INTERFUND TRANSFERS AND BALANCES

Interfund transfers for the year ended December 31, 2022, were primarily to match grant funds.

The following details interfund balances as of December 31, 2022:

	<u>Due From</u>	<u>Due To</u>
General	\$ 449,099	\$ 1,021,187
Road Maintenance	469,783	175,860
Drainage Maintenance	1,127	-
Building Maintenance	-	858,824
Solid Waste	25,720	101,461
American Rescue Plan	2,375,007	-
Other Governmental	-	1,142,936
Unlocated difference	-	20,468
Total	<u>\$ 3,320,736</u>	<u>\$ 3,320,736</u>

**MOREHOUSE PARISH POLICE JURY
BASTROP, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2022**

NOTE 6 - CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended December 31, 2022, is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital assets not being depreciated:				
Land	\$ 1,137,986	\$ -	\$ -	\$ 1,137,986
Capital assets being depreciated:				
Buildings and improvements	16,600,626	-	-	16,600,626
Machinery and equipment	1,956,273	544,748	-	2,501,021
Right-of-use leased asset(s)	583,156	480,402	(297,913)	765,645
Total capital assets being depreciated or amortized	<u>19,140,055</u>	<u>1,025,150</u>	<u>(297,913)</u>	<u>19,867,292</u>
Less accumulated depreciation for:				
Buildings and improvements	8,034,961	407,103	-	8,442,064
Machinery and equipment	1,376,845	91,464	-	1,468,309
Right-of-use leased asset(s)	329,381	134,621	(297,913)	166,089
Total accumulated depreciation and amortization	<u>9,741,187</u>	<u>633,188</u>	<u>(297,913)</u>	<u>10,076,462</u>
Total capital assets being depreciated or amortized, net	<u>9,398,868</u>	<u>391,962</u>	<u>-</u>	<u>9,790,830</u>
Total capital assets, net	<u>\$ 10,536,854</u>	<u>\$ 391,962</u>	<u>\$ -</u>	<u>\$ 10,928,814</u>

Depreciation and amortization expenses for the year was charged to the following governmental functions:

Depreciation

General government	\$ 189,926
Public safety	84,262
Highway and street	92,128
Health and welfare	29,739
Economic development and assistance	102,512
Total	<u>\$ 498,567</u>

Amortization

Flood Control	\$ 33,957
Highway and street	98,307
Sanitation	2,357
Total	<u>\$ 134,621</u>

**MOREHOUSE PARISH POLICE JURY
BASTROP, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2022**

NOTE 7 - LONG-TERM OBLIGATIONS

The following is a summary of the long-term obligation transactions for the year ended December 31, 2022:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Lease(s) liability	\$ 261,303	\$ 480,402	\$ (130,232)	\$ 611,473
Net Pension (Asset)/Liability - PERS	(279,843)	(285,927)	-	(565,770)
	<u>\$ (18,540)</u>	<u>\$ 194,475</u>	<u>\$ (130,232)</u>	<u>\$ 45,703</u>

NOTE 8 – Leases

As of December 31, 2022, the Jury had entered into multiple equipment leases having initial or remaining noncancellable terms in excess of one year. In accordance with its accounting policy for leases and pursuant to adoption of GASB Statement No. 87, Leases, the Police Jury records a liability for the present value of lease payments over the lease term for those agreements meeting the capitalization threshold set forth in footnote 1. As of December 31, 2022, such lease agreements consist entirely of equipment having terms from 2 to 5 years having a combined lease liability of \$611,473. In determining the present values, an average discount rate of 4.94% was applied, representing the Police Jury's estimated incremental borrowing rate for such equipment. The recorded value of the right-to-use assets as of the end of the current fiscal year was \$765,645 and accumulated amortization of these assets was \$166,089. The lease liability future principal and interest components of the lease payments as of December 31, 2022, are as follows:

<u>Year Ending December 31,</u>	
2023	\$ 153,052
2024	160,822
2025	136,119
2026	102,847
2027	58,632

NOTE 9 – RETIREMENT SYSTEMS

Parochial Employees' Retirement System of Louisiana (System)

All Morehouse Parish Police Jury (Police Jury) employees, who participate in retirement systems, are members of the Parochial Employees Retirement System of Louisiana (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. The Police Jury employees participate in Plan A.

All permanent employees working at least twenty-eight hours per week who are paid wholly or in part from parish funds and all elected parish officials, except coroners, justices of the peace, and parish presidents, are eligible to participate in PERS.

**MOREHOUSE PARISH POLICE JURY
BASTROP, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2022**

NOTE 9 – RETIREMENT SYSTEM (CONTINUED)

Parochial Employees' Retirement System of Louisiana (System) (Continued)

Under Plan A, employees who were hired prior to January 1, 2007, can retire, providing he/she meets one of the following criteria:

1. Any age after 30 years of creditable service.
2. Age 55 after 25 years of creditable service.
3. Age 60 after 10 years of creditable service.
4. Age 65 after 7 years of creditable service.

Under Plan A, employees who were hired after January 1, 2007, can retire, providing, he/she meets one of the following criteria:

1. Age 55 after 30 years of creditable service
2. Age 62 after 10 years of creditable service
3. Age 67 after 7 years of creditable service.

General the monthly retirement allowance for any member of Plan A consists of an amount equal to 3% of the member's monthly average final compensation times years of creditable service. However, under certain conditions (as outlined in the statutes) the benefits are limited to specified amounts. Survivor, death and disability benefits are also provided under the plan.

In lieu of terminating employment and accepting a service retirement allowance, any member who is eligible to retire may elect to participate in the deferred retirement option plan (DROP) for three years and defer the receipt of benefits. During such period, employer contributions continue but employee contributions cease. Monthly benefits that the member would have received during the DROP period are paid into the DROP fund. Interest is earned when the member has completed DROP participation, based on the actual rate of return on the investments identified as DROP funds for the period.

For the year ended December 31, 2021, the actual employer contribution rate was 12.25%, and the actuarially required contribution rate was 10.38%.

The Plan receives ad valorem and state revenue sharing funds as employer contributions and those amounts are considered support from nonemployer contributing entities but are not considered as special funding situations.

Pension liabilities, pension expense and deferred outflows of resources and deferred inflows of resources:

As of December 31, 2022, the Parish reported a total of \$(565,770) for its proportionate shares of the net pension liability (asset) of the Plan.

**MOREHOUSE PARISH POLICE JURY
BASTROP, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2022**

NOTE 9 – RETIREMENT SYSTEM (CONTINUED)

The net pension liability was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Parish's proportion of the net pension liability was based on a projection of the Parish's long-term contributions to the plans relative to the projected contributions of all participating employers, actuarially determined. The Parish's proportions of the Plan as of December 31, 2021, and 2020 were 0.120110% and 0.159559%, respectively.

For the year ended December 31, 2022, the Parish recognized pension expense of \$(102,364). In addition, the Parish reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred outflows of resources	Deferred inflows of resources
Changes in proportion	\$ 4,071	\$ 25,987
Differences between expected and actual experience	34,183	41,005
Changes in assumptions	29,506	-
Net difference between projected and actual earnings on pension plan investments	-	489,382
Contributions subsequent to the measurement date	98,821	-
	<u>\$ 166,581</u>	<u>\$ 556,374</u>

The deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	
2023	\$ (98,199)
2024	(199,977)
2025	(137,982)
2026	(52,456)
2027	-
Thereafter	-

**MOREHOUSE PARISH POLICE JURY
BASTROP, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2022**

NOTE 9 – RETIREMENT SYSTEM (CONTINUED)

Actuarial assumptions:

The total pension liabilities in the December 31, 2021 actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurements:

Inflation	2.30%
Salary increases	4.75%
Investment rate of return	6.40%
Actuarial cost method	Entry age normal
Expected remaining service lives	4 years

Mortality rates were based on the Pub-2010 Public Retirement Plans Mortality Table for active members, Healthy Annuitant Table for healthy annuitants, and General Disabled Retirees Tables for disabled annuitants. The mortality rate assumption used was set based upon an experience study performed on plan data for the period January 1, 2013, through December 31, 2017.

The investment rate of return was determined based on a triangulation method which integrated the CAPM pricing model (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward-looking basis in equilibrium, in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rate of return by the target asset allocation percentage and by adding expected inflation of 2.10% and an adjustment for the effect of rebalancing diversification.

Target asset allocation

The Plan's target asset allocation and long-term expected rates of return as of December 31, 2020, are as follows:

<u>Asset class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Rate of Return</u>
Fixed income	33%	0.85%
Equity	51%	3.23%
Alternatives	14%	0.71%
Real assets	2%	0.11%
Totals	100%	4.90%
Inflation		2.10%
Expected Arithmetic Nominal Return		7.00%

**MOREHOUSE PARISH POLICE JURY
BASTROP, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2022**

NOTE 9 – RETIREMENT SYSTEM (CONTINUED)

Sensitivity of the proportionate share of the net pension liabilities to changes in the discount rate:

The following presents the proportionate share of the net pension liability of the plan, calculated using the discount rates as shown above, as well as what the proportionate share of the net pension liability (net pension asset) would be if they were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

<u>1%</u> <u>Decrease (5.4%)</u>	<u>Current Discount</u> <u>Rate (6.4%)</u>	<u>1%</u> <u>Increase (7.4%)</u>
\$ 100,866	\$ (565,770)	\$ (1,124,200)

Pension plan fiduciary net position:

Detailed information about the Plan's fiduciary net position is available in the separately issued financial statements of the Plan.

NOTE 10 - RISK MANAGEMENT

The police jury is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets, liability; and injuries to employees and others. To handle such risk of loss, the police jury maintains commercial insurance policies covering: automobile liability and medical payments, workers' compensation, general liability, and surety bond coverage on the secretary/treasurer and other employees handling money. No claims were paid on any of the policies during the past three years, which exceeded the policies' coverage amounts.

NOTE 11 – COMMITMENTS AND CONTINGENCIES

As of December 31, 2022, and during the period from that date until the date of this report, the Jury's legal counsel advised that they have been engaged to represent the jury in one case. Legal counsel is unable to estimate the amount of any loss should one occur. However, management expects any loss to be covered by insurance. Legal counsel has not been engaged to give substantive attention or represent the Jury in connection with any other material loss contingencies.

In July 2013, the Jury approved joining the Louisiana Rural Parish Insurance Cooperative (LRPIC). LRPIC has 12 members and provides risk management, insurance, loss control, and claims management services to all members. The self-insured retention is a per occurrence retention and does not reduce the applicable limit of liability. Liability limits apply per member. Only one retention applies in the event of multiple casualty losses.

**MOREHOUSE PARISH POLICE JURY
BASTROP, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2022**

NOTE 11 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

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, 2022 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.

On October 1, 2021, the Jury was awarded \$750,000 from the Louisiana Community Development Block Grant, Coronavirus Public Facilities program, to replace the heating, ventilation, and air conditioning systems in the LSU Ag Center, Morehouse Parish Library, and Morehouse Parish Jail buildings in an effort to reduce the spread of COVID-19. Local funds of \$65,000 will be paid from the General Fund to cover administration costs. As of December 31, 2022, the Police Jury had expended \$304,590 of grant funds and \$56,850 of local funds.

On November 18, 2021, the Jury was awarded \$750,000 under the Louisiana Community Development Block Grant, Love Louisiana Program, to make improvements at Faire Grounds Park. The Police Jury has pledged \$169,125, from the General Fund to cover Engineering and Administration costs. As of December 31, 2022, the Police Jury had expended \$7,250 from local funds.

During 2022, the Jury was awarded \$500,000, from the Louisiana Facility Planning and Control Act 117 to repair the Library roof. The Police Jury pledged \$167,667, to cover engineering and administration costs. As of December 31, 2022, the Police Jury had not expended any funds.

NOTE 12 – DEFICIT FUND BALANCE

As of December 31, 2021, the fund balance of the General Fund was in a deficit position of \$137,819, compared to a deficit position of \$871,352 as of December 31, 2021. No particular incident led to the decline other than just the overall financial burden placed on the Jury over the years. The improvement during the year ended December 31, 2022, appears to be due to natural fluctuations in revenues and expenditures. As of the date of this report, management of the Jury has no specific plan to alleviate the deficit.

The Building Maintenance Fund initially incurred a deficit in its fund balance during the year ended December 31, 2012 resulting in part by a decrease in intergovernmental revenues. The deficit has continually increased each year since 2012 except for the past four years ended December 31, 2021, 2020, 2019, and 2018, the fund balance had a positive change of \$106,196, \$1,702, \$59,400, and \$19,745, respectively. For the years ended December 31, 2019, and 2018, the General Fund transferred \$100,000 and \$65,400 to the Building Maintenance Fund. The fund balance in the General Fund was in a deficit position as of December 31, 2022, of \$273,755, compared to a deficit position of \$338,911 as of December 31, 2021.

The Criminal Court Fund also had a deficit fund balance of \$681,545 as of December 31, 2022, compared to a deficit balance as of December 31, 2021, of \$371,450. Management plans to alleviate the annual deficit by requesting allocations from the District Attorney's office, which is normal practice for the Jury. Funds of \$2,637, \$313,494, \$350,923, and \$322,249 were received during the years ended December 31, 2022, 2021, 2020, and 2019, respectively.

**MOREHOUSE PARISH POLICE JURY
BASTROP, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2022**

NOTE 13 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through October 31, 2024, the date on which the financial statements were available to be issued.

NOTE 14 – NEW ACCOUNTING STANDARDS

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The requirements of this Statement are effective as follows: The requirements in (1) paragraph 4 of this Statement as it applies to defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans and (2) paragraph 5 of this Statement are effective immediately. The requirements in paragraphs 6–9 of this Statement are effective for fiscal years beginning after June 15, 2021. All other requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

GASB Statement No. 98, *The Annual Comprehensive Financial Report* was issued October 2021. This Statement establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. This Statement was developed in response to concerns raised by stakeholders that the common pronunciation of the acronym for comprehensive annual financial report sounds like a profoundly objectionable racial slur. This Statement's introduction of the new term is founded on a commitment to promoting inclusiveness. The requirements of this Statement are effective for fiscal years ending after December 15, 2021. Earlier application is encouraged.

GASB Statement No. 99, *Omnibus 2022*, was issued April 2022. The requirements of this Statement are effective as follows: The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance. The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

**MOREHOUSE PARISH POLICE JURY
BASTROP, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2022**

NOTE 14 – NEW ACCOUNTING STANDARDS (CONTINUED)

GASB Statement No. 100, *Accounting Changes And Error Corrections—An Amendment Of GASB Statement No. 62* was issued June 2022.- The requirements of this Statement will improve the clarity of the accounting and financial reporting requirements for accounting changes and error corrections, which will result in greater consistency in application in practice. In turn, more understandable, reliable, relevant, consistent, and comparable information will be provided to financial statement users for making decisions or assessing accountability. In addition, the display and note disclosure requirements will result in more consistent, decision useful, understandable, and comprehensive information for users about accounting changes and error corrections. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

GASB Statement No. 101, *Compensated Absences* was issued June 2022. The unified recognition and measurement model in this Statement will result in a liability for compensated absences that more appropriately reflects when a government incurs an obligation. In addition, the model can be applied consistently to any type of compensated absence and will eliminate potential comparability issues between governments that offer different types of leave. The model also will result in a more robust estimate of the amount of compensated absences that a government will pay or settle, which will enhance the relevance and reliability of information about the liability for compensated absences. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

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Required Supplemental Information (Part II)

**MOREHOUSE PARISH POLICE JURY
BASTROP, LOUISIANA**

**REQUIRED SUPPLEMENTARY INFORMATION –
BUDGETARY COMPARISON SCHEDULES FOR MAJOR FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Preliminary budgets for the ensuing year are prepared by the secretary treasurer prior to December 31 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 of the Jury. 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 a December meeting and notice of adoption, that includes budget summaries, is published in the official journal.

The secretary treasurer presents necessary budget amendments to the Jury during the year when, in her judgement, actual operations differ materially from those anticipated in the original budget. During a regular meeting, the Jury reviews the proposed amendments, makes changes as it deem necessary, and formally adopts the amendments as it deems necessary. The formal adoption of amendments is included in the Jury's minutes published in the Jury's official journal.

The Jury adopted annual budgets for all of the governmental funds on December 13, 2021. The annual budgets were prepared on a non-GAAP budgetary basis of accounting. Final amendments were approved by the Jury on December 22, 2022. Final amended budget amounts included in budget comparison reports prepared by the secretary treasurer are reflected in the financial statements. All annual appropriations lapse at fiscal year-end.

**MOREHOUSE PARISH POLICE JURY
BASTROP, LOUISIANA**

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2022**

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		
REVENUES				
Taxes:				
Ad valorem	\$ 530,000	\$ 530,000	\$ 673,928	\$ 143,928
Sales and use	6,400	6,400	5,668	(732)
Other taxes				
Severance taxes	135,000	125,000	103,382	(21,618)
Franchise taxes	76,000	76,000	83,476	7,476
Other taxes	130,000	130,000	142,690	12,690
Licenses and permits	80,000	80,000	86,421	6,421
Intergovernmental funds:				
Federal government grants	650,000	650,000	683,898	33,898
State government shared revenue	228,618	228,618	334,079	105,461
Charges for services	26,300	26,300	27,384	1,084
Fines and forfeitures	-	-	16,431	16,431
Investment earnings	6,000	6,000	15,946	9,946
Other revenues	29,100	29,100	22,095	(7,005)
Total revenues	1,897,418	1,887,418	2,195,398	307,980
EXPENDITURES				
Current:				
General government:				
Judicial	41,700	149,010	100,738	48,272
Elections	1,000	1,000	1,981	(981)
Other general government	480,845	230,977	286,795	(55,818)
Public safety	567,102	691,223	639,698	51,525
Sanitation	21,800	21,800	19,602	2,198
Health and welfare	650,000	650,000	683,898	(33,898)
Economic development and assistance	9,936	10,620	10,620	-
Capital outlay	-	14,500	-	14,500
Total expenditures	1,772,383	1,769,130	1,743,332	25,798
Excess of revenues over expenditures	125,035	118,288	452,066	282,182
OTHER FINANCING SOURCES (USES)				
Interfund transfers in	-	-	63,004	63,004
Proceeds from insurance	-	-	5,925	5,925
Interfund transfers out	-	-	(97,250)	97,250
Total other financing sources (uses)	-	-	(28,321)	(28,321)
Net change in fund balance	125,035	118,288	423,745	305,457
Fund balance at beginning of year	(897,375)	(871,352)	(355,552)	515,800
Fund balance at end of year	\$ (772,340)	\$ (753,064)	\$ 68,193	\$ 821,257

**MOREHOUSE PARISH POLICE JURY
BASTROP, LOUISIANA**

**BUDGETARY COMPARISON SCHEDULE - ROAD MAINTENANCE SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES				
Taxes:				
Ad valorem	\$ 775,000	\$ 793,000	\$ 932,623	\$ 139,623
Sales and use	110,000	100,000	146,985	46,985
Intergovernmental funds:				
State government grants	338,000	350,000	438,856	88,856
State government shared revenue	60,000	60,000	74,066	14,066
Charges for services	-	-	1,105	1,105
Investment earnings	400	400	-	(400)
Total revenues	<u>1,283,400</u>	<u>1,303,400</u>	<u>1,593,635</u>	<u>290,235</u>
EXPENDITURES				
Current:				
Highways and streets	1,237,152	1,377,419	1,661,300	(283,881)
Debt service	-	-	136,212	(136,212)
Capital outlay	750,000	175,000	159,592	15,408
Total expenditures	<u>1,987,152</u>	<u>1,552,419</u>	<u>1,957,104</u>	<u>(404,685)</u>
Excess of revenues over expenditures	<u>(703,752)</u>	<u>(249,019)</u>	<u>(363,469)</u>	<u>694,920</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from insurance	<u>-</u>	<u>-</u>	<u>3,500</u>	<u>3,500</u>
Net change in fund balance	(703,752)	(249,019)	(359,969)	(110,950)
Fund balance at beginning of year	<u>1,931,940</u>	<u>2,017,877</u>	<u>2,778,969</u>	<u>761,092</u>
Fund balance at end of year	<u>\$ 1,228,188</u>	<u>\$ 1,768,858</u>	<u>\$ 2,419,000</u>	<u>\$ 650,142</u>
Expenses per budget statement above			\$ 1,957,104	
Plus expenses from implementation of GASB 87			<u>278,457</u>	
Revenues per Statement of Revenues, Expenditures, and Changes in Fund Balance			<u>\$ 2,235,561</u>	
Other sources per budget statement above			\$ 3,500	
Plus proceeds from issuance from implementation of GASB 87			<u>278,457</u>	
Revenues per Statement of Revenues, Expenditures, and Changes in Fund Balance			<u>\$ 281,957</u>	

**MOREHOUSE PARISH POLICE JURY
BASTROP, LOUISIANA**

**BUDGETARY COMPARISON SCHEDULE - DRAINAGE MAINTENANCE SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES				
Taxes:				
Ad valorem	\$ 350,000	\$ 360,000	\$ 426,224	\$ 66,224
Intergovernmental funds:				
State government shared revenue	27,500	27,500	33,370	5,870
Investment earnings	3,000	3,900	352	(3,548)
Other revenues	1,000	1,000	-	(1,000)
Total revenues	<u>381,500</u>	<u>392,400</u>	<u>459,946</u>	<u>67,546</u>
EXPENDITURES				
Current:				
Flood Control	577,370	571,615	329,946	241,669
Debt service	-	-	40,771	(40,771)
Capital outlay	-	-	45,495	(45,495)
Total expenditures	<u>577,370</u>	<u>571,615</u>	<u>416,212</u>	<u>155,403</u>
Net change in fund balance	(195,870)	(179,215)	43,734	222,949
Fund balance at beginning of year	<u>2,210,992</u>	<u>2,721,265</u>	<u>2,620,332</u>	<u>(100,933)</u>
Fund balance at end of year	<u>\$ 2,015,122</u>	<u>\$ 2,542,050</u>	<u>\$ 2,664,066</u>	<u>\$ 122,016</u>
Expenses per budget statement above			\$ 416,212	
Plus expenses from implementation of GASB 87			<u>181,751</u>	
Revenues per Statement of Revenues, Expenditures, and Changes in Fund Balance			<u>\$ 597,963</u>	
Other sources per budget statement above			\$ -	
Plus proceeds from issuance from implementation of GASB 87			<u>181,751</u>	
Revenues per Statement of Revenues, Expenditures, and Changes in Fund Balance			<u>\$ 181,751</u>	

**MOREHOUSE PARISH POLICE JURY
BASTROP, LOUISIANA**

**BUDGETARY COMPARISON SCHEDULE - BUILDING MAINTENANCE SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>WITH FINAL BUDGET</u>
REVENUES				
Taxes:				
Ad valorem	\$ 230,000	\$ 230,000	\$ 264,385	\$ 34,385
Intergovernmental funds:				
State government shared revenue	13,000.00	13,000.00	16,473.00	3,473
Charges for services	500.00	4,500.00	-	(4,500)
Investment earnings	30.00	30.00	-	(30)
Other revenues	-	-	2,668.00	2,668
Total revenues	<u>243,530</u>	<u>247,530</u>	<u>283,526</u>	<u>35,996</u>
EXPENDITURES				
Current:				
General government:				
Judicial	12,880	12,880	20,279	(7,399)
Other general government	226,741	226,970	235,914	(8,944)
Public safety	-	-	130,090	(130,090)
Total expenditures	<u>239,621</u>	<u>239,850</u>	<u>386,283</u>	<u>(146,433)</u>
Excess of revenues over expenditures	<u>3,909</u>	<u>7,680</u>	<u>(102,757)</u>	<u>182,429</u>
OTHER FINANCING SOURCES (USES)				
Interfund transfers out	<u>-</u>	<u>-</u>	<u>(63,004)</u>	<u>(63,004)</u>
Net change in fund balance	3,909	7,680	(165,761)	(173,441)
Fund balance at beginning of year	<u>(46,657)</u>	<u>(338,911)</u>	<u>(107,994)</u>	<u>230,917</u>
Fund balance at end of year	<u>\$ (42,748)</u>	<u>\$ (331,231)</u>	<u>\$ (273,755)</u>	<u>\$ 57,476</u>

**MOREHOUSE PARISH POLICE JURY
BASTROP, LOUISIANA**

**BUDGETARY COMPARISON SCHEDULE - SOLID WASTE SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES				
Taxes:				
Sales and use	\$ 1,700,000	\$ 1,700,000	\$ 2,050,821	\$ 350,821
Charges for services	4,000	-	8,953	8,953
Investment earnings	150	150	575	425
Other revenues	-	-	184	184
Total revenues	<u>1,704,150</u>	<u>1,700,150</u>	<u>2,060,533</u>	<u>360,383</u>
EXPENDITURES				
Current:				
Public safety	-	-	1,000	(1,000)
Sanitation	1,404,062	1,801,333	1,481,326	320,007
Debt service	-	-	2,287	(2,287)
Capital outlay	-	267,000	216,890	50,110
Total expenditures	<u>1,404,062</u>	<u>2,068,333</u>	<u>1,701,503</u>	<u>366,830</u>
Excess of revenues over expenditures	<u>300,088</u>	<u>(368,183)</u>	<u>359,030</u>	<u>(6,447)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from insurance	<u>-</u>	<u>-</u>	<u>27,328</u>	<u>27,328</u>
Net change in fund balance	300,088	(368,183)	386,358	754,541
Fund balance at beginning of year	<u>3,209,217</u>	<u>4,169,154</u>	<u>4,373,238</u>	<u>204,084</u>
Fund balance at end of year	<u>\$ 3,509,305</u>	<u>\$ 3,800,971</u>	<u>\$ 4,759,596</u>	<u>\$ 958,625</u>
			Expenses per budget statement above	\$ 1,701,503
			Plus expenses from implementation of GASB 87	20,194
			Revenues per Statement of Revenues, Expenditures, and Changes in Fund Balance	<u>\$ 1,721,697</u>
			Other sources per budget statement above	\$ 27,328
			Plus proceeds from issuance from implementation of GASB 87	20,194
			Revenues per Statement of Revenues, Expenditures, and Changes in Fund Balance	<u>\$ 47,522</u>

**MOREHOUSE PARISH POLICE JURY
BASTROP, LOUISIANA**

**SUPPLEMENTARY INFORMATION REQUIRED BY GASB STATEMENT NO. 68 - PERS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Schedule of Employer's Proportionate Share of Net Pension Liability (Asset):

	Employer's proportion of the net pension liability (asset)	Employer's share of the net pension liability (asset)	Employer's covered employee payroll	Employer's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	Plan fiduciary net pension as a percentage of the total pension liability (asset)
2015	0.164384%	\$ 44,944	\$ 921,379	4.88%	99.15%
2016	0.164384%	\$ 49,208	\$ 977,365	45.96%	92.23%
2017	0.176827%	\$ 364,178	\$ 1,048,680	34.73%	945.15%
2018	0.156858%	\$ (116,427)	\$ 965,485	-12.06%	101.98%
2019	0.153126%	\$ 679,628	\$ 941,363	72.20%	88.86%
2020	0.155578%	\$ 7,324	\$ 986,490	0.74%	99.89%
2021	0.159599%	\$ (279,843)	\$ 1,065,963	-26.25%	104.00%
2022	0.120110%	\$ (565,770)	\$ 800,948	-70.64%	110.45%

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Schedule of Employer Contributions:

	Contractually required contribution	Contributions in relation to contractually required contribution	Contribution deficiency (excess)	Employer's covered employee payroll	Contributions as a percentage of covered employee payroll
2015	\$ 148,013	\$ 148,013	\$ -	\$ 921,379	16.06%
2016	\$ 142,889	\$ 142,889	\$ -	\$ 977,365	14.62%
2017	\$ 136,920	\$ 136,920	\$ -	\$ 1,048,680	13.06%
2018	\$ 120,686	\$ 120,686	\$ -	\$ 965,485	12.50%
2019	\$ 108,256	\$ 108,256	\$ -	\$ 941,363	11.50%
2020	\$ 113,446	\$ 113,446	\$ -	\$ 986,490	11.50%
2021	\$ 130,581	\$ 130,581	\$ -	\$ 1,065,963	12.25%
2022	\$ 98,718	\$ 98,718	\$ -	\$ 800,948	12.25%

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Other Supplemental Schedules

**MOREHOUSE PARISH POLICE JURY
BASTROP, LOUISIANA**

**NONMAJOR SPECIAL REVENUE FUNDS –
COMBINING SCHEDULES – FUND DESCRIPTIONS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2022**

Health Unit Fund

The Health Unit Fund accounts for the construction and maintenance of the health unit.

Criminal Court Fund

The Criminal Court Fund accounts for the operation of the Fourth Judicial District Criminal Court in the parish.

Agriculture Center Fund

The Police Jury owns and operates the building that houses the Morehouse Parish Extension office of the LSU Agriculture Department. The related expenses are covered by a millage that was authorized by voters for this purpose.

Witness Fee Fund

The Witness Fee Fund accounts for witness fees as provided by Louisiana Revised Statute 15:255. Witness fees are paid from special court costs levied in criminal cases and fund the payment of witness fees to off-duty law enforcement officers who, in their official capacity, are required to be present as a witness in criminal court cases.

Industrial Development Fund

In 2022, the Jury received funds related to the Oak Ridge Solar project to be held on behalf of the Industrial development Board until such time that the Board selected an economic development project to use the funds.

Juror Fee Fund

The Juror Fee Fund is used for payments to citizens in trial court matters for their service as juror. This payment is funded by a special court cost for this purpose.

Louisiana Community Development Block Grant Fund

The LCDBG Fund for grants received from the Louisiana Community Development Block Grant program and expenditures related to those grants.

**MOREHOUSE PARISH POLICE JURY
BASTROP, LOUISIANA**

**NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS - COMBINING BALANCE SHEET
AS OF DECEMBER 31, 2022**

ASSETS	HEALTH UNIT	CRIMINAL COURT	AGRICULTURE CENTER	WITNESS FEE	INDUSTRIAL DEVELOPMENT	JUROR FEE	LCDBG	TOTAL
Cash and cash equivalents	\$ 1,141,152	\$ -	\$ 154,148	\$ 101,079	\$ -	\$ 24,118	\$ 462,502	\$ 1,882,999
Receivables	142,373	-	81,121	-	-	-	233,680	457,174
TOTAL ASSETS	\$ 1,283,525	\$ -	\$ 235,269	\$ 101,079	\$ -	\$ 24,118	\$ 696,182	\$ 2,340,173
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES								
Liabilities:								
Accounts, salaries and other payables	\$ 5,238	\$ 1,111	\$ 5,805	\$ -	\$ 55	\$ -	\$ 233,680	\$ 245,889
Due to other funds	-	680,434	-	-	-	-	462,502	1,142,936
Total liabilities	5,238	681,545	5,805	-	55	-	696,182	1,388,825
Deferred inflows:								
Unavailable ad valorem tax revenue	13,849	-	6,121	-	-	-	-	19,970
Restricted fund balances	1,264,438	-	223,343	101,079	-	24,118	-	1,612,978
Unassigned fund balances	-	(681,545)	-	-	(55)	-	-	(681,600)
Total fund balances	1,264,438	(681,545)	223,343	101,079	(55)	24,118	-	931,378
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES	\$ 1,283,525	\$ -	\$ 235,269	\$ 101,079	\$ -	\$ 24,118	\$ 696,182	\$ 2,340,173

**MOREHOUSE PARISH POLICE JURY
BASTROP, LOUISIANA**

**NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS - COMBINING SCHEDULE OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2022**

	HEALTH UNIT	CRIMINAL COURT	AGRICULTURE CENTER	WITNESS FEE	INDUSTRIAL DEVELOPMENT	JUROR FEE	LCDBG	TOTAL
REVENUES								
Taxes:								
Ad valorem	\$ 164,505	\$ -	\$ 99,792	\$ -	\$ -	\$ -	\$ -	\$ 264,297
Intergovernmental funds:								
Federal government grants	-	-	-	-	-	-	233,680	233,680
Charges for services	-	50	-	6,675	-	9,539	-	16,264
Fines and forfeitures	-	35,332	-	-	-	-	-	35,332
Investment earnings	720	25	-	38	-	-	-	783
Other revenues	365	1,681	309	-	-	-	-	2,355
Total revenues	<u>165,590</u>	<u>37,088</u>	<u>100,101</u>	<u>6,713</u>	<u>-</u>	<u>9,539</u>	<u>233,680</u>	<u>552,711</u>
EXPENDITURES								
Current:								
General government:								
Judicial	-	347,183	-	5,748	-	16,812	-	369,743
Other general government	-	-	-	-	-	-	330,930	330,930
Health and welfare	96,382	-	-	-	-	-	-	96,382
Economic development and assistance	-	-	80,788	-	55	-	-	80,843
Total expenditures	<u>96,382</u>	<u>347,183</u>	<u>80,788</u>	<u>5,748</u>	<u>55</u>	<u>16,812</u>	<u>330,930</u>	<u>877,898</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>69,208</u>	<u>(310,095)</u>	<u>19,313</u>	<u>965</u>	<u>(55)</u>	<u>(7,273)</u>	<u>(97,250)</u>	<u>(325,187)</u>
OTHER FINANCING SOURCES (USES)								
Interfund transfers in	-	-	-	-	-	-	97,250	97,250
Net change in fund balances	<u>69,208</u>	<u>(310,095)</u>	<u>19,313</u>	<u>965</u>	<u>(55)</u>	<u>(7,273)</u>	<u>-</u>	<u>(227,937)</u>
Fund balances at beginning of year, restated	1,195,230	(371,450)	204,030	100,114	-	31,391	-	1,159,315
Fund balances at end of year	<u>\$ 1,264,438</u>	<u>\$ (681,545)</u>	<u>\$ 223,343</u>	<u>\$ 101,079</u>	<u>\$ (55)</u>	<u>\$ 24,118</u>	<u>\$ -</u>	<u>\$ 931,378</u>

**MOREHOUSE PARISH POLICE JURY
BASTROP, LOUISIANA**

**SCHEDULE OF COMPENSATION PAID POLICE JURORS
FOR THE YEAR ENDED DECEMBER 31, 2022**

The schedule of compensation paid to police jurors is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Compensation of the police jurors is included in the legislative expenditures of the General Fund. In accordance with Louisiana Revised Statute-33:1233, the police jury has elected the monthly payment method of compensation.

Terry R. Matthews, President	S	10,200
Norwood Harrison		10,200
Jason Crockett		9,600
Harry Reese, Sr.		9,600
Dorothy Thomas		9,600
Kenneth Dye		9,600
James Ellingburg		9,600
Total	S	<u>68,400</u>

**MOREHOUSE PARISH POLICE JURY
BASTROP, LOUISIANA**

**SCHEDULE OF COMPENSATION, REIMBURSEMENTS, BENEFITS, AND
OTHER PAYMENTS TO AGENCY HEAD
FOR THE YEAR ENDED DECEMBER 31, 2022**

The schedule of compensation, benefits, reimbursements, and other payments paid to or on behalf of the agency head (secretary-treasurer) is presented in compliance with Act 706 of the 2014 Session of the Louisiana Legislature. These expenditures are included in the general government – financial and administrative expenditures of the General Fund.

Terry Matthews, Parish President

Compensation	\$ 10,200
Benefits:	
Social Security	632
Medicare	158
	<hr/>
	\$ 10,990

**MOREHOUSE PARISH POLICE JURY
BASTROP, LOUISIANA**

**JUSTICE SYSTEM FUNDING SCHEDULE - RECEIVING ENTITY
FOR THE YEAR ENDED DECEMBER 31, 2022**

	First Six Month Period Ended 06/30/22	Second Six Month Period Ended 12/31/22
Receipts From:		
Morehouse Parish Sheriff, Criminal Fines	\$ 33,274	\$ 7,692
Morehouse Parish Sheriff, Witness Fees	5,304	3,647
Morehouse Parish Sheriff, Juror Fees	7,578	5,257
Morehouse Parish Sheriff, Coroner Fees	720	616
Total Receipts	<u>46,876</u>	<u>17,212</u>
Ending Balance of Amounts Assessed but Not Received <i>(only applies to those agencies that assess on behalf of themselves, such as courts)</i>	-	-

**MOREHOUSE PARISH POLICE JURY
BASTROP, LOUISIANA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2022**

<i>Federal Grantor/Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Pass-through Grantor and Number</i>	<i>Name of Grant - Grant ID No.</i>	<i>Pass-through</i>	<i>Federal Expenditures</i>
<i>Housing Voucher Cluster-Cluster</i>					
Department of Housing and Urban Development					
Section 8 Housing Choice Vouchers	14.871			\$ 683,898	\$ 683,898
<i>Total Housing Voucher Cluster-Cluster</i>					<u>683,898</u>
<i>Other Programs</i>					
Department of Housing and Urban Development					
Community Development Block Grants/State's Program	14.228	Division of Administration/ B- 15-DC-22-0001	Love Louisiana Outdoors		-
Community Development Block Grants/State's Program	14.228	Division of Administration/ 2000673759	HVAC		<u>233,680</u>
Total Community Development Block Grants/State's Program					<u>233,680</u>
<i>Total Department of Housing and Urban Development</i>					<u>233,680</u>
Department of Treasury					
Coronavirus State and Local Fiscal Recovery Funds (Single or Program-specific Audit)	21.027				<u>984,686</u>
<i>Total Department of Treasury</i>					<u>984,686</u>
<i>Total Other Programs</i>					<u>1,218,366</u>
<i>Total Expenditures of Federal Awards</i>				<u>\$ 683,898</u>	<u>\$ 1,902,264</u>

**MOREHOUSE PARISH POLICE JURY
BASTROP, LOUISIANA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2022**

NOTES:

General

The Schedule of Expenditures of Federal Awards presents the activity of all federal award programs of the Morehouse Parish Police Jury as defined in Note 1 to the financial statements. All federal award programs received directly from federal agencies, as well as federal awards through other government agencies, are included on the schedule.

Basis of Accounting

The Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note 1 to the Police Jury's financial statements. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) Therefore, some amounts presented in this schedule may differ from amounts in, or used in the preparation of, the financial statements.

Reconciliation to Federal Grant Revenues

For the year ended December 31, 2022, federal revenues equal federal expenditures.

Relationship to Federal Financial Reports

Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports except for changes made to reflect amounts in accordance with accounting principles generally accepted in the United States of America.

Federal Awards

For those funds that have matching revenues and state funding, federal expenditures were determined by deducting matching revenues from total expenditures. Federal awards do not include the Police Jury's operating income from rents or investment (or other non-federal source).

Indirect Cost Rate

The Police Jury has elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance, when applicable. No indirect costs were reported for 2022.

Other Reports



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

To the Honorable Members of the
Morehouse Parish Police Jury
Bastrop, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Morehouse Parish Police Jury, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise Morehouse Parish Police Jury's basic financial statements, and have issued our report thereon dated October 31, 2024 .

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Morehouse Parish Police Jury's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Morehouse Parish Police Jury's internal control. Accordingly, we do not express an opinion on the effectiveness of Morehouse Parish Police Jury's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Morehouse Parish Police Jury's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2022-001, 2022-002, and 2022-003.

Morehouse Parish Police Jury
Independent Auditor's Report Required by
Government Auditing Standards
December 31, 2022

Morehouse Parish Police Jury's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Morehouse Parish Police Jury's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Morehouse Parish Police Jury's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Although the intended use of this report may be limited under Louisiana Revised Statute 24:513, it is issued by the Louisiana Legislative Auditor as a public document.

BOSCH & STATHAM, LLC

Bosch & Statham

Ruston, Louisiana
October 31, 2024



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Honorable Members of the
Morehouse Parish Police Jury
Bastrop, Louisiana

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Morehouse Parish Police Jury's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Morehouse Parish Police Jury's for the year ended December 31, 2022. Morehouse Parish Police Jury's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Morehouse Parish Police Jury complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal program for the year ended December 31, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Morehouse Parish Police Jury and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Morehouse Parish Police Jury's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Morehouse Parish Police Jury's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Morehouse Parish Police Jury's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Morehouse Parish Police Jury's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Morehouse Parish Police Jury's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Morehouse Parish Police Jury's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Morehouse Parish Police Jury's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

Government Auditing Standards requires the auditor to perform limited procedures on Morehouse Parish Police Jury's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. Morehouse Parish Police Jury's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose. Although the intended use of this report may be limited, under Louisiana Revised Statute 24:513, it is issued by the Louisiana Legislative Auditor as a public document.

BOSCH & STATHAM, LLC

Bosch & Statham

Ruston, Louisiana
October 31, 2024

**MOREHOUSE PARISH POLICE JURY
BASTROP, LOUISIANA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2022**

A. SUMMARY OF AUDIT RESULTS

1. The police jury issues primary government financial statements. The auditor's report expresses unqualified opinions on the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Morehouse Parish Police Jury. The auditor's report expresses an adverse opinion on the aggregate discretely presented component units as the component units are omitted from the financial statements. The component units issue separate financial statements.
2. No significant deficiencies or material weaknesses are reported in the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. Three instances of noncompliance material to the financial statements of the Morehouse Parish Police Jury were disclosed during the audit and reported in the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
4. No material weaknesses in internal control over major federal award programs disclosed during the audit is reported in the Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the *Uniform Guidance*.
5. The auditor's report on compliance for the major federal award program for Morehouse Parish Police Jury expresses an unmodified opinion on the major federal program.
6. The program tested as a major program was: United States Department of Housing and Urban Development – Housing Choice Vouchers (Assistance Listing Number 14.871).
7. The threshold used for distinguishing between Type A and B programs was \$750,000.
8. Morehouse Parish Police Jury was determined not to be a low-risk auditee.

**MOREHOUSE PARISH POLICE JURY
BASTROP, LOUISIANA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2022**

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

2022-001 Noncompliance with Local Government Budget Act

Condition

We noted the following issues that appear to violate the Act:

- 1 Actual 2022 expenditures and other uses of the Road Fund exceeded budgeted amounts by \$404,685 or twenty-six percent.
- 2 Actual 2022 expenditures and other uses of the Building Maintenance Fund exceeded budgeted amounts by \$209,437 or eighty-seven percent

Criteria

The Louisiana Local Government Budget Act includes the following requirements:

- 1 Public participation in the process – published notice that the budget is available for public inspection and published notice of a public hearing on the proposed budget.
- 2 Amendment of the budget when projected amounts vary unfavorably by more than five percent from budgeted amounts

Cause

The conditions appear to be due to the natural increased risk for oversight when an entity is going through a transition period with a turnover in personnel.

Effect

The Town appears to have violated the Budget Act. Over expenditure could have been detrimental to the Funds' financial condition.

Recommendation

We recommend that management evaluate all the requirements of the Budget Act for the purpose of designing and implementing procedures to ensure compliance with all requirements. The assistance of the legal counsel is also recommended.

Management's Response

The budget variances were due to projects and other unique transactions as opposed to routine expenditures. Actual timing of the expenditures was significantly different than estimated.

**MOREHOUSE PARISH POLICE JURY
BASTROP, LOUISIANA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2022**

2022-002 Under secured Bank Balances

Condition

Bank balances at one financial institution were under secured by \$35,306

Criteria

Louisiana Revised Statute 39.1221 requires banks to secure deposits in excess of deposits covered by the FDIC. The Police Jury is responsible for comparing bank balances to FDIC and pledged securities to ensure the deposits are fully secured.

Cause

The Police Jury was in the process of changing financial institutions. The condition was the result of an oversight

Effect

If there were a failure at the financial institution, Police Jury deposits could be lost.

Recommendation

We recommend that management develop and implement policies and procedures to ensure balances are secure at the end of each month

Management's Response

The Parish migrated away from Capital One bank to Origin Bank in 2022. This under secured balance appears to be caused by the timing of the transition. Some accounts with few transactions remained open at Capital One longer than anticipated. We believe this issue was caused by the migration and will not happen in the future.

2022-003 Annual Report Filed Late

Condition

The 2022 audited financial statements were filed after the statutory deadline.

Criteria

The Louisiana Audit Law requires the report to be submitted within six months of year end. This report was due June 30, 2023.

Cause

The Police Jury underwent some personnel changes and a change in auditors after the audit had begun.

Effect

Failure to file the report on time can result in the Police Jury being placed on the noncompliance list which stops state funds from flowing to the Police Jury. However, the Police Jury filed extension requests as allowed by the Louisiana Legislative Auditor.

Recommendation

We commend the Police Jury for engaging a CPA firm to assist with bookkeeping. It is our understanding that improvements in processes and procedures have been made since 2022. We recommend that the books be closed and ready for audit within 60 days of year end

Management's Response

We have been working to improve processes and procedures and expect future audits to be much smoother due to our efforts and improvements.

C. FINDINGS - SINGLE AUDIT

No findings are reported.

**MOREHOUSE PARISH POLICE JURY
BASTROP, LOUISIANA**

**SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2022**

2021-1: Inadequate Segregation of Duties

The finding is resolved.

2021-2: Improvement of Controls (initially cited as of and for the year ended December 31, 2003) and Noncompliance with LA R.S. 39:704

The finding is resolved.

2021-3: Noncompliance with Local Government Budget Act (initial citing)

The finding is repeated as 2022-001.

MOREHOUSE PARISH POLICE JURY

125 EAST MADISON AVENUE
BASTROP, LOUISIANA 71220
(318) 281-4132 * FAX (318) 283-1243
spmppj@yahoo.com * dbmppj@yahoo.com

October 31, 2024

Bosch & Statham, LLC
Post Office Box 2377
Ruston, LA 71273-2377

DISTRICT 1
James "Jim" Ellingburg
15830 Lum Day Rd.
Bastrop, LA 71220

DISTRICT 2
Harry Reese, Sr.
P. O. Box 280
Mer Rouge, LA 71261

DISTRICT 3
Linda Dye
6696 Milton White Rd.
Bastrop, LA 71220

DISTRICT 4
Norwood W. Harrison
5090 Woodlawn Dr.
Bastrop, LA 71220

DISTRICT 5
Lucas Crockett
6036 Jen Lee Ln.
Bastrop, LA 71220

DISTRICT 6
Terry Matthews
1003 Commerce Ave.
Bastrop, LA 71220

DISTRICT 7
Dorothy Thomas
113 Fairfield Ave.
Bastrop, LA 71220

In connection with your engagement to apply agreed-upon procedures to certain control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's Statewide Agreed-UpOn Procedures (SAUPs), for the fiscal period **January 1, 2022 through December 31, 2022**, we confirm, to the best of our knowledge and belief, the following representations made to you during your engagement.

1. We acknowledge that we are responsible for the C/C areas identified in the SAUPs, including written policies and procedures; board or finance committee; bank reconciliations; collections; non-payroll disbursements; credit/debit/fuel/purchasing cards; travel and travel-related expense reimbursement; contracts; payroll and personnel; ethics; debt service; and other areas (**should be customized by entity, as applicable**).

Yes No
2. For the fiscal period **January 1, 2022 through December 31, 2022**, the C/C areas were administered in accordance with the best practices criteria presented in the SAUPs.

Yes No
3. We are responsible for selecting the criteria and procedures and for determining that such criteria and procedures are appropriate for our purposes.

Yes No
4. We have provided you with access to all records that we believe are relevant to the C/C areas and the agreed-upon procedures.

Yes No
5. We have disclosed to you all known matters contradicting the results of the procedures performed in C/C areas.

Yes No
6. We have disclosed to you any communications from regulatory agencies, internal auditors, other independent practitioners or consultants, and others affecting the C/C areas, including communications received between **December 31, 2022**, and **October 28, 2024**.

Yes No

7. We represent that the listing of bank accounts for the fiscal period that we provided to you is complete. We also represent that we have identified and disclosed to you our main operating account.
- Yes No
8. We represent that the listing of deposit sites for the fiscal period that we provided to you is complete.
- Yes No
9. We represent that the listing of collection locations for the fiscal period that we provided to you is complete.
- Yes No
10. We represent that the listing of locations that process payments for the fiscal period that we provided to you is complete.
- Yes No
11. We represent that the non-payroll disbursement transaction population for each location that processes payments for the fiscal period that we provided to you is complete.
- Yes No
12. We represent that the listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards, that we provided to you is complete.
- Yes No
13. We represent that the listing of all travel and travel-related expense reimbursements during the fiscal period that we provided to you is complete.
- Yes No
14. We represent that the listing of all agreements/contracts (or active vendors) for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period that we provided to you is complete.
- Yes No
15. We represent that the listing of employees/elected officials employed during the fiscal period that we provided to you is complete.
- Yes No
16. We represent that the listing of employees/officials that received termination payments during the fiscal period that we provided to you is complete.
- Yes No

17. We represent that the employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines during the fiscal period.
- Yes No
18. We represent that the listing of bonds/notes issued during the fiscal period that we provided to you is complete.
- Yes No
19. We represent that the listing of bonds/notes outstanding at the end of the fiscal period that we provided to you is complete.
- Yes No
20. We represent that the listing of misappropriations of public funds and assets during the fiscal period that we provided to you is complete.
- Yes No
21. We are not aware of any material misstatements in the C/C areas identified in the SAUPs.
- Yes No
22. We have disclosed to you [*list other matters as you have deemed appropriate*].
- Yes No
23. We have responded fully to all inquiries made by you during the engagement.
- Yes No
24. We have disclosed to you all known events that have occurred subsequent to **December 31, 2022**, that would have a material effect on the C/C areas identified in the SAUPs, or would require adjustment to or modification of the results of the agreed-upon procedures.
- Yes No

The previous responses have been made to the best of our belief and knowledge.

Signature Sharidee Phillips

Title Secretary- Treasurer

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Independent Accountant's Report
on Applying Agreed-Upon Procedures

To the Honorable Members of the
Morehouse Parish Police Jury
and the Louisiana Legislative Auditor

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2022, through December 31, 2022. The Entity's management is responsible for those C/C areas identified in the SAUPs.

The Entity has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2022, through December 31, 2022. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

1) *Written Policies and Procedures*

- A. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:

We obtained and inspected the policies for the Police Jury.

- i) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.

The policies include all required elements.

Exceptions: None

- ii) ***Purchasing***, including (1) how purchases are initiated, (2) how vendors are added to the vendor list, (3) the preparation and approval process of purchase requisitions and purchase orders, (4) controls to ensure compliance with the Public Bid Law, and (5) documentation required to be maintained for all bids and price quotes.

The Jury's policy did not include elements (1) or (2).

Exceptions: See above.

- iii) ***Disbursements***, including processing, reviewing, and approving.

The policy included all required elements.

Exceptions: None.

- iv) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

The policy included all required elements.

Exceptions: None.

- v) **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.

The policy included all required elements.

Exceptions: None.

- vi) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

The Jury's policy did not include element (3).

Exceptions: See above.

- vii) **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

The policy included all required elements.

Exceptions: None.

- viii) **Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).

The policy included all required elements.

Exceptions: None

- ix) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

The Jury's policy did not include element (3).

Exceptions: See above.

- x) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

The policy included all required elements.

Exceptions: None.

- xi) **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

We noted no such policy.

Exceptions: See above.

- xii) **Prevention of Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

The policy included all required elements.

Exceptions: None

2) *Board or Finance Committee*

- A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and

We obtained and reviewed the board minutes for the fiscal period.

- i. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

We observed the Board met at least monthly.

Exceptions: None

- ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget- to-actual, at a minimum, on all special revenue funds. *Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

We noted no exceptions.

- iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

We obtained the prior year audit report and observed a positive unrestricted general fund balance.

Exceptions: None

- iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

We noted no evidence the board received written updates on audit findings.

Exceptions: See above.

3) Bank Reconciliations

- A. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

We obtained a listing from management and management's representation the listing is complete. We noted the main operating account and selected four additional accounts for testing. We selected one month for testing and obtained the bank statements and reconciliations for each account.

- i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);

None of the bank reconciliations included were prepared within 2 months of the related statement closing dates.

Exceptions: See above.

- ii. Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated or electronically logged); and

None of the bank reconciliations included evidence of review.

Exceptions: See above.

- iii. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

There were no such reconciling items for 1 of the bank accounts. There was no evidence of research that included such items for 4 out of 5 bank accounts.

Exceptions: See above.

4) Collections (excluding electronic funds transfers)

- A. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

We obtained a listing of deposit sites from management and noted one deposit site.

Exceptions: None

- B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that

For each deposit site listed, we obtained a listing of collection locations and noted two listed. We selected one collection location and obtained the written policies and procedures.

- i. Employees responsible for cash collections do not share cash drawers/registers;

At the police jury office, funds are collected in a cash bag. There is only one bag. At the road department, cash is collected in a cash bag. There is only one person with access to the bag.

Exceptions: See above.

- ii. Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit;

At the police jury office, one out of two employees who can collect cash, also makes deposits and takes deposits to the bank. The road department employee does not prepare or make deposits.

Exceptions: See above.

- iii. Each employee responsible for collecting cash is not also responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit; and

One of the employees at the police jury office is also responsible for posting collection entries to the general ledger. However, another employee is responsible for reconciling the ledger to the bank statement.

Exceptions: None

- iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.

No one reconciles cash collections to the general ledger. Deposits are reconciled from the general ledger to the bank statement by another employee.

Exceptions: See above.

- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.

We obtained a copy of the entity's security bonds and insurance policy for theft. We noted the bonds and policy were in force during the fiscal period.

Exceptions: None

- D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternatively, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

We selected two deposit dates for each account selected in procedure #3A and obtained the related documentation.

- i. Observe that receipts are sequentially pre-numbered.
The entity does not utilize receipts for the deposit types we selected.
Exceptions: See above.
- ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
We noted no exceptions.
- iii. Trace the deposit slip total to the actual deposit per the bank statement.

We traced the deposits to the bank statements.

- iv. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).

One deposit was supported by a receipt date. It was not deposited within one week.

Exceptions: See above.

- v. Trace the actual deposit per the bank statement to the general ledger.

We noted no exceptions.

5) Non-Payroll Disbursements (excluding card purchases, travel reimbursements, and petty cash purchases)

- A. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

We obtained a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. The Police Jury has one disbursement location.

Exceptions: None

- B. For each location selected under procedure #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that

We obtained a listing of employees involved with non-payroll purchasing and payment functions. We obtained written policies and procedures relating to job duties for employees at the Police Jury.

- i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;

We noted in some instances, only one employee is involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase.

Exceptions: See above.

- ii. At least two employees are involved in processing and approving payments to vendors;

We noted there are at least two employees involved in processing and approving payments to vendors.

Exceptions: None

- iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files;

We noted employees at all disbursement locations who process payments are allowed to add/modify vendor files.

Exceptions: See above.

- iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and

In some instances, the employee who is responsible for processing payments is also the employee mailing the signed checks.

Exceptions: See above.

- v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

Only the Secretary/Treasurer is authorized to approve electronic disbursements.

Exceptions: None

- C. For each location selected under procedure #5A above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and

We obtained the entity's non-payroll disbursement transaction population and management's representation that the listing is complete. We randomly selected five disbursements for each location and obtained the supporting documentation for each.

- i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and

We noted no exceptions.

- ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.

We noted no exceptions.

- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

We noted 2 non-payroll-related electronic disbursements that met these criteria. We noted no evidence of approval.

Exceptions: See above.

6) Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)

- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

We obtained a listing from management and management's representation that the listing is complete.

Exceptions: None

- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement). Obtain supporting documentation, and

Using the listing provided, we selected five cards and a month for testing. For three of the cards selected, management asserted there were no statements due to lack of activity. We obtained the related documentation for the remaining two.

- i) Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and

We noted one card showed no evidence of review or approval. We noted the second card appears to have been reviewed and approved by the cardholder.

Exceptions: See above.

- ii) Observe that finance charges and late fees were not assessed on the selected statements.

We noted no such charges.

- C. Using the monthly statements or combined statements selected under procedure #7B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

Using the statements, we selected up to 10 transactions per card totaling 4 transactions.

(1)We noted one exception.

(2)We noted one exception.

(3)We noted no such charges.

We noted no such control.

Exceptions: See above.

7) *Travel and Travel-Related Expense Reimbursements (excluding card transactions)*

- A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management’s representation that the listing or general ledger is complete. Randomly select 5 reimbursements and obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected

Management did not provide a listing. We searched the general ledger and obtained a sample. We obtained the related documentation and noted the following. Of the five disbursements selected, we noted two were payments on behalf of individuals for registration costs.

- i. If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov);

Of the remaining three disbursements, we noted two payments were for more than the GSA rates.

Exceptions: See above.

- ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;

We noted no such costs.

Exceptions: None

- iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1A(vii); and

We noted no exceptions.

- iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

We noted no exceptions.

8) *Contracts*

- A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternatively, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and

Management did not provide a list, but asserted they had no agreements/contracts that were initiated or renewed during the fiscal period.

- i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law;
Not applicable.
- ii. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter);
Not applicable.
- iii. If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval); and
Not applicable.
- iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Not applicable.

9) *Payroll and Personnel*

- A. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

We obtained a listing from management and management's representation it is complete. We selected five employees/officials and obtained the related documentation. We agreed the paid rate/salary to the authorized as per the personnel files.

Exceptions: None

- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and

We selected one pay period during the fiscal period and obtained the related attendance/leave documentation noting the following.

- i. Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);

We noted no exceptions.

- ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;

We noted for one employee there was no approval for attendance and leave by a supervisor.

Exceptions: See above.

- iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and

We noted no exceptions.

- iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.

We agreed the paid rate/salary to the authorized rate/salary.

Exceptions: None.

- C. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.

We obtained a listing from management and management's representation it is complete. We selected two employees and obtained the related documentation. Upon inspection, it was determined neither check were termination payments but rather last checks for hours worked.

Exceptions: None

- D. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

We obtained management's representation that employer and employee portions of third-party payroll related amounts were paid timely and accurately.

Exceptions: None

10) Ethics

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and

Using the selected employees/officials from procedure #9A, we obtained the required documentation.

- i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and

We noted one exception.

Exceptions: See above.

- ii. Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

Management asserted no changes had been made.

- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

We inquired of management and noted that the Entity has an appointed designee.

Exceptions: None.

11) Debt Service

- A. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.

Management listed none.

- B. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Management listed none.

12) *Fraud Notice*

- A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.

Management asserted there were no misappropriations of public funds and assets during the fiscal period.

- B. Observe that the entity has posted, on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

We observed the required notice posted on the premises. The entity does not own an operational website.

Exceptions: None

13) *Information Technology Disaster Recovery/Business Continuity*

- A. Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**

We performed the procedure and discussed the results with management.

- i. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.
 - ii. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
 - iii. Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.
- B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

We noted no exceptions.

14) *Sexual Harassment*

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

Using the selected employees/officials from procedure #9A, we obtained the required documentation and noted no exceptions.

Exceptions: None

- B. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

We observed the policy posted at the Entity's office.

Exceptions: None

- C. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that the report includes the applicable requirements of R.S. 42:344:
- i. Number and percentage of public servants in the agency who have completed the training requirements;
 - ii. Number of sexual harassment complaints received by the agency;
 - iii. Number of complaints which resulted in a finding that sexual harassment occurred;
 - iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
 - v. Amount of time it took to resolve each complaint.

We obtained the annual sexual harassment report and noted all required elements.

Exceptions: None.

Management's Response: We will take the auditor's comments under advisement and take action as considered necessary. It may not be feasible to implement all best practices

We were engaged by the Entity to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Entity and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

BOSCH & STATHAM, LLC

Bosch & Statham

Ruston, Louisiana

October 31, 2024

