

OFFICIAL  
FILE COPY  

---

DO NOT REMOVE

When necessary  
copies from this  
copy and PLACE  
DATE in FILE

**DIXONVILLE PARISH POLICE JURY**  
**Monroe, Louisiana**

**Primary Government Financial Statements**  
**With Independent Auditor's Report**  
**As of and for the Year Ended**  
**December 31, 1988**  
**With Supplemental Information Schedules**

Under provisions of state law, this report is a public document. A copy of the report has been distributed to the Sheriff, or his/her deputy, and other appropriate public officials. The report is available for public inspection at the State House, the Legislative Auditor and at the court house, at the office of the parish clerk of court.

**July 2, 1989**

Release Date \_\_\_\_\_

**VERNON R  
COON**  
INDEPENDENT AUDITORS

IBBOTO PARISH POLICE JURY  
Mossfield, Louisiana

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

C O N T E N T S

	Statement	Page No.
Independent Auditor's Report		3
Primary Government Financial Statements:		
Combined Balance Sheet - All Fund Types and Account Groups	A	4
Governmental Fund Type:		
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances	B	7
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget (Non Basis) and Actual - General and Special Revenue Funds	C	9
Proprietary Fund Type - Outside Sewer Enterprise Fund:		
Statement of Revenues, Expenses, and Changes in Retained Earnings	D	11
Statement of Cash Flows	E	12
Notes to the Financial Statements		13

**C O N T E N T S (CONT'D.)**

	<b>Schedule</b>	<b>Page No.</b>
<b>Supplemental Information Schedules:</b>		
<b>Special Revenue Funds:</b>		
Combining Balance Sheet	1	39
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances	2	40
<b>Health and Welfare:</b>		
Combining Balance Sheet	3	41
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances	4	42
Schedule of Compensation Paid Police Jurors	5	44
<b>Independent Auditor's Reports Required by Government Auditing Standards; OMB Circular A-133, <i>Audit of States, Local Governments, and Non-Profit Organizations</i>; and the Single Audit Act Amendments of 1996:</b>		
Independent Auditor's Report on Compliance and Internal Control Over Financial Reporting		46
Independent Auditor's Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance		48
Schedule of Findings and Questioned Costs	6	50
Schedule of Expenditures of Federal Awards	7	54
Summary Schedule of Prior Audit Findings	8	55
<b>Corrective Action Plan</b>		

**Independent Auditor's Report**

**DEBOTO PARISH POLICE JURY**  
Mandeville, Louisiana

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

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

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

As discussed in note 16, the DeBoto Parish Police Jury is currently not responsible for closure and post closure costs of the landfill. Due to the bankruptcy petition filed by the lessee, the liability could revert back to the jury. The ultimate outcome of the bankruptcy cannot presently be determined. Accordingly, no provision for any liability for closure and post closure cost has been made in the accompanying primary government financial statements.

VERNON COON  
REGISTERED ACCOUNTANT  
STATE OF LOUISIANA  
MEMBER OF THE  
INSTITUTE OF CERTIFIED  
PUBLIC ACCOUNTANTS  
MEMBER OF THE  
LOUISIANA SOCIETY OF  
CERTIFIED PUBLIC  
ACCOUNTANTS

1215 PRATTSTOWN DRIVE  
SUITE 3000  
LOUISIANA 70004  
PHONE 848-8822-2222  
FAX 848-8822-2222  
E-MAIL VERNON@COON.COM  
WWW.VERNONCOON.COM

DEBOTE PARISH POLICE JURY  
Marrickville, Louisiana  
Independent Auditor's Report,  
December 31, 1998

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

My audit was made for the purpose of forming an opinion on the primary government financial statements taken as a whole. The supplemental information schedules listed in the table of contents, including the schedule of expenditures of Federal awards as required by U.S. Office of Management and Budget Circular A-133, *Audit of States, Local Governments, and Non-Profit Organizations*, is presented for the purpose of additional analysis and are not a required part of the primary government financial statements of the DeBote Parish Police Jury. Such information has been subjected to the auditing procedures applied in the audit of the primary government financial statements and, in my opinion, is fairly presented in all material respects in relation to the primary government financial statements taken as a whole.

In accordance with Government Auditing Standards, I have also issued reports dated June 23, 1999, on my consideration of the DeBote Parish Police Jury's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grants.



West Monroe, Louisiana  
June 23, 1999

**PRIMARY GOVERNMENT FINANCIAL STATEMENTS  
(OVERVIEW)**

SEBASTO-PARISH POLICE RUBY  
 Memorial Foundation  
 ALL FUND TYPES AND ACCOUNT GROUPS

Combined Balance Sheet, December 31, 1998

...GOVERNMENTAL FUND  
 TABLE

GENERAL FUND	SPECIAL REVENUE FUND	PERMANENT FUND TYPE	ACCOUNTS RECEIVABLE - GENERAL FUND ASSETS	ACCOUNTS RECEIVABLE - GENERAL FUND - LONG-TERM ORGANIZATIONS	TOTAL MEMORANDUM DEBIT
31,360,642	51,581,080	57,480			52,897,214
5,511,678	85,573				5,597,251
1,311,882	1,280,323	4,681			2,597,086
130,885	37,480				167,622
	5,727				5,727
<u>38,287,287</u>	<u>4,893,159</u>	<u>37,186</u>	<u>8,081</u>	<u>8,081</u>	<u>12,330,521</u>
		240			240
		271,380	528,227,359		28,498,736
				<u>36,136,698</u>	<u>4,135,698</u>
<u>38,287,287</u>	<u>4,893,159</u>	<u>37,186</u>	<u>528,227,359</u>	<u>36,136,698</u>	<u>338,936,464</u>

ASSETS AND OTHER DEBITS

Current assets:  
 Cash and cash equivalents  
 Investments  
 Receivables  
 Due from other funds  
 Prepaid expenses  
 Total current assets  
 Restricted assets - cash on deposit  
 Land, building, equipment, and improvements  
 (net of accumulated depreciation)  
 Amounts to be provided for retirement  
 of general long-term obligations

TOTAL ASSETS AND OTHER DEBITS

LIABILITIES AND FUND EQUITY

Liabilities:  
 Accounts payable  
 Due to other funds  
 Due to HUD  
 Deferred revenues  
 Certificate of Indebtedness  
 General obligations bonds  
 Capital leases payable

9,054,077	9,952,793	5,141			528,086
	193,625				197,622
	42,211				42,211
	75,321				75,321
				3615,080	815,080
				4,700,000	4,700,000
				884,981	884,981

Committed revenues payable							
Total liabilities	185,177	457,855	141	86,631	1,854,665	6,688,800	118,865
Current liabilities (payable from restricted assets) - retirement deposits			280				280
Fund Equity:							
Contributed capital			290,837				290,837
Investment in general fund assets			(7,403)	520,127,358		30,177,196	30,177,196
Retained earnings - unreserved - other (prior)						(7,403)	(7,403)
Fund balances - unreserved - unobligated	1,052,148	3,653,124	333,492	20,377,156		11,759,254	11,759,254
Total Fund Equity	1,052,148	3,653,124	333,492	20,377,156		30,081	30,081
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>290,325</b>	<b>81,091,019</b>	<b>430,786</b>	<b>520,127,358</b>	<b>20,154,666</b>	<b>638,979,696</b>	<b>638,979,696</b>

The accompanying notes are an integral part of this statement.



**IBISO TO PARI SH POLICE JURY**  
 Mandeville, Louisiana  
**GOVERNMENTAL FUND TYPE**

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

	GENERAL FUNDS	SPECIAL REVENUE FUNDS	TOTAL POLICE JURISDICTION (581.7)
<b>REVENUES</b>			
Taxes:			
Ad valorem	\$1,188,521	\$1,816,127	\$2,998,648
Sales and use		2,794,572	2,794,572
Licenses and permits	84,000		84,000
Intergovernmental resources:			
Federal funds - federal grants	85,357	5,965,280	6,050,637
State funds:			
Parish transportation funds		438,363	438,363
Severance taxes	244,868	400,800	1,244,868
State revenue sharing (net)	25,517	41,881	67,398
Other	91,081	508,765	599,846
Local funds	27,445	43,628	71,073
Fees, charges, and contributions for services	67,875	1,093,098	1,160,973
Fines and forfeitures		357,721	357,721
Use of money and property	142,399	282,386	1,234,899
Other revenues	234	10,288	10,522
Total revenues	<u>2,348,269</u>	<u>14,222,131</u>	<u>16,571,483</u>
<b>EXPENDITURES</b>			
Current:			
General government:			
Legislative	163,006		163,006
Judicial	336,578	242,882	588,560
Elections	27,935		27,935
Finance and administration	515,228	48,368	564,598
Other general government	389,242		389,242
Public safety	78,829	879,941	958,770
Public works		3,458,963	3,458,963
Health and welfare	16,128	3,989,485	3,989,613
Culture and recreation	18,473	653,920	666,393
Economic development and assistance	48,862		48,862
Transportation		73,924	73,924

(Continued)

**INDOTO PARISH POLICE JURY**  
**Monroe, Louisiana**  
**GOVERNMENTAL FUND TYPE**  
**Consolidated Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances, etc.**

	GENERAL FUNDS	SPECIAL REVENUE FUNDS	TOTAL (MEMBERSHIP FUND)
<b>EXPENDITURES (CONT'D.)</b>			
Debt service	\$226,796	\$542,540	\$769,336
Capital outlay	48,687	1,579,756	1,628,443
Intergovernmental		25,592	25,592
Total expenditures	<u>1,681,796</u>	<u>13,266,852</u>	<u>14,948,648</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u>1,067,295</u>	<u>956,119</u>	<u>2,023,414</u>
<b>OTHER FINANCING SOURCES (Use)</b>			
Sale of fixed assets	28	708	736
Competition for loss of assets		1,534	1,534
Proceeds from general obligation bonds	4,780,000		4,780,000
Increase in capital lease		359,300	359,300
Operating transfers in		2,813,600	2,813,600
Operating transfers out	<u>(1,300,000)</u>	<u>(2,683,800)</u>	<u>(2,813,600)</u>
Total other financing sources (use)	<u>4,558,028</u>	<u>460,542</u>	<u>5,018,570</u>
<b>EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USE</b>	<u>5,625,023</u>	<u>1,417,761</u>	<u>7,042,784</u>
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	<u>2,466,307</u>	<u>2,309,322</u>	<u>4,775,629</u>
<b>FUND BALANCES AT END OF YEAR</b>	<u>\$8,101,346</u>	<u>\$3,657,324</u>	<u>\$11,758,670</u>

Continued

The accompanying notes are an integral part of this statement.

**DESO TO PARISH POLICE JURY**  
**Metairie, Louisiana**  
**GOVERNMENTAL FUND TYPE - GENERAL**  
**AND SPECIAL REVENUE FUNDS**

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

	GENERAL FUND			SPECIAL REVENUE FUNDS		
	BUDGET	ACTUAL	VARIANCE FAVORABLE UNFAVORABLE	BUDGET	ACTUAL	VARIANCE FAVORABLE UNFAVORABLE
<b>REVENUES</b>						
<b>Taxes:</b>						
Ad valorem taxes	\$1,157,148	\$1,188,521	\$31,373	\$1,805,503	\$1,836,127	\$30,796
Sales and use taxes				2,154,572	2,754,572	
Licenses and permits	58,078	58,078				
Intergovernmental revenues:						
Federal funds - federal grants	65,053	65,557	504	5,009,087	3,967,300	(1,041,787)
State funds:						
Federal transportation funds				608,263	479,263	(129,000)
Severance tax	544,508	544,508		408,000	400,000	(8,000)
State revenue sharing (act)	28,002	25,517	(2,485)	34,838	41,866	7,028
Other state grants	37,557	39,051	1,494	578,893	508,165	(70,728)
Local funds	27,493	27,493		43,620	43,620	
Fees, charges, and commissions for services	66,877	67,678	798	1,183,378	1,200,038	16,660
Fines and forfeitures				291,319	257,721	(33,598)
Use of money and property	342,586	342,389	(197)	853,899	892,586	38,687
Other revenues	734	734		80,388	18,288	(62,100)
Total revenues	<u>3,284,892</u>	<u>3,289,291</u>	<u>4,399</u>	<u>14,280,030</u>	<u>14,122,171</u>	<u>(157,859)</u>
<b>EXPENDITURES</b>						
<b>Current:</b>						
General government:						
Legislative	183,836	183,836				
Judicial	344,845	336,978	7,867	218,973	243,982	(24,989)
Executive	26,320	27,815	(1,494)			
Finance and administrative	285,312	313,218	(27,906)	49,358	49,360	(2)
Other general government	284,650	309,342	(24,692)			
Public safety	32,863	32,829	34	690,607	679,541	11,066
Public works				3,981,507	3,450,863	530,644
Health and welfare	16,393	16,158	235	5,971,447	3,869,483	2,101,964
Culture and recreation	10,658	10,473	185	675,596	683,930	(8,334)

(Continued)

**BISSOPO PARISH POLICE ARMY**  
 Mandato, Louisiana  
**GOVERNMENTAL FUND TYPE - GENERAL**  
**AND SPECIAL REVENUE FUNDS**  
 Conditional Statement of Revenues, Expenditures,  
 and Changes in Fund Balances - Budget  
 (Non-GAAP Fund Type, etc.)

	GENERAL FUND			SPECIAL REVENUE FUNDS		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>EXPENDITURES (Cont'd)</b>						
Current (Cont'd)						
Economic development and assistance	\$48,480	\$48,562	\$82			
Transportation				\$73,824	\$73,924	
Debt service	\$26,796	\$26,796			\$42,548	(\$15,752)
Capital outlay	48,626	48,687	(61)	1,190,467	1,379,156	(188,689)
Intergovernmental				43,300	35,358	8,942
Total expenditures	<u>1,662,877</u>	<u>1,681,298</u>	<u>(18,421)</u>	<u>1,307,601</u>	<u>1,529,092</u>	<u>(221,491)</u>
<b>EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES</b>	<u>1,081,983</u>	<u>1,062,089</u>	<u>(19,894)</u>	<u>1,388,639</u>	<u>966,138</u>	<u>422,501</u>
<b>OTHER FINANCING SOURCES (Used)</b>						
Sale of fixed assets	28	28		39,344	708	(39,036)
Compensation for loss of assets				1,534	1,534	
Opening transfers in				2,843,665	2,813,669	(30,000)
Opening transfers out	<u>(1,361,889)</u>	<u>(1,361,889)</u>		<u>(2,721,887)</u>	<u>(2,683,683)</u>	<u>38,204</u>
Total other financing sources (used)	<u>(1,333,841)</u>	<u>(1,333,841)</u>		<u>361,656</u>	<u>132,128</u>	<u>(229,528)</u>
<b>EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</b>	<u>748,142</u>	<u>728,248</u>	<u>(19,894)</u>	<u>1,027,036</u>	<u>1,098,466</u>	<u>(71,430)</u>
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	<u>70341</u>	<u>2,484,381</u>	<u>2,414,040</u>	<u>70341</u>	<u>2,305,523</u>	<u>2,305,523</u>
<b>FUND (Debit) BALANCES AT END OF YEAR</b>	<u>\$781,983</u>	<u>\$2,482,339</u>	<u>\$2,444,339</u>	<u>\$1,527,536</u>	<u>\$3,399,994</u>	<u>\$1,766,388</u>

(Cont'd)

The accompanying notes are an integral part of this statement.

**IBSENTO PARISH POLICE JURY**  
**Manfield, Louisiana**  
**PROPRIETARY FUND TYPE -**  
**SEWER ENTERPRISE FUND**

Statement of Revenues, Expenses,  
and Changes in Retained Earnings  
For the Year Ended December 31, 1998

<b>OPERATING REVENUES</b>	
Charges for services	<u>\$32,817</u>
<b>OPERATING EXPENSES</b>	
General and administrative	20,240
Official fees	450
Professional fees	1,260
Materials, supplies, and repairs	3,563
Utilities and communications	5,423
Depreciation expense	<u>25,879</u>
Total operating expenses	<u>56,755</u>
<b>OPERATING INCOME (Loss)</b>	(23,938)
Add depreciation on fixed assets acquired with contributed capital	190,892
<b>RETAINED EARNINGS (deficit) AT BEGINNING OF YEAR</b>	<u>(179,335)</u>
<b>RETAINED EARNINGS (deficit) AT END OF YEAR</b>	<u>(57,437)</u>

The accompanying notes are an integral part of this statement.

**DEBOYS PARISH POLICE JURY**  
**Manfield, Louisiana**  
**PROPRIETARY FUND TYPE**  
**SEWER ENTERPRISE FUND**

Statement of Cash Flows  
 For the Year Ended December 31, 1998

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Operating Income (Loss)	\$(21,948)
Adjustments to Reconcile Operating Income (Loss) to Net Cash	
Provided (Used) by Operating Activities:	
Depreciation expense	25,829
Increase in accounts receivable	914
Increase in accounts payable	62
Increase in customer deposits	210
Total adjustments	<u>25,915</u>
Net cash provided by operating activities	<u>3,967</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>3,967</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<u><b>4,658</b></u>
<b>CASH AT END OF YEAR</b>	<u><b>\$2,725</b></u>

The accompanying notes are an integral part of this statement.

**DESOLO PARISH POLICE JURY**  
Mandeville, Louisiana

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

Louisiana Revised Statute 33:1235 gives the police jury various powers in regulating and directing the affairs of the parish and its inhabitants. The more notable of these are the power to make regulations for their own government, to regulate the construction and maintenance of roads and bridges, to regulate the construction and maintenance of drainage systems, to regulate the sale of alcoholic beverages, and to provide for the health and welfare of the poor, disadvantaged, and unemployed in the parish. Funding to accomplish these tasks is provided by ad valorem taxes, beer and alcoholic beverage permits, state revenue sharing, and various other state and federal grants.

**A. REPORTING ENTITY**

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

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

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

**DEBOTO PARISH POLICE JURY**

Manfield, Louisiana

**Notes to the Financial Statements (Continued)**

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

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

Component Unit	Fiscal Year End	Criteria Used
<b>DeBoto Parish:</b>		
Library	December 31	1, 2, and 3
Airport	December 31	1, 2, and 3
Community Services	December 31	1, 2, and 3
Tourism Commission	December 31	1, 2, and 3
Tax Assessor	December 31	2 and 3
Sheriff	June 30	2 and 3
Clerk of Court	June 30	2 and 3
<b>Fire Districts:</b>		
No. 1	December 31	1 and 3
No. 2	December 31	1 and 3
No. 3	December 31	1 and 3
No. 5	December 31	1 and 3
No. 8	December 31	1 and 3
No. 9	December 31	1 and 3
<b>Eleventh Judicial District</b>		
Criminal Court (DeBoto Parish)	December 31	2 and 3
East DeBoto Ambulance District	December 31	1 and 3
Eastside Sewer District	December 31	1 and 3
Communications District	December 31	1, 2 and 3

The police jury has chosen to issue financial statements of the primary government



**DEBOTO PARISH POLICE JURY**  
Marrackville, Louisiana  
Notes to the Financial Statements (Continued)

(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 primary government (police jury) 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 DeBoto Parish Library, the DeBoto Parish Airport, the DeBoto Parish Community Services, Eastside Sewer District, Communication District, and the Eleventh Judicial District Criminal Court.

GASB Codification Section 2600.127 provides for the issuance of primary government financial statements that are separate from those of the reporting entity. However, the primary government's (police jury) financial statements are not a substitute for the reporting entity's financial statements. The accompanying primary government financial statements have been prepared in conformity with generally accepted accounting principles as applied to governmental units. These financial statements are not intended to and do not report on the reporting entity but rather are intended to reflect only the financial statements of the primary government (police jury).

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

**B. FUND ACCOUNTING**

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

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

## **DESOUDS PARISH POLICE JURY**

**Manfield, Louisiana**

### **Notes to the Financial Statements (Continued)**

**Financial resources.** They are concerned only with the measurement of financial position, not with the measurement of results of operations.

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

#### **Governmental Funds**

##### **General Fund**

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

##### **Special Revenue Funds**

Special revenue funds are used to account for the proceeds of specific revenue sources such as ad valorem taxes, sales taxes, and federal grants. These resources are legally restricted, either by tax proposition or by grant agreement, to expenditures for specified purposes such as road maintenance, solid waste disposal, rental housing for very low income families, public library operation, etc.

##### **Proprietary Fund - Eastside Sewer Enterprise Fund**

The Sewer Enterprise Fund accounts for the operation of the police jury's sewer system. Financing is provided by user fees and transfers from the General Fund.

## IBEROLA PARISH POLICE JURY

Monroe, Louisiana

Notes to the Financial Statements (Continued)

### C. GENERAL FIXED ASSETS AND LONG-TERM OBLIGATIONS

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures (capital outlay) in the governmental funds and the related assets are reported in the general fixed assets account group. All purchased fixed assets are valued at cost where historical records are available and estimated cost where no historical records are available. Approximately 75 per cent of the police jury's general fixed assets are valued at estimated cost, based on the actual historical cost of like items. Approximately 26 per cent of the library's fixed assets are valued at actual cost while the remaining 64 per cent (books and periodicals) are valued using a moving-average basis. No depreciation has been provided on general fixed assets.

The cost of normal maintenance and repairs that do not add to the value of fixed assets or materially extend their useful lives are not capitalized. Public domain (infrastructure) general fixed assets consisting of roads, bridges, drainage, parking lots, etc. are not capitalized, as these assets are immovable and of value only to the police jury.

The fixed assets used in the proprietary fund type operations are included on the balance sheet of the fund. Depreciation of all exhaustible fixed assets used by the proprietary fund type operations are charged as an expense against operations. Depreciation is computed using the straight-line method over the estimated useful lives, which is 3 to 10 years for equipment, 25 years for buildings, and 20 years for the sewerage system.

Long-term obligations, such as capital leases and general obligation bonds, are recognized as a liability of a governmental fund only when due. For other long-term obligations, such as compensated absences, only that portion expected to be financed from expendable, available financial resources is reported as a liability of a governmental fund. The remaining portion of such obligations is reported in the general long-term obligations account group.

### D. BASIS OF ACCOUNTING

The financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements for

**IBBOTO PARISH POLICE JURY**  
**Manville, Louisiana**  
**Notes to the Financial Statements (Continued)**

these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used for reporting all governmental fund types and the fiduciary fund type agency fund. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The police jury uses the following practices in recognizing and reporting revenues and expenditures:

**Revenues**

Ad valorem taxes and the related state revenue sharing are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis and attach as an enforceable lien and become due and payable on the date the tax rolls are filed with the recorder of mortgages. Louisiana Revised Statute 47:1903 requires that the tax roll be filed on or before November 15 of each year. Ad valorem taxes become delinquent if not paid by December 31. The taxes are normally collected in December of the current year and January and February of the ensuing year.

Sales taxes are recognized in the month received by the police jury's sales tax collection agent.

Federal and state grants are recognized when the police jury is notified to the funds.

Fines, forfeitures, and court costs are recognized in the year they are received by the parish tax collector.

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

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

## DEBOTO PARISH POLICE JURY

Monroe, Louisiana

### Notes to the Financial Statements (Continued)

Based on the above criteria, ad valorem taxes, federal and state grants, and fines, forfeitures, and court costs have been treated as susceptible to accrual.

#### Expenditures

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

#### Other Financing Sources (Used)

Sale of fixed assets, compensation for loss of assets, proceeds from general obligation bonds, proceeds from capital leases, and transfers between funds that are not expected to be repaid are accounted for as other financing sources (used) and are recognized when the underlying events occur.

#### Proprietary Fund Type - Enterprise Fund

The Inside Sewer Enterprise Fund is accounted for using the accrual basis of accounting. Revenues are recognized when they are earned, and expenses are recognized when they are incurred.

## E. BUDGET PRACTICES

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

**DEBATE PARISH POLICE JURY**

Mandeville, Louisiana

**Notes to the Financial Statements (Continued)**

During the year, the finance committee receives monthly budgetary comparison statements, which are used as a management tool to control operations of the parish. The secretary/treasurer presents necessary budget amendments to the police jury during the year when, in her judgment, actual operations are differing materially from those anticipated in the original budget. During a regular meeting, the police jury reviews the proposed amendments, makes changes as it deems necessary, and formally adopts the amendments. The adoption of the amendments is included in police jury minutes published in the official journal. The police jury exercises budgetary control at the functional level. Within function levels, the secretary/treasurer has the discretion to make amendments as she deems necessary for proper control. The police jury does not utilize encumbrance accounting; however, the original budgets and any subsequent amendments are incorporated into the accounting system. Unexpended appropriations lapse at year end and must be reappropriated in the next year's budget to be expended. For the year ended December 31, 1998, the police jury adopted modified accrual based budgets except for the exclusion of general obligation bond and capital lease transactions (Non-GAAP) for the General Fund and all special revenue funds.

Budget comparison statements included in the accompanying financial statements include the original adopted budget and all subsequent amendments. The following schedule reconciles the excess of revenues and other sources over expenditures and other uses as shown on the budget comparison Statement C (Non-GAAP) to the same amounts shown on Statement B (GAAP basis):

	General Fund	Special Revenue Funds
Excess of revenues and other sources over expenditures and other uses (Non-GAAP)	\$938,025	\$1,288,401
Adjustments:		
Increase in capital lease		259,300
Increase in general obligation bonds	-4,701,000	
Excess of revenues and other sources over expenditures and other uses (GAAP basis)	<u>\$5,638,025</u>	<u>\$1,487,701</u>

**F. CASH AND CASH EQUIVALENTS**

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

**IBERGHO PARISH POLICE JURY**

Marrifield, Louisiana

**Notes to the Financial Statements (Continued)**

At December 31, 1998, the police jury has cash and cash equivalents (bank balances) totaling \$2,852,454 as follows:

Demand deposits	\$1,901,454
Time deposits	<u>951,000</u>
Total	<u>\$2,852,454</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Cash and cash equivalents (bank balances) at December 31, 1998, are secured as follows:

Bank balances	<u>\$3,542,370</u>
Federal deposit insurance	\$200,000
Pledged securities (uncollateralized)	<u>3,488,170</u>
Total	<u>\$3,688,170</u>

Because the pledged securities are held by a custodial bank in the name of the fiscal agent bank rather than in the name of the police jury, they are considered uncollateralized (Category 3) under the provisions of GASB Codification C20.106; however, Louisiana Revised Statute 38:1229 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. Further, LA 38:1224 states that securities held by a third party shall be deemed to be held in the police jury's name.

For purposes of the statement of cash flows, the sewer enterprise fund considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

**G. INVESTMENTS**

Under state law, the police jury may invest funds in obligations of the United States, in federally insured investments, or in time deposits with state banks organized under Louisiana law and national banks having principal offices in Louisiana. In addition,

## IBEROLA PARISH POLICE JURY

Mansfield, Louisiana

### Notes to the Financial Statements (Continued)

local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool, Inc. (LAMP), a non-profit corporation formed by an initiative of the State Treasurer and registered under the laws of the State of Louisiana, which operates a local government investment pool. At December 31, 1998, the police jury had investments in LAMP totaling \$5,597,253, which is stated at cost and approximate market.

In accordance with GASB Codification 150.165 the investment in LAMP at December 31, 1998, is not categorized in the three risk categories provided by GASB Codification 150.164 because the investment is in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form. Only local governments having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, U.S. government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by these securities. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances.

## II. VACATION AND SICK LEAVE

The following provides detail on vacation and sick leave policies of the police jury, library, communications district, and criminal court:

Employees of the police jury and criminal court earn from 10 to 20 days of vacation leave each year, depending on length of service. All unused vacation leave may be carried forward to succeeding years. Upon separation of employment, employees are paid for any accumulated vacation leave. Employees earn 12 days of sick leave each year. A maximum of 90 days of sick leave may be accumulated and carried forward. Upon retirement, all accumulated sick leave is used in the retirement benefit computation as earned service.

Employees of the communications district earn 5 days of vacation leave each year. Unused vacation leave may not be carried forward to



## DESOLO PARISH POLICE JURY

Monroe, Louisiana

### Notes to the Financial Statements (Continued)

succeeding years. Employees earn 8 days of sick leave each year. Sick leave may be accumulated and carried forward. Upon retirement, accumulated sick leave is used in the retirement benefit computation as earned service.

Employees of the DeSoto Parish Library earn 8 to 22 days of vacation leave each year, depending upon professional status and length of service. Employees may accumulate and carry forward a maximum of one year's vacation leave. Upon separation of employment, employees are paid for any accumulated leave. The library's sick leave policy is the same as that of the police jury, except that no more than 60 days may be accumulated and carried forward.

At December 31, 1998, employees have accumulated and vested \$116,668 of employee leave benefits, computed in accordance with GASB Codification Section 608. The liability is recorded within the general long-term obligations account group.

The cost of leave privileges, computed in accordance with the previous codification, is recognized as a current year expenditure within the governmental funds when leave is actually taken or when employees are paid for accrued sick leave upon retirement, while the cost of leave privileges not requiring current resources is recorded in the general long-term obligations account group.

#### I. SALES TAXES

DeSoto Parish has a one per cent sales and use tax approved by the voters on May 16, 1981, for an indefinite period. The tax, after all necessary costs for collection and administration, is dedicated to constructing, acquiring, extending, improving, and maintaining the parish library (25 per cent), parish roads (50 per cent), parish jail facilities (10 per cent), and solid waste collection and disposal facilities (15 per cent).

#### J. HOTEL/MOTEL TAX

The DeSoto Parish Police Jury, by Ordinance No. 2, dated June 13, 1984, levied a 2 per cent tax upon the occupancy of hotel and motel rooms and overnight camping facilities within the parish. The tax, after collection costs not to exceed 5 per cent, is restricted for purposes of attracting conventions and tourists to the parish.

**IBERITO PARISH POLICE JURY**

Manfield, Louisiana

Notes to the Financial Statements (Continued)

**K. TOTAL COLLAPSE ON COMBINED STATEMENTS**

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

**L. RISK MANAGEMENT**

The police jury is exposed to various risk of loss related to general liability; toxic; theft of; damage to, and destruction of assets; and injuries to employees. To handle risk of loss, the police jury maintains commercial insurance covering; automobile liability; general liability; property damage; worker's compensation; errors and omissions; and safety bond coverage. No claims were paid on any of the policies during the past three years which exceeded the policies' coverage amounts.

**2. LEVIED TAXES**

The following is a summary of authorized and levied ad valorem taxes for the year ended December 31, 1998:

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
<b>Parishwide taxes:</b>			
General Fund	4.00	3.68	Indefinite
Road Maintenance	5.00	5.00	2005
B-911	1.00	1.01	2008
Landfill	5.00	5.00	2005
Courthouse Maintenance	Variable	2.50	2007
Courthouse Building	1.00	1.00	2007

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

The following are the principal taxpayers for the parish and their 1998 assessed valuation amounts expressed in thousands:

**IBBOTO PARISH POLICE JURY**

Monroe, Louisiana

Notes to the Financial Statements (Continued)

	1988 Assessed Valuation	Per cent of Total Assessed Valuation
Central LA Electric Co.	37,158,039	16.40%
International Paper Co.	35,893,579	17.08%
Southeastern Electric Power	31,510,208	16.45%
Dodol Hills Mining Venture	4,233,610	2.21%
Northeast Texas Electric	3,195,848	1.67%
South Central Bell	2,700,640	1.41%
Southern Natural Gas Co.	1,831,510	1.01%
Oklahoma Municipal Power	2,181,410	1.10%
Louisiana Pacific	1,346,475	0.70%
J-W Operating Co.	1,285,920	0.66%
Total	<u>189,452,832</u>	<u>62.31%</u>

**3. RECEIVABLES**

The following is a summary of receivables at December 31, 1988:

	General Fund	Special Revenue Funds	Extra- Sewer Enterprise Fund	Total
Taxes:				
Ad valorem	\$1,121,348	\$1,793,475		\$2,914,823
Sales		34,196		34,196
Grants:				
Federal	51,871	95,819		147,690
State	116,374	142,931		259,305
Fees, charges, and commissions	5,185	199,969	\$4,681	209,835
Fines and Penalties		308		308
Use of money and property	15,182	1,158		16,340
Other		6,633		6,633
Total	<u>\$1,315,960</u>	<u>\$2,388,322</u>	<u>\$4,681</u>	<u>\$3,697,603</u>

**DESOUDS PARISH POLICE JURY**

**Mansfield, Louisiana**

**Notes to the Financial Statements (Continued)**

**4. CHANGES IN GENERAL FIXED ASSETS**

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

	Balance January 1	Additions	Deletions	Balance December 31
<b>Police Jury:</b>				
Land	\$1,760,019	\$7,900		\$1,767,919
Buildings and improvements	9,262,803	881,360		10,144,163
Improvements other than buildings	756,381			756,381
Furniture and equipment	3,665,485	537,464	(832,577)	4,169,472
Fixed assets under capital lease	1,286,080	136,360	(104,238)	1,318,142
Construction in progress - International Paper Project	320,288		(721,698)	80,590
Sub-total	<u>17,049,642</u>	<u>1,556,624</u>	<u>(458,487)</u>	<u>18,147,779</u>
<b>Library:</b>				
Land	28,950			28,950
Buildings and improvements	267,281	16,522		283,803
Equipment and furniture	190,768	77,801		268,569
Books and reference materials	1,380,511	186,651	(78,157)	1,588,955
Sub-total	<u>1,987,510</u>	<u>380,974</u>	<u>(78,157)</u>	<u>2,289,327</u>
<b>Total</b>	<u>\$18,967,152</u>	<u>\$1,736,798</u>	<u>(\$436,644)</u>	<u>\$20,227,306</u>

Included in police jury additions is donations of \$1,970 and increase in capital lease of \$109,238.

A summary of proprietary fixed type property, plant, and equipment of the Mansfield Sewer District on December 31, 1998, follows:

	Cost	Accumulated Depreciation	Net Book Value
Land	\$10,175		\$10,175
Buildings	905	(900)	205
Sewer system	373,375	(168,021)	205,354
Treatment plant	106,180	(45,321)	60,859
Total	<u>\$485,235</u>	<u>(\$213,885)</u>	<u>\$271,350</u>

DESOLO PARISH POLICE JURY  
Mandeville, Louisiana  
Notes to the Financial Statements (Continued)

5. CONTRIBUTED CAPITAL

The police jury received a Community Development Block Grant to finance the acquisition and construction of the enterprise fund fixed assets. The amount, shown as contributed capital on the balance sheet, is reduced each year by the amount of depreciation expense recognized on fixed assets constructed or acquired with the grant funds. At December 31, 1998, accumulated amortization on these assets is \$193,892.

6. PENSION PLAN

Substantially all employees of the DeSoto Parish Police Jury 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 asset and benefit provisions. All employees of the police jury are members of Plan B.

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 are eligible to participate in the System. Under Plan B employees who retire at or after age 62 with at least 10 years of creditable service, at or after age 65 with at least 20 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to two per cent of their final average monthly salary in excess of \$200 for each year of creditable service. Furthermore, employees with at least 10 years of creditable service, but less than 30 years, may take early retirement benefits commencing at or after age 60, with the basic benefit reduced three per cent for each year retirement precedes age 62, unless he has 30 years of creditable service. In any case, monthly retirement benefits paid under Plan B cannot exceed 100 per cent of final average salary. Final average salary is the employee's average salary over the 36 consecutive or joint months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefits accrued to their date of termination. The system also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Parochial Employees' Retirement System of Louisiana, Post Office Box 14619, Baton Rouge, Louisiana 70888-4619, or by calling (504) 928-0368.

Under Plan B, members are required by state statute to contribute 2.00 per cent of their annual covered salary in excess of \$1,200 and the DeSoto Parish Police Jury is required to contribute at an actuarially determined rate. The current rate is 2.39 per cent of annual covered payroll. Contributions to the system include one-fourth of one per cent (one per cent for Orleans and East Baton Rouge Parishes)

**DESOLO PARISH POLICE JURY**

Mandeville, Louisiana

Notes to the Financial Statements (Continued)

of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the DeSoto Parish Police Jury are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The DeSoto Parish Police Jury's contributions to the System under Plan B for the years ending December 31, 1998, 1997, 1996, were \$43,662, \$42,708, and \$13,217, respectively, equal to the required contributions for each year.

**7. POST RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS**

The DeSoto Parish Police Jury provides certain continuing health care insurance benefits for its retired employees. Substantially all of the police jury's employees become eligible for these benefits if they reach normal retirement age while working for the police jury. These benefits for retirees are provided through an insurance company whose monthly premiums are paid by the police jury. The police jury recognizes the cost of providing these benefits (police jury's portion of premiums) as an expenditure when paid during the year, which was \$388,388 for 1998. Of that amount, \$12,157 was for retiree benefits for 1998.

**8. CAPITAL LEASES**

The police jury records items under capital leases as an asset and an obligation in the accompanying financial statements. At December 31, 1998, the police jury has twelve capital leases in effect for equipment. The leases had an original recorded amount of \$1,307,140. Lease obligations are netted from the Road, Solid Waste, and Communication Services Special Revenue Funds. The following is a summary of future minimum lease payments, together with the present value of the net minimum lease payments, as of December 31, 1998:

<u>Year</u>	
1999	\$284,412
2000	241,791
2001	157,321
2002	97,181
2003	5,638
Total minimum lease payments	786,343
Less amount representing interest	(94,322)
Present value of net minimum lease payments	<u>\$692,021</u>

**DESOYO PARISH POLICE JURY**

Manville, Louisiana

Notes to the Financial Statements (Continued)

**9. CHANGES IN GENERAL LONG-TERM OBLIGATIONS**

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

	Certificates of Indebtedness	General Obligation Bonds	Capital Leases	Compensated Absorptn.	Total
Long-term obligations at January 1, 1998	990,000		\$804,901	\$102,019	\$1,896,940
Additions		\$4,700,000	359,300	69,743	5,129,043
Deductions	(200,000)		(489,250)	(21,082)	(690,332)
Long-term obligations at December 31, 1998	<u>\$610,000</u>	<u>\$4,700,000</u>	<u>\$684,951</u>	<u>\$110,680</u>	<u>\$6,115,631</u>

Bonded debt at December 31, 1998, is comprised of the following individual issues:

Certificates of Indebtedness - \$1,200,000 issue of December 23, 1996, for the purpose of constructing a landfill cell in Desoto Parish. The principal is due in annual installments of \$285,000 to \$315,000 through March 1, 2000 with interest at 5.00 to 5.75 per cent per annum. Debt retirement payments are made from the Solid Waste Fund.

\$615,000

General Obligation Bond - \$4,700,000 issue of March 1, 1998 for the purpose of improving, renovating and restoring the Desoto parish courthouse and courthouse annex. The principle is due in annual installments of \$375,000 to \$390,000 through March 1, 2018 with interest at 4.20 to 8.0 per cent per annum. Debt retirement payments are made from the General Fund.

4,700,000

Total bonded debt \$5,315,000

The annual requirements to amortize all bonded debt outstanding at December 31, 1998, including interest of \$2,733,329 are as follows:

Year	
1999	\$684,616
2000	692,359
2001	367,100
2002	269,800

**DEBOTO PARISH POLICE JURY**

Mansfield, Louisiana

Notes to the Financial Statements (Continued)

2000	8,771,500
2004-2013	3,663,496
2013-2018	<u>1,859,529</u>
Total minimum lease payments	8,048,329
Less amount representing interest	<u>(2,733,329)</u>
Present value of net minimum lease payments	<u>\$5,315,000</u>

**10. REVENUE BONDS**

The following is a summary of long-term bond transactions entered into by the DeBoto Parish Police Jury and outstanding at December 31, 1998:

Pollution control revenue refunding bonds totaling \$50,110,000 were issued May 1, 1991. Under an agreement entered into between the DeBoto Parish Police Jury and Central Louisiana Electric Company, Incorporated, the bonds do not bear the full faith and credit of the police jury. The retirement of the bonds, including interest charges, paying agent fees, and any other costs associated with servicing the debt, are the sole responsibility of Central Louisiana Electric Company, Incorporated.

Pollution control revenue refunding bonds totaling \$53,500,000 were issued July 1, 1993. Under an agreement entered into between the DeBoto Parish Police Jury and Southwestern Electric Power Company, the bonds do not bear the full faith and credit of the police jury. The retirement of the bonds, including interest charges, paying agent fees, and any other costs associated with servicing the debt, are the sole responsibility of Southwestern Electric Power Company.

Pollution control revenue bonds totaling \$27,725,000 were issued August 28, 1993. Under an agreement entered into between the DeBoto Parish Police Jury and International Paper Company, Incorporated, the bonds do not bear the full faith and credit of the police jury. The retirement of the bonds, including interest charges, paying agent fees, and any other costs associated with servicing the debt, are the sole responsibility of International Paper Company, Incorporated.

Pollution control revenue refunding bonds totaling \$25,000,000 were issued November 17, 1994. Under an agreement entered into between the DeBoto Parish Police Jury and International Paper Company, the bonds do not bear the full faith and credit of the police jury. The retirement of the bonds, including interest charges, paying agent fees, and any other costs associated with servicing the debt, are the sole responsibility of International Paper Company.



**DELSO PARISH POLICE JURY**

Mossfield, Louisiana

**Notes to the Financial Statements (Continued)**

Pollution control revenue refunding bonds totaling \$19,800,000 were issued April 28, 1999. Under an agreement entered into between the Delcose Parish Police Jury and International Paper Company, the bonds do not bear the full faith and credit of the police jury. The retirement of the bonds, including interest charges, paying agent fees, and any other costs associated with servicing the debt, are the sole responsibility of International Paper Company.

Pollution control revenue refunding bonds totaling \$2,000,000 were issued December 1, 1997. Under an agreement entered into between the Delcose Parish Police Jury and International Paper Company, the bonds do not bear the full faith and credit of the police jury. The retirement of the bonds, including interest charges, paying agent fees, and any other costs associated with servicing the debt, are the sole responsibility of International Paper Company.

**11. CRIMINAL COURT FUND**

Louisiana Revised Statute 15:571.11 requires that one-half of any balance remaining in the criminal court fund at year end be transferred to the parish General Fund. The following details the amount due at December 31, 1998:

Balance due at January 1, 1998	\$0.000
Amount due	\$27,445
Amount received	<u>\$0.000</u>
Balance due at December 31, 1998	<u>\$27,445</u>

**12. DUE FROM/TO OTHER FUNDS**

Individual fund balances due from/to other funds at December 31, 1998, are as follows:

	Due From Other Funds	Due to Other Funds
General fund	\$120,185	
Special revenue funds:		
Road	18,720	
Library	9,340	
Jail	2,744	
Solid Waste	5,636	

**DESOLO PARISH POLICE JURY**

Mandeville, Louisiana

## Notes to the Financial Statements (Continued)

	<u>Due from Other Parish</u>	<u>Due to Other Parish</u>
Criminal court		\$17,445
Sales tax		37,441
Rental assistance		799
Community services		<u>90,080</u>
Total	<u>\$137,625</u>	<u>\$137,625</u>

**13. LITIGATION AND CLAIMS**

At December 31, 1998, the police jury is not involved in any lawsuits. However, on April 13, 1999, the police jury filed suit against Mandy Sanitary Landfill, LLC seeking a judgement to terminate the lease agreement between the police jury and Mandy Sanitary Landfill, LLC and for all damages to which the jury is entitled for breach of the lease. Mandy has subsequently filed a petition for bankruptcy. The outcome of this suit can not be determined at this time.

**14. JOB TRAINING PARTNERSHIP ACT PROGRAM**

The DeSoto Parish Police Jury participates in the Job Training Partnership Act (JTPA) Program funded through the Louisiana Department of Labor by the United States Department of Labor. The jury is a member of the Seventh Planning District which is comprised of 16 parishes. On August 16, 1983, the members of the Seventh Planning District, consisting of the Parishes of Diamond, Bossier, Calde, Claiborne, DeSoto, Lincoln, Natchitoches, Red River, Sabine, and Webster and the Seventh Planning District Service Delivery Area (SDA) Private Industry Council, entered into an agreement. This agreement designated the president of the DeSoto Parish Police Jury as the chief elected official of the SDA and the DeSoto Parish Police Jury as the JTPA grant recipient. This agreement names the Coordinating and Development Corporation (CDC) as the administrative entity.

The SDA is comprised of three elements:

1. Private Industry Council (PIC) - which consists of 15 members representing a cross-section of the SDA population. The PIC is responsible for providing guidance for program development and for monitoring the operations of the administrative entity.

## DESOLO PARISH POLICE JURY

Marrfield, Louisiana

### Notes to the Financial Statements (Continued)

2. Designated Chief Elected Official - this is a police jury president elected by his peers from the Seventh Planning District. His responsibilities are the same as the PIC.
3. Administrative Entity - the organization selected by the PIC to administer the program. All actions by the administrative entity must be approved by the PIC and the designated chief elected official.

In August 1983, the designated chief elected official notified the Assistant Secretary of Labor, State of Louisiana, that the CDC was designated as the administrative entity for the SDW and that all funds and copies of correspondence should be sent to the CDC. This notification also stated that all bookkeeping and program documents would be maintained by the CDC. Further, in September, 1983, the DeSoto Parish Police Jury appointed the Executive Vice-President of the Coordinating and Development Cooperation as the contracting officer for the ITPA program to act on behalf of the police jury. Since that date, the contracting officer has signed all documents on behalf of the grant recipient.

The DeSoto Parish Police Jury is the designated grant recipient and (1) has accepted full responsibility for funds expended under the grant, (2) has assured the Louisiana Department of Labor that all funds provided will be expended according to limitations set forth in the Job Training Partnership Act, federal and state regulations, and the approved job training plan, and (3) that it will reimburse the Louisiana Department of Labor for any questioned costs which are ultimately disallowed by the United States Department of Labor.

Funds are provided by the Louisiana Department of Labor through a letter of credit arrangement into a bank account in the name of the CDC which operates the day-to-day activities of the program. This arrangement was authorized in September, 1983, by the designated chief elected official.

## 15. FOOD DISTRIBUTION PROGRAM

The Food Distribution Program is operated by the police jury under an agreement with the Louisiana Department of Agriculture. Under this program, the police jury is responsible for the issuance of federally donated commodity foods to individuals in need of food assistance. The police jury issues commodity foods the same day they are received and does not maintain any balances on hand. The value of federally donated commodity foods received and issued is not recorded in the accompanying financial statements. During the year ended December 31, 1998, commodity foods valued at \$7,007, were received and issued by the police jury.

**DESSOTO PARISH POLICE JURY**

**Manfield, Louisiana**

**Notes to the Financial Statements (Continued)**

**16. LANDFILL CLOSURE AND POST-CLOSURE CARE COSTS**

On May 29, 1998, the police jury entered into a contract for management of the landfill with Mandy Sanitary Landfill, LLC. The ownership of the landfill remains with the DeSoto Parish Police Jury. Mandy is responsible for all permits and licenses, compliance with all federal, state, parish and municipal laws and regulations; and workers' compensation insurance, liability insurance and auto insurance. Additionally, Mandy is solely responsible for properly closing the landfill, and for all post-closure costs in excess of the amount set aside in the trust fund by the police jury, and for compliance with all state, federal, and local laws concerning landfill closure. The police jury receives royalties in the aggregate of ten per cent of landfill receipts from solid waste deposited at the landfill during the contract term. The term of the contract is 25 years. Currently, Mandy is filing bankruptcy under Chapter 11 (reorganization), and, if successful, they would still be responsible for the closure and post closure cost. If Mandy is unsuccessful in filing Chapter 11 and must file under Chapter 7 (liquidation) it is very unlikely there will be enough money to cover the closure and post closure costs. If Mandy files under Chapter 7 the liability for closure and post closure costs would revert back to the police jury since they are the permit holder for the landfill. As stated in Note 13 the outcome of the bankruptcy filing can not be determined at this time therefore, no liability for closure or post closure costs has been recorded in the accompanying financial statements for the year ended December 31, 1998.

**17. YEAR 2000 ISSUE: *Ontrack***

The year 2000 issue in the result of shortcomings in many electronic data processing systems and other electronic equipment that may adversely affect the government's operations as early as fiscal year 1999. The DeSoto Parish Police Jury has completed an inventory of computer systems that may be affected by the year 2000 issue and that are critical to conducting operations of the police jury's office. The police jury has identified the following systems requiring year 2000 remediation: a financial reporting system and an emergency 911 system. All testing and validation of these systems have been completed.

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

**SUPPLEMENTAL INFORMATION SCHEDULES**

**IBIBOTO PARISH POLICE JURY**  
Monroe, Louisiana  
**SUPPLEMENTAL INFORMATION SCHEDULES**  
As of and for the Year Ended December 31, 1998

**SPECIAL REVENUE FUNDS**

**ROAD FUND**

The Road Fund accounts for the maintenance of parish highways, streets, and bridges. Financing is provided by the State of Louisiana Parish Transportation Fund, ad valorem taxes, sales taxes, and state revenue sharing funds.

**LIBRARY FUND**

The Library Fund accounts for the purchase of library materials, books, magazines, records, and films and maintenance and operation of library facilities. Financing is provided by sales taxes and miscellaneous revenues from the sale of materials, et cetera.

**JAIL FUND**

The Jail Fund accounts for the construction, improvement, and maintenance of parish jail facilities. Financing is provided by sales taxes.

**SOLID WASTE FUND**

The Solid Waste Fund accounts for the construction and operation of the parish solid waste collection and disposal facilities. Financing is provided by both an ad valorem and a sales and use tax.

**CRIMINAL COURT FUND**

The Eleventh Judicial District Criminal Court Fund is established under Section 571.11 of Title 15 of the Louisiana Revised Statutes of 1980, which provides that fines and forfeitures imposed by the district courts and district attorney conviction fees in criminal cases be transferred to the parish treasurer and deposited into a special account, to be used for the expenses of the criminal court of the parish. Expenditures are made from the fund on motion of the district attorney and approval of the district judge. The statute also requires that one-half of the fund balance remaining in the Criminal Court Fund at December 31 of each year be transferred to the parish General Fund.

## **AIRPORT FUND**

The *Airport Fund* accounts for the operation and maintenance of a parish air-port facility. Financing is provided by grants from local governments, fees, and interest earned on investments.

## **SALES TAX FUND**

The *Sales Tax Fund* accounts for the collection of the one per cent sales and use tax. Expenditures of the fund are limited by the tax proposition to expenses necessary and reasonable for the collection and administration of the sales tax program. After necessary expenses, all remaining funds are transferred to the Road, Library, Jail, and Solid Waste Funds in accordance with percentages contained in the tax proposition.

## **COMMUNICATION DISTRICT FUND**

The *Communication District Fund* accounts for the establishment, maintenance, and operation of the 911 emergency telephone system for DeCade Parish. Financing is provided by a 3 per cent service charge on local telephone service within the parish.

## **HEALTH AND WELFARE**

### **RENTAL ASSISTANCE FUND**

The *Rental Assistance Fund* provides for expanding opportunities for rental assistance to lower income families. Financing is provided by grants from the United States Department of Housing and Urban Development.

### **COMMUNITY SERVICES FUND**

The *Community Services Fund* accounts for the distribution of surplus food commodities provided by the United States Department of Agriculture, in addition to cash grants in lieu of commodities. The objectives of the program are to improve the diets of the elderly and other individuals in need of food assistance and to increase the market for domestically produced foods acquired under surplus removal or price support operations.

The fund also accounts for community services block grants provided by the United States Department of Health and Human Services. The major objective of the block grant program is to provide for services and activities having a measurable and potential impact on causes of poverty.

Assistance is provided in the areas of employment, education, better use of income, adequate housing and environment, and assistance for emergency needs.

## **JOB TRAINING PARTNERSHIP ACT FUND**

The Job Training Partnership Act (JTPA) Fund accounts for grants from the United States Department of Labor through the Louisiana Department of Labor. Grants are subsequently transferred to the Coordinating and Development Corporation, which administers the program under contract with the policy jury. The JTPA program provides job training and related assistance to economically disadvantaged individuals. The ultimate goal of the program is to move trainees into permanent, self-sustaining employment.



**DEBOTO PARISH POLICE FUND**  
 Mandeville, Louisiana  
**SPECIAL REVENUE FUNDS**

Combining Balance Sheet, December 31, 1998

	BOB	JARRAR	SEL	FRAN FOUNT	ORSONAL SOCIETY	ABRIST	HAIR TRG	ORON SOCIETY	WELFARE SOCIETY	TOTAL
<b>ASSETS</b>										
Cash and cash equivalents	576,000	810,400	876,214	819,400	835,740	810,000	83,000	824,000	818,864	8,151,687
Investments	49,359							86,214		65,573
Receivables	603,669	7,000	3,859	1,126,500	18,360	818	34,411	173,786	91,945	2,288,322
Due from other funds	18,720	9,400	3,744	3,418						37,440
Prepaid expenses	3,881			1,808						5,689
<b>TOTAL ASSETS</b>	<b>1,271,629</b>	<b>837,800</b>	<b>883,827</b>	<b>1,939,118</b>	<b>854,100</b>	<b>811,122</b>	<b>117,411</b>	<b>894,000</b>	<b>914,809</b>	<b>14,081,122</b>
<b>LIABILITIES AND FUND EQUITY</b>										
Liabilities:										
Accounts payable	800,617	81,081	811,881	504,621	8291		830,441	811,871	812,796	8,662,778
Due to other funds				27,440					92,799	127,239
Due to BID									42,211	42,211
Deferred revenues	80,817	1,080	11,881	38,481	37,690	80,000	37,481	11,871	78,511	75,521
Total Liabilities	<b>1,682,251</b>	<b>83,161</b>	<b>823,762</b>	<b>1,369,121</b>	<b>23,212</b>	<b>811,122</b>	<b>868,163</b>	<b>448,468</b>	<b>1,326,317</b>	<b>9,188,281</b>
Fund Equity - fund balances - unreserved - undesignated	<b>609,378</b>	<b>756,639</b>	<b>660,065</b>	<b>569,497</b>	<b>830,888</b>	<b>811,122</b>	<b>309,268</b>	<b>445,532</b>	<b>588,492</b>	<b>4,892,841</b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>1,291,629</b>	<b>833,800</b>	<b>883,827</b>	<b>1,938,618</b>	<b>854,100</b>	<b>811,122</b>	<b>868,431</b>	<b>894,000</b>	<b>920,809</b>	<b>14,081,122</b>



Debit service	400,049		188,668		27,022	942,940
Capital study	907,481	173,428	11,688	82,722	1,086	1,976,756
Intergovernmental		1,674				29,839
Total expenditures	<u>1,308,072</u>	<u>829,348</u>	<u>492,872</u>	<u>1,571,872</u>	<u>31,934</u>	<u>3,973,592</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(771,171)</u>	<u>(652,622)</u>	<u>(148,242)</u>	<u>(11,802)</u>	<u>711</u>	<u>(1,171)</u>
OTHER FINANCING SOURCES (USES)		708				708
Sale of fixed assets		1,254				1,254
Compensation for property damage						
Increase in capital lease	28,308					28,308
Operating transfer in	(1,941,801)	678,921	340,390	492,441	15,000	2,813,853
Operating transfer out						(2,813,853)
Total other financing sources (uses)	<u>(1,913,493)</u>	<u>679,175</u>	<u>480,380</u>	<u>480,641</u>	<u>25,000</u>	<u>601,552</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	<u>787,774</u>	<u>24,553</u>	<u>14,075</u>	<u>618,544</u>	<u>912</u>	<u>1,497,781</u>
FUND BALANCES AT BEGINNING OF YEAR	<u>882,862</u>	<u>(99,087)</u>	<u>2,432</u>	<u>(75,631)</u>	<u>28,332</u>	<u>2,339,521</u>
FUND BALANCES AT END OF YEAR	<u>\$1,670,636</u>	<u>\$14,466</u>	<u>\$16,507</u>	<u>\$1,292,877</u>	<u>\$22,244</u>	<u>\$1,659,242</u>

**DESGO PARIKH POLICE JURY**  
**Monroe, Louisiana**  
**SPECIAL REVENUE - HEALTH AND WELFARE FUNDS**

Combining Balance Sheet, December 31, 1998

	GENERAL ASSURANCE	COMM. ASSURANCE	TOTAL
<b>ASSETS</b>			
Cash and cash equivalents	\$150,271	10,510	\$160,781
Receivables		91,845	91,845
<b>TOTAL ASSETS</b>	<b>\$150,271</b>	<b>\$102,355</b>	<b>\$252,626</b>
<b>LIABILITIES AND FUND EQUITY</b>			
<i>Liabilities:</i>			
Accounts payable	\$11,000	\$756	\$11,756
Due to other funds	738	92,600	93,338
Due to H&W	42,211		42,211
Deferred revenue	79,321		79,321
<b>Total Liabilities</b>	<b>133,270</b>	<b>93,356</b>	<b>226,626</b>
Fund Equity - fund balance - unreserved - undesignated	\$60,001	7,722	\$67,723
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$193,271</b>	<b>\$101,078</b>	<b>\$294,349</b>

**DESOUDS PARISH POLICE JURY**  
**Manfield, Louisiana**  
**SPECIAL REVENUE - HEALTH AND WELFARE FUNDS**

Combining Schedule of Revenues, Expenditures,  
and Changes in Fund Balances  
For the Year Ended December 31, 1995

	RENTAL ASSISTANCE	COMM. SERVICES	ITPS	TOTAL
<b>REVENUES</b>				
Federal funds- federal grants	\$548,790	\$466,804	\$4,842,858	\$5,858,452
Use of money and property	2,182			2,182
Other revenues		7,640		7,640
Total revenues	<u>546,972</u>	<u>474,444</u>	<u>4,842,858</u>	<u>5,964,274</u>
<b>EXPENDITURES</b>				
Current:				
Health and welfare	546,972	479,743	4,842,858	5,969,485
Capital outlay		2,914		2,914
Total expenditures	<u>546,972</u>	<u>482,657</u>	<u>4,842,858</u>	<u>5,972,487</u>
<b>EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES</b>	<u>NONE</u>	<u>(8,177)</u>	<u>NONE</u>	<u>(8,177)</u>
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	<u>NONE</u>	<u>15,899</u>	<u>NONE</u>	<u>15,899</u>
<b>FUND BALANCES AT END OF YEAR</b>	<u>NONE</u>	<u>\$7,722</u>	<u>NONE</u>	<u>\$7,722</u>

**IBEROLA PARISH POLICE JURY**  
**Mansfield, Louisiana**  
**SUPPLEMENTAL INFORMATION SCHEDULES**  
**As of and for the Year Ended December 31, 1998**

**COMPENSATION PAID POLICE JURORS**

The schedule of compensation paid to police jurors is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Compensation of the police jurors is included in the legislative expenditures of the General Fund. In accordance with Louisiana Revised Statute 33:1233, the police jury has elected the monthly payment method of compensation. Under this method, the president receives \$700 per month and the other jurors receive \$600 per month.

**DEBOTE PARISH POLICE JURY**  
**Manfield, Louisiana**

**Schedule of Compensation Paid Police Jurors**  
**As of and For the Year Ended December 31, 1998**

L. W. Bagley	\$7,200
L. C. Bland, Jr.	7,200
Richard T. Burford, Sr.	7,200
Marlin Casco, President	8,400
Elroy P. Evans	7,200
S. Mayweather	7,200
A. W. McDonald, Jr.	7,200
R. Dewayne Mitchell	7,200
Bernard Shubin	7,200
Ferdoy White, Jr.	7,200
Wayne Williams	<u>7,200</u>
Total	<u>\$80,400</u>

**Independent Auditor's Reports  
on Compliance with  
Laws, Regulations, Contracts, and Grants,  
and Internal Control**

The following independent auditor's reports on compliance with laws, regulations, contracts, and grants and internal control are presented in compliance with the requirements of *Government Auditing Standards*, issued by the Comptroller General of the United States; the U. S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; the *Single Audit Act Amendments of 1996*; and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.





**Independent Auditor's Report on Compliance and  
Internal Control Over Financial Reporting**

**DELSOTO PARISH POLICE JURY  
Marrickville, Louisiana**

I have audited the general purpose financial statements of the DelSoto Parish Police Jury as of and for the year ended December 31, 1998, and have issued my report thereon dated June 23, 1999. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the DelSoto Parish Police Jury's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial amounts. However, providing an opinion on compliance with these provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards* and is described in the accompanying schedule of findings and questioned cost as item 98-3.

**Internal Control Over Financial Reporting**

In planning and performing my audit, I considered DelSoto Parish Police Jury's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, I noted certain matters involving the internal control over financial reporting and its operation that I considered to be reportable conditions. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in my judgment, could adversely affect the DelSoto Parish Police Jury's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings and question costs as items 98-1 and 98-2.

**THE PROFESSIONAL CORP.  
WEST CHICAGO,  
ILLINOIS 60656  
PHONE 312.641.1100  
TELE 312.641.1000  
F 312.641.1000  
WWW.VC.AUDITORS**

DESOLO PARISH POLICE JURY

Monroe, Louisiana

Independent Auditor's Report on Compliance

And Internal Control Over Financial Reporting, etc.

December 31, 1988

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. However, I believe none of the reportable conditions described above are material weaknesses.

This report is intended for the information of the members of the Desolo Parish Police Jury, management of the school board, federal awarding agencies and pass through entities. This is not intended to limit the distribution of this report, which is a matter of public record.



West Monroe, Louisiana

June 23, 1989



**Independent Auditor's Report on Compliance  
With Requirements Applicable to Each Major Program  
and Internal Control Over Compliance**

**DESOLO PARISH POLICE JURY**  
Marrickville, Louisiana

**Compliance**

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

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

As described in item 58-4 in the accompanying schedule of findings and questioned cost, DeSoto Parish Police Jury did not comply with requirements regarding special tests and provisions that are applicable to its Section 8 program. Compliance with such requirements is necessary, in my opinion, for the DeSoto Parish Police Jury to comply with the requirements applicable to that program.

**VERNON R. QUON**  
Chartered Accountant, CPA  
1000 PINE LOUISIANA  
LAFAYETTE, LOUISIANA 70503  
PHONE 225-282-1100  
FAX 225-282-1100

**VERNON R. QUON**  
Chartered Accountant, CPA  
1000 PINE LOUISIANA  
LAFAYETTE, LOUISIANA 70503  
PHONE 225-282-1100  
FAX 225-282-1100

**DEBOTO PARISH POLICE JURY**

Monroe, Louisiana

**Independent Auditor's Report on Compliance**

**With Requirements Applicable to Each Major**

**Program and Internal Control Over Compliance, etc.**

**December 31, 1998**

In my opinion, except for the noncompliance described in the preceding paragraph, DeBoto Parish Police Jury complied, in all material respects, with the requirements referred to above that are applicable to its major federal programs for the year ended December 31, 1998.

**Internal Control Over Compliance**

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

My consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over compliance and its operation that I consider to be material weaknesses.

This report is intended for the information of the members of the DeBoto Parish Police Jury, management of the school board, federal awarding agencies and pass-through entities. This is not intended to limit the distribution of this report, which is a matter of public record.



Walt Monroe, Louisiana

June 23, 1999

DELSOTO PARISH POLICE JURY  
Mansfield, Louisiana

Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 1998

**A. SUMMARY OF AUDIT RESULTS**

1. The auditor's report expresses an unqualified opinion on the primary government financial statements of the DeSoto Parish Police Jury.
2. Two reportable conditions relating to the audit of the financial statements are reported in the Independent Auditor's Report on Internal Control Over Financial Reporting. The reportable conditions were not considered material weaknesses.
3. One instance of noncompliance material to the financial statements of the DeSoto Parish Police Jury was disclosed during the audit.
4. One reportable condition relating to the audit of the major federal award programs is reported in the Auditor's Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance.
5. The auditor's report on compliance for the major federal award programs for the DeSoto Parish Police Jury expresses a qualified opinion.
6. An audit finding relative to the major federal award programs for the DeSoto Parish Police Jury is reported in Part C of this schedule.
7. The programs tested as major programs included:
  - a. United States Department of Labor - Job Training Partnership Act - CFDA 17.298
  - b. Section 8 Cluster:
    1. Lower-Income Housing Assistance Program - Certificates - CFDA 54.857
    2. Lower-Income Housing Assistance Program - Vouchers - CFDA 14.858

(Continued)

**DELSOTO PARISH POLICE JURY**  
**Marefield, Louisiana**

**Schedule of Findings and Questioned Costs (Continued)**  
**For the Year Ended December 31, 1998**

1. The threshold for disqualifying Type A and B programs was \$100,000.
2. The DelSoto Parish Police Jury was not determined to be a low-risk auditee.

**B. FINDINGS - FINANCIAL STATEMENTS AUDIT**

**BB-1 Need to Maintain Proper Support  
 For Payroll Expenditures**

**Findings:** My test of payroll expenditures disclosed the following deficiencies (a) 21 out of 52 or 40% of time cards examined lacked a supervisor's signature (thirteen library employees and six communications district employees), (b) 8 out of 52 or 15% of time cards examined did not have the employee's signature (six communications district employees) (c) 34 out of 52 or 65% of time cards examined did not agree to the payroll records (Employees are paid on the first and fifteenth of each month for 88 hours regardless of hours actually worked. For any given pay period an employee could work either 80, 88, or 96 hours. The 88 hours that employees are paid is an average of the three previous possibilities for a pay period. A reconciliation should have been performed at year end to determine that employees were not paid more than they actually worked or vice versa.) and (d) employees in supervisory positions that are accruing compensatory time for overtime hours worked are not getting approval for such overtime. These deficiencies were also noted in my report for the year ended December 31, 1997. The records for most departments were better for the year ended December 31, 1998 however, as noted above the problems appear to be in two departments; the library and communications district. Proper internal control dictates that evidence be present to support management's assertion that payroll expenditures are for work performed or authorized hours. Lack of signed time sheets, by the supervisor and the employee, precludes the police jury from providing this evidence.

**Recommendation:** I again recommend that all time cards should be signed by the employee and the employee's supervisor. In addition, all overtime, whether included on the same time sheet or separately, should be signed by the employee and the employee's supervisor. All time cards should be turned into the jury office so that the person doing payroll can match the hours worked to the hours the employee is being paid for.

**IBISOLO PARISH POLICE JURY**  
**Manville, Louisiana**

**Schedule of Findings and Questioned Costs (Continued)**  
**For the Year Ended December 31, 1998**

**98-2 Need to Post Receipts in a Timely Manner**

During my test of receivables I determined that cash receipts had not been posted to the general ledger for February through June of 1999 and that January of 1999 was not posted until May of 1999. From discussions with the treasurer, I determined the receipts were not posted because the general ledger for the year ended December 31, 1998 had not been closed. Proper internal control dictates that receipts be posted in a timely manner to ensure reliable accurate accounting data. Due to this delay in posting the cash receipts, the police jurors did not receive monthly financial statements for the first six months of 1999 in a timely manner. Further, this situation made it impossible for the jurors to monitor budgets, determine their financial position, or fulfill their fiduciary responsibilities.

**Recommendation:** Receipts should be posted as they are received to ensure the accuracy of the records and provide needed reports to the management of the police jury.

**98-3 Need to Obtain Bond Commission Approval**

Funds were borrowed without obtaining the proper approval from the Louisiana State Bond Commission. Louisiana Revised Statutes 38:1410.63 prohibits the police jury from incurring debt in excess of ninety days without approval from the commission. During the year ended December 31, 1998 the police jury borrowed \$12,000 from Calhoun Property Management, the administrator of their Section 8 program. The money was borrowed from Calhoun to help with a short term cash flow problem. The cash flow problem was the result of mistakes made by Calhoun that led to funding from the Department of Housing and Urban Development being delayed. The money was repaid in June of 1999.

**Recommendation:** I recommend that the police jury obtain approval from the State Bond Commission for all debt in excess of ninety days.

**C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT**

**98-4 Violation of Code of Federal Regulations Title 24 Section 982.161**

During the year ended December 31, 1998 Calhoun Property Management, administrator of the Section 8 program for the police jury, placed Section 8 tenants in complexes that they owned. The Code of Federal Regulations Title 24 section 982.161 states neither the housing authority nor any of its contractors

IBERITO PARISH POLICE JURY  
Mandeville, Louisiana

Schedule of Findings and Questioned Costs (Continued)  
For the Year Ended December 31, 1998

or subcontractors may enter into any contract or arrangement in connection with the tenant-based programs who formulates policy or who influences decisions with respect to the programs during tenures or for one year thereafter. For the year ended December 31, 1998 there were forty-six tenants in Calhoun properties. It should be noted that the police jury has terminated its contract with Calhoun Property Management for the administration of its Section 8 program due to the problems noted above.

**Recommendation:** I recommend that no new Section 8 tenants be allowed to move into Calhoun properties. In addition, as tenants are scheduled for reexaminations, they should be moved from property owned or managed by Calhoun Properties. In the future, the police jury should monitor management of the Section 8 program more closely to ensure that such improper activity does not recur.



Delores Parish Police Jury  
 Mansfield, Louisiana  
 Schedule of Expenditures of Federal Awards  
 For the Year Ended December 31, 1998

FEDERAL AGENCY PASS THROUGH OR AGENCY NAME/ PROGRAM TITLE	CFDA NUMBER	PASS THROUGH OR AGENCY NUMBER	FEDERAL FUNDED AMOUNT
<b>UNITED STATES DEPARTMENT OF AGRICULTURE</b>			
Passed through Louisiana Department of Social Services			
Commodities	18.000	NC000	17,000
Administrative costs - Food Stamp program	18.551	NC000	5,000
Total United States Department of Agriculture			<u>22,000</u>
<b>UNITED STATES DEPARTMENT OF ENERGY</b>			
Passed through Louisiana Department of Social Services -			
Weatherization Assistance for Low-Income Homes	81.842	700000177	25,871
<b>UNITED STATES DEPARTMENT OF HEALTH AND        HUMAN SERVICES:</b>			
Passed through Louisiana Department of Social Services:			
Medical Assistance Program	93.776	NC000	4,815
Low-Income Energy Assistance Program	93.568	700000708	263,245
Passed through Louisiana Department of Labor :			
Community Services Block Grant	93.568	9800000	97,308
Total United States Department of Health and Human Services			<u>316,968</u>
<b>UNITED STATES DEPARTMENT        OF HOUSING AND URBAN DEVELOPMENT</b>			
Development - Lower-Income Housing Assistance Program - Certificates	14.837	1.428070004	271,571
Development - Lower-Income Housing Assistance Program - Vouchers	14.838	1.428070000	212,159
Passed through Office of Housing and Urban Development -			
Emergency Shelter Grants Program	14.271	NC000	8,969
Total United States Department of Housing and Urban Development			<u>492,699</u>
<b>UNITED STATES DEPARTMENT OF JUSTICE</b>			
Direct program - Local Law Enforcement Block Grant	86.292	NC000	18,890
<b>UNITED STATES DEPARTMENT OF LABOR</b>			
Passed through Louisiana Department of Labor - Job Training			
Partnership act	77.282	NC000	4,247,838
<b>FEDERAL EMERGENCY MANAGEMENT AGENCY</b>			
Administrative costs - Civil Defense	83.503	NC000	8,808
Direct program - Emergency Management Agency	83.513	NC000	80,447
Total Federal Emergency Management Agency			<u>89,255</u>
<b>UNITED STATES DEPARTMENT OF TRANSPORTATION</b>			
Passed through Louisiana Department of			
Transportation and Development - Public Transportation for Non-Urbanized Areas	20.500	LA-19-5003	68,728
Total Federal Financial Assistance			<u>\$6,050,842</u>

## Footnote:

(1) The Schedule of Expenditures of Federal Awards was prepared on the modified accrual basis of accounting.

IBEW/TO PARISH POLICE JURY  
Mossfield, Louisiana

Summary Schedule of Prior Audit Findings  
For the Year Ended December 31, 1998

**Need to Maintain Proper Support  
For Payroll Expenditures**

**Recommendation:** A uniform system for tracking employee time should be implemented. In addition, all time cards should be signed by the employer and the employee's supervisor. If overtime is maintain separately, this should also be signed by the employee and the employee's supervisor. The time cards should be utilized to prepare the payroll and make sure employees are only being paid for actual hours worked or approved leave.

**Status:** See finding 98-1

**Need to Post Receipts in  
a Timely Manner**

**Recommendation:** The auditor recommended that receipts should be posted as they are received to ensure the accuracy of the records and provide needed reports to the management of the police jury.

**Status:** See Finding 98-2

**Need to Compile List of  
Customer Deposits**

**Recommendation:** The auditor recommended that the police jury make every effort to compile a list of customers and the amount of deposit paid. The list should definitely include customers who have paid since the jury began operation of the facility. Whenever possible the list should also indicate the date the deposit was paid. This list should be updated for each new customer deposit.

**Status:** A complete list of customer deposits has been compiled for the time that the jury has been maintaining the locks for the district. However, a list of deposits before this time could not be compiled due to the fact the prior administration of the newer district did not keep any records of customer meter deposits paid. We were unable to determine if meter deposits were even collected during that time period.

**DEBOYO PARISH POLICE JURY**

Mandeville, Louisiana

Summary Schedule of Prior Audit Findings (cont.)

**Section 8 Reports Should be  
Filed in a Timely Manner**

**Recommendation:** The auditor recommended that in the future, if the amounts that are recorded on the Requisition for Partial Payment of Annual Contributions does not agree to the police jury records then a reconciliation should be performed to show the differences. In addition, more than one person should be made aware of the reporting requirements so that all year end reports will be completed and submitted to the Department of Housing and Urban Development in a timely manner.

**Status:** A new administrator for the Section 8 program has been hired. All required year end reports have been mailed to the Department of Housing and Urban Development. All year end reports agreed to the records maintained at the jury office.

(Concluded)

# DeSoto Parish Police Jury

P.O. Box 898 Mandeville, Louisiana 71052  
PHONE: (510) 872-0738 FAX: (510) 872-0340

June 23, 1999

## OFFICERS

**Marlin L. Coston**  
President

**Wayne Williams**  
Vice President

**Donald R. Edgington**  
Administration Engineer

**Shirley C. Whitman**  
Secretary

**Willy A. Woods**  
Treasurer

## MEMBERS

**Leon H. Bayley**  
Grand Juror, LA 71059  
District 1A

**Wynona Mitchell**  
Juror, LA 71068  
District 1B

**L.O. Wood, Jr.**  
Grand Juror, LA 71028  
District 1C

**A.W. McCasland, Jr.**  
Juror, LA 71079  
District 2

**Richard Sautter**  
Juror, LA 71076  
District 3

**Wayne Williams**  
Juror, LA 71022  
District 4A

**Walter L. Coston**  
Juror, LA 71062  
District 4B

**Forrest White, Jr.**  
Juror, LA 71026  
District 4C

**Gyndafer Haynesoff**  
Juror, LA 71068  
District 4D

**Henry P. Smith**  
Juror, LA 71068  
District 5

**Bernard Gaudin**  
Juror, LA 71478  
District 6

**Legislative Audit Advisory Council**  
Dr. Donald H. Kyle, Secretary  
P.O. Box 94397  
Baton Rouge, LA 70804-0397

The DeSoto Parish Police Jury respectfully submits the following corrective action plan for the year ended December 31, 1998.

### Item 1: Need to Maintain Proper Support for Payroll Expenditures.

We have contacted the Department Head and they have agreed to furnish our office with time sheets that have been signed by the employees and the supervisor. This will enable us to check and verify the hours worked.

### Item 2: Standard Post Receipts in a Timely Manner.

Before closing the CL for the year, there is information needed from various departments. When this information has been posted to the CL, the year is closed. Thus the receipts are keyed into the CL. In the meantime, I do a manual Receipts CL, in order to provide financial status reports for the Jurors and various departments. We have a new computer system that should solve this problem when everything has been programmed correctly.

### Item 3: Violation of Code of Federal Regulation Title 24 Section 982.101

Caltrans Property Management (contracted with Kinco Pacific, Louisiana Housing Development Corporation) to administer the Section 8 projects in DeSoto Parish. We were notified by letter that we should not allow any new Section 8 leases to come into property owned or managed by Caltrans Property Management. Additionally, as leases were submitted for presentation, they should be earned from property owned or managed by Caltrans. We contacted Mr. Caltrans concerning this matter. His less than willing attitude was the concern and the Police Jury has authorized the President to sign a contract with the Louisiana Housing Development Corporation. This new Corporation does not have any rental properties in DeSoto Parish. We will be monitoring this program very closely to assure this problem does not reoccur.

### Item 4: Need to Obtain Board Commission Approval.

This was an unforeseen situation that needed to be corrected immediately. In the future, if the Jury should need to borrow funds to solve such flow problems, we will obtain approval from the State Board Commission.

If you should need any additional information, do not hesitate to contact me.

Respectfully,

DESOTO PARISH POLICE JURY



Marlin Coston, President

MCC:aw