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DESFITE PARISH POLICE JURY
Mossfield, Louisiana

Primary Government Financial Statements
With Independent Auditor's Report
As of and for the Year Ended
December 31, 1997
With Supplemental Information Schedule

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

Release Date ~~8/2~~ 12/2000

**VERNON R
COON**
MEMBER PUBLIC ACCOUNTANTS

DESOLO PARISH POLICE JURY
Mansfield, Louisiana

Primary Government Financial Statements
With Independent Auditor's Report
As of and for the Year Ended December 31, 1997
With Supplemental Information Schedules

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Independent Auditor's Report

DELSOTO PARISH POLICE JURY Mandeville, Louisiana

VERNON R. COON

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AND FINANCIAL REPORTERS

I have audited the primary government financial statements of the DelSoto Parish Police Jury, as of December 31, 1997, and for the year then ended, as listed in the table of contents. These primary government financial statements are the responsibility of the DelSoto 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 officers 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 respects, the financial position of the primary government of DelSoto Parish Police Jury, as of December 31, 1997, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles.

However, the primary government financial statements, because they do not include the financial data of component units of the DelSoto Parish Police Jury, do not purport to, and do not, present fairly the financial position of the DelSoto Parish Police Jury at December 31, 1997, and results of its operations for the year then ended in conformity with generally accepted accounting principles.

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DESOLO PARISH POLICE JURY

Mossfield, Louisiana

Independent Auditor's Report.

December 31, 1997

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 State, 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 DeSoto 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 *Governor Auditing Standards*, I have also issued reports dated May 21, 1998, on my consideration of the DeSoto Parish Police Jury's internal control over financial reporting and my view of its compliance with certain provisions of laws, regulations, contracts, and grants.



West Monroe, Louisiana

May 21, 1998

**PRIMARY GOVERNMENT FINANCIAL STATEMENTS
(OVERVIEW)**

DESOTO PARISH POLICE JURY
 Mandeville, Louisiana
ALL FUND TYPES AND ACCIDENT GROUPS

Combined Balance Sheet, December 31, 1987

	— GOVERNMENTAL FUND TYPE —		PROBATIONARY FUND TYPE (MAY 1988)	ACCOUNT GROUPS		TOTAL MANDREBOROUGH COUNTY
	GENERAL FUND	SPECIAL REVENUE FUND		GENERAL FUND	LONG-TERM OBLIGATIONS	
ASSETS AND OTHER DEBITS						
Current assets:						
Cash and cash equivalents	\$1,863,456	\$980,121	\$4,625			\$2,848,202
Receivables	524,263	1,417,837	3,995			1,946,095
Due from other funds	96,154	31,579				127,733
Prepaid expenses		6,101				6,101
Total current assets	<u>2,486,873</u>	<u>2,435,638</u>	<u>8,620</u>			<u>4,931,131</u>
Retained assets - cash on deposit						50
Land, buildings, equipment, and improvements			255,268			19,988,303
Out of accumulated depreciation						
Assets to be provided for retirement of general long-term obligations					\$1,740,652	1,740,652
TOTAL ASSETS AND OTHER DEBITS	<u>\$2,869,427</u>	<u>\$2,466,164</u>	<u>\$303,951</u>		<u>\$1,740,652</u>	<u>\$15,666,239</u>
LIABILITIES AND FUND EQUITY						
Liabilities:						
Current liabilities:						
Accounts payable	\$25,176	\$45,265	\$78			\$70,519
Due to other funds		159,517				159,517
Deferred revenues		64,731			\$900,000	\$964,731
Contractors of subcontractors					741,782	741,782
Capital leases payable					85,738	85,738
Compensated absences payable						89,128
Total current liabilities	<u>\$25,176</u>	<u>\$269,513</u>	<u>\$78</u>		<u>\$1,797,520</u>	<u>2,651,385</u>

Current liabilities (payable from restricted assets) -

retirement deposits									
Fixed Equity									
Contributed capital				315,024					315,024
Investments in general fixed assets					918,885,000				918,885,000
Retained earnings - unrestricted - nonobligated				89,721					89,721
Fixed balances - unrestricted - nonobligated									4,493,000
Total Fixed Equity	2,465,587	2,520,512		394,745	918,885,000			3,000	21,493,225
	<u>2,465,587</u>	<u>2,520,512</u>		<u>394,745</u>	<u>918,885,000</u>			<u>3,000</u>	<u>21,493,225</u>
TOTAL LIABILITIES AND FUNDS EQUITY	51,459,077	52,446,144		1,384,451	91,928,500		51,749,000		1,729,868,749

The accompanying notes are an integral part of this statement.

DEBOTO PARISH POLICE JURY
 Metairie, Louisiana
GOVERNMENTAL FUND TYPE

**Combined Statement of Revenues, Expenditures,
 and Changes in Fund Balances**
For the Year Ended December 31, 1997

	<u>GENERAL FUND</u>	<u>SPECIAL REVENUE FUNDS</u>	<u>LOCAL CAPITAL PROJECTS FUND</u>	<u>TOTAL (MEMORANDUM ONLY)</u>
REVENUES				
Taxes:				
Ad valorem	\$611,406	\$1,832,833		\$2,444,239
Sales and use		3,314,851		2,294,031
License and permits	89,358			89,358
Intra-governmental revenues:				
Federal funds - federal grants	139,626	5,689,314	\$481,503	6,310,443
State funds:				
Parish transportation funds		443,549		443,549
State revenue sharing (net)	25,637	35,031		60,668
Severance taxes	676,889	443,080		1,119,969
Other	64,685	23,299		87,984
Local funds	36,419	2,800		39,219
Fees, charges, and commissions for services	63,347	478,735		542,082
Fines and forfeitures		363,513		263,513
Use of money and property	121,008	71,358		192,366
Other revenues	120	3,488		3,608
Total revenues	<u>1,785,078</u>	<u>11,481,138</u>	<u>961,303</u>	<u>13,227,519</u>
EXPENDITURES				
Current:				
General government:				
Legislative	158,851			158,851
Judicial	321,414	178,980		499,394
Elections	34,432			34,432
Finance and administrative	279,898	41,667		321,565
Other general government	141,128			141,128
Public safety	80,188	643,374		723,562
Public works		1,324,332		1,324,332
Health and welfare	119,714	5,999,490		6,119,204
Culture and recreation	11,046	326,485		337,531
Economic development and assistance	18,883			18,883
Transportation		64,637		64,637

(Continued)

DEBOTO PARISH POLICE JURY
 Mansfield, Louisiana
 GOVERNMENTAL FUND-TYPE
 Combined Statement of Revenues, Expenditures,
 and Changes in Fund Balances, etc.

	GENERAL FUND	SPECIAL REVENUE FUNDS	LEGISLATIVE CAPITAL PROJECTS FUND	TOTAL COMBINATION (2017)
EXPENDITURES (CONT'D.)				
Debt service		\$572,379		\$572,379
Capital outlay	\$131,716	1,550,647	\$461,303	2,143,666
Intergovernmental		106,121		106,121
Total expenditures	<u>1,294,358</u>	<u>12,682,462</u>	<u>461,303</u>	<u>14,411,323</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>581,718</u>	<u>(1,323,706)</u>	<u>NONE</u>	<u>(741,988)</u>
OTHER FINANCING SOURCES (uses)				
Sale of fixed assets	10	7,481		7,491
Compensation for loss of assets		767		767
Proceeds from capital lease		302,526		302,526
Operating transfers in		2,394,290		2,394,290
Operating transfers out	(246,823)	(2,147,417)		(2,394,290)
Total other financing sources (uses)	<u>(246,823)</u>	<u>757,627</u>	<u>NONE</u>	<u>510,804</u>
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	<u>334,895</u>	<u>(566,079)</u>	<u>NONE</u>	<u>(231,184)</u>
FUND BALANCES AT BEGINNING OF YEAR	<u>2,308,411</u>	<u>2,471,688</u>	<u>NONE</u>	<u>4,780,119</u>
FUND BALANCES AT END OF YEAR	<u>\$2,643,307</u>	<u>\$2,305,531</u>	<u>NONE</u>	<u>\$4,948,838</u>

(Continued)

The accompanying notes are an integral part of this statement.

DEBOTO PARISH POLICE JURY
Mainfield, Louisiana
GOVERNMENTAL FUND TYPE - GENERAL
AND SPECIAL REVENUE FUNDS

Combined Statement of Revenues, Expenditures,
and Changes in Fund Balances - Budget
(GAAP) Basis and Actual
For the Year Ended December 31, 2007

GENERAL FUND.....		SPECIAL REVENUE FUNDS.....		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES						
Taxes:						
Ad valorem taxes	\$657,998	\$643,406	\$42,408	\$1,713,971	\$1,833,833	\$121,662
Sales and use taxes				2,214,831	2,214,831	
Other taxes, penalties, and license						
Licenses and permits	80,350	80,350				
Intergovernmental revenues:						
Federal funds - federal grants	77,070	169,826	91,756	3,180,398	3,699,214	698,816
State funds:						
Postal transportation funds				443,649	443,649	
State revenue sharing (SRS)	26,720	25,657	(1,063)	35,051	35,051	
Revenue tax	609,809	609,809		440,000	440,000	
Other state grants	18,247	64,665	54,768	28,264	25,299	(4,435)
Local funds	36,409	36,419		2,000	2,000	
Fees, charges, and commodities for services	182,106	69,347	(266,599)	628,187	416,725	(10,338)
Fines and forfeitures				263,509	263,710	4
Use of money and property	126,876	121,029	(59)	71,879	71,888	20
Other revenues	151	151		3,298	3,480	150
Total revenues	1,821,822	1,798,079	(116,654)	11,292,799	12,685,754	148,955
EXPENDITURES						
Current:						
General government:						
Legislature	159,834	158,851	5			
Judicial	324,622	322,404	2,208	189,572	176,988	(7,408)
Firemen	64,475	64,432	43			
Finance and administrative	129,731	150,888	(11,875)	42,644	42,697	(49)
Other general government	150,496	142,238	8,258	(11,750)		
Public safety	81,311	80,188	1,123	652,498	643,274	9,124
Public works				3,826,112	3,323,332	(502,780)
Health and welfare	113,785	110,714	3,071	3,689,387	3,699,490	(11,203)
Culture and recreation	19,981	11,845	8,136	448,154	356,483	(91,671)

(Continued)

DECAO PARISH POLICE JURY
Monroe, Louisiana
GOVERNMENTAL FUND TYPE - GENERAL
AND SPECIAL REVENUE FUNDS

Combined Statement of Revenues, Expenditures,
 and Changes in Fund Balances - Budget
 (GAAP Basis and Actual, etc.)

	GENERAL FUND			SPECIAL REVENUE FUNDS		
	BUDGET	ACTUAL	BALANCE FORWARDABLE	BUDGET	ACTUAL	BALANCE FORWARDABLE
EXPENDITURES (Cont'd)						
Current - (Cont'd)						
Economic development and assistance	521,503	519,883	\$0.000			5889
Transportation				545,000	544,607	5889
Debt service				377,000	372,578	(203,588)
Capital outlay	180,843	181,718	(28,675)	1,628,970	1,598,627	77,729
Intergovernmental				19,715	186,131	(84,818)
Total expenditures	<u>1,412,711</u>	<u>1,364,388</u>	<u>(28,675)</u>	<u>14,711,891</u>	<u>14,693,964</u>	<u>(151,388)</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>-415,341</u>	<u>59,312</u>	<u>86,678</u>	<u>(1,415,844)</u>	<u>(1,333,788)</u>	<u>(81,174)</u>
OTHER FINANCING SOURCES (Uses)						
Sale of fixed assets	\$0	\$0		11,910	7,487	(4,434)
Compensation for loss of assets				767	767	
Increase in capital lease					302,536	302,536
Operating transfers in				2,694,312	2,694,330	(71)
Operating transfers out	<u>(248,523)</u>	<u>(248,523)</u>		<u>(2,203,352)</u>	<u>(2,187,417)</u>	<u>85,940</u>
Total other financing sources (uses)	<u>(248,523)</u>	<u>(248,523)</u>	<u>NONE</u>	<u>173,637</u>	<u>327,603</u>	<u>385,980</u>
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	<u>86,678</u>	<u>214,890</u>	<u>86,678</u>	<u>(1,242,207)</u>	<u>(1,006,185)</u>	<u>676,106</u>
FUND BALANCES AT BEGINNING OF YEAR	<u>NONE</u>	<u>2,389,411</u>	<u>2,389,411</u>	<u>89288</u>	<u>2,421,688</u>	<u>2,421,688</u>
FUND (Deficit) BALANCES AT END OF YEAR	<u>866,678</u>	<u>\$2,604,301</u>	<u>\$2,389,889</u>	<u>(1,147,970)</u>	<u>\$1,705,503</u>	<u>\$1,147,512</u>

(Continued)

The accompanying notes are an integral part of this statement.

DEBOTE PARISH POLICE JURY
 Mansfield, Louisiana
 PROPRIETARY FUND TYPE -
 SEWER ENTERPRISE FUND

Statement of Revenues, Expenses,
 and Changes in Retained Earnings
 For the Year Ended December 31, 1997

OPERATING REVENUES	
Charges for services	<u>\$36,379</u>
OPERATING EXPENSES	
General and administrative	17,600
Official fees	489
Professional fees	1,200
Materials, supplies, and repairs	3,551
Utilities and communications	8,488
Depreciation expense	<u>21,828</u>
Total operating expenses	<u>54,236</u>
OPERATING INCOME (Loss)	(17,844)
Add depreciation on fixed assets acquired with contributed capital	169,855
RETAINED EARNINGS AT BEGINNING OF YEAR	<u>(161,532)</u>
RETAINED EARNINGS (Deficit) AT END OF YEAR	<u>(88,731)</u>

The accompanying notes are an integral part of this statement.

DEBOTO PARISH POLICE JURY
 Mandeville, Louisiana
 PROPRIETARY FUND TYPE -
 SEWER ENTERPRISE FUND

Statement of Cash Flows
 For the Year Ended December 31, 1997

CASH FLOWS FROM OPERATING ACTIVITIES	
Operating Income	<u>(\$17,844)</u>
Adjustments to Reconcile Operating Income (Loss) to Net Cash	
Provided (Used) by Operating Activities:	
Depreciation expense	29,828
Increase in accounts receivable	(1,658)
Increase in accounts payable	78
Total adjustments	<u>28,248</u>
Net cash provided by operating activities	<u>4,404</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	4,403
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>353</u>
CASH AT END OF YEAR	<u>\$8,058</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, 1997

I. 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 33:1226 gives the police jury various powers in regulating and directing the affairs of the parish and its inhabitants. The most 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 include:

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

DESO TO PARISH POLICE JURY

Mandeville, 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 organization 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
DeSoto Parish:		
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
Sherrif	June 30	2 and 3
Clerk of Court	June 30	2 and 3
Fire Districts:		
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
Eleventh Judicial District:		
Criminal Court (DeSoto Parish)	December 31	2 and 3
East DeSoto 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.

DESOLO PARISH POLICE JURY
Mansfield, 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 DeSoto Parish Library, the DeSoto Parish Airport, the DeSoto Parish Community Services, Eleventh Sewer 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 DeSoto 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 DeSoto Parish Police Jury reporting entity because they have separately elected governing bodies, are legally separate, and are financially independent of the DeSoto 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

DESOLO 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, fiduciary, 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 revenues 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.

LCDHG Capital Projects Fund

The Louisiana Community Development Block Grant Fund accounts for the construction and acquisition of a major capital project. Financing is provided by a grant from the United States Department of Housing and Urban Development through the Louisiana Division of Administration.

Proprietary Fund - Eastside Sewer Enterprise Fund

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

**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 80 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 24 per cent of the library's fixed assets are valued at actual cost while the remaining 66 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 inseparable 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, 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.

B. BASIS OF ACCOUNTING

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

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 47:1993 requires that the tax roll be filed on or before November 15 of each year. Ad valorem taxes become delinquent if not paid by December 31. The taxes are normally collected in December of the current year and January and February of the ensuing year.

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 entitled to the funds.

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

DEBOTO PARISH POLICE JURY

Mansfield, Louisiana

Notes to the Financial Statements (Continued)

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.

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 (Uses)

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

Proprietary Fund Type - Enterprise Fund

The Eastside 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

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

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.

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 his 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 he 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, 1997, the police jury adopted modified accrual based budgets for the General Fund and all special revenue funds.

Budget comparison statements included in the accompanying financial statements include the original adopted budgets and all subsequent amendments.

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. As December 31, 1997, the police jury has cash and cash equivalents (book balances) totaling \$2,860,443 as follows:

Demand deposits	\$1,276,518
Time deposits	<u>1,583,925</u>
Total	<u>\$2,860,443</u>

IBBOTO PARISH POLICE JURY

Mandeville, Louisiana

Notes to the Financial Statements (Continued)

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, 1997, are secured as follows:

Bank Balances	<u>\$3,190,003</u>
Federal deposit insurance	\$698,937
Pledged securities (uncollateralized)	<u>2,997,194</u>
Total	<u>\$6,886,134</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 38:1278 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 90 days of being notified by the police jury that the fiscal agent bank has failed to pay deposited funds upon demand. Further, LRS 38:1274 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. VACATION AND SICK LEAVE

The following provides detail on vacation and sick leave policies of the police jury, library, 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 benefits computation as earned service.

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

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, 1997, employees have accumulated and vested \$98,298 of employee leave benefits, computed in accordance with GASB Codification Section C60. 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.

II. SALES TAXES

DeSoto Parish has a one per cent sales and use tax approved by the voters on May 15, 1991, 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).

I. 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 6 per cent, is restricted for purposes of attracting conventions and tourists to the parish.

J. TOTAL COLUMNS ON COMBINED STATEMENTS

Total columns on the combined statements are captioned Memorandum Only (overview) to indicate that they are presented only to facilitate financial analysis. Data in

DEBOTO PARISH POLICE JURY

Manfield, Louisiana

Notes to the Financial Statements (Continued)

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.

2. LEVIED TAXES

The following is a summary of authorized and levied ad valorem taxes for the year ended December 31, 1997:

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
Parishwide taxes:			
General Fund	8.00	5.66	Indefinite
Road Maintenance	5.00	5.00	2005
E-911	1.00	1.00	1998
Landfill	5.00	5.00	2005

The difference between authorized and levied millages is the result of assessments 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 1997 assessed valuation (amounts expressed in thousands):

	1997 <u>Assessed Valuation</u>	Per cent of Total <u>Assessed Valuation</u>
Central LA Electric Co.	\$38,123,709	19.88%
International Paper Co.	33,579,446	17.31%
Southwestern Electric Power	31,317,829	16.33%
Dolan Hills Mining Company	4,440,852	2.32%
Northeast Texas Electric	3,996,908	1.88%
South Central Bell	2,810,310	1.47%
Oklahoma Municipal Power	2,188,390	1.14%
Southern Natural Gas Co.	1,883,150	0.97%
Louisiana Pacific	1,453,215	0.76%
Emerch Exploration	1,179,050	0.58%
Total	<u>\$193,491,823</u>	<u>62.84%</u>

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

3. RECEIVABLES

The following is a summary of receivables at December 31, 1997:

	General Fund	Special Revenues Fund	Debt Service Enterprise Fund	Total
Taxes:				
Ad valorem	\$150,642	\$1,177,918		\$1,468,552
Sales		28,245		28,245
Grants:				
Federal	46,390	75,300		121,690
State	79,653	138,367		214,020
Fees, charges, and commissions	3,200	40,699	\$5,385	49,284
Fees and Forfeitures		14,828		14,828
Use of money and property	13,443	134		13,577
Other	25,372	3,385		28,757
Total	\$228,700	\$1,412,832	\$5,385	\$1,646,917

4. CHANGES IN GENERAL FIXED ASSETS

The following schedule presents changes in general fixed assets for the year ended December 31, 1997:

	Balance		Balance	
	January 1	Additions	Deletions	December 31
Police Jury:				
Land	\$1,714,011	\$38,000		\$1,752,011
Buildings and improvements	8,454,068	867,993		9,262,001
Improvements other than buildings	289,639	468,742		758,381
Furniture and equipment	3,509,073	248,613	(\$191,473)	3,566,213
Fixed assets under capital lease	777,696	903,535	(307,300)	1,373,931
Construction in progress - International Paper Project	315,544	6,143		321,687
Construction in progress - CDBG	5,236	441,906	(446,742)	NOBLE
Sub-total	13,011,197	2,328,331	(745,515)	16,839,213

DEBOTO PARISH POLICE JURY

Monroe, Louisiana

Notes to the Financial Statements (Continued)

	<u>Balance</u> <u>January 1</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>December 31</u>
Library:				
Land	25,900	13,450		39,350
Buildings and improvements	287,281			287,281
Equipment and furniture	\$199,891	\$66,075	(\$15,180)	\$250,786
Books and reference materials	<u>1,214,815</u>	<u>124,084</u>	<u>(78,388)</u>	<u>1,260,511</u>
Sub-total	<u>1,807,487</u>	<u>203,609</u>	<u>(93,568)</u>	<u>1,917,528</u>
Total	<u>\$26,881,684</u>	<u>\$2,733,140</u>	<u>(\$829,101)</u>	<u>\$18,785,723</u>

General fixed assets at the beginning of 1997 have been restated to reflect changes. The police jury reestablished its inventory listing of fixed assets based on actual physical count, removing those items which had been junked in previous years and not removed from the listing and adding items which had been purchased in previous years and not added to the list. For the year ended December 31, 1997, additions to improvements other than buildings include \$495,742, which has been reclassified from construction in progress. Additions to furniture and equipment includes \$167,300, which has been reclassified from assets under capital lease for two retired leases. Additions for the year ended December 31, 1997 also include assets donated to the library valued at \$13,230.

A summary of proprietary fixed type property, plant, and equipment of the Eastside Sewer District at December 31, 1997, follows:

	<u>Cost</u>	<u>Accumulated</u> <u>Depreciation</u>	<u>Net Book</u> <u>Value</u>
Land	\$10,175		\$10,175
Buildings	500	(\$500)	500
Sewer system	173,375	(149,352)	24,023
Treatment plant	<u>101,180</u>	<u>(40,475)</u>	<u>60,705</u>
Total	<u>\$485,230</u>	<u>(\$190,327)</u>	<u>\$294,903</u>

8. CONTRIBUTED CAPITAL

The police jury received a Community Development Block Grant to finance the acquisition and construction of the enterprise fixed 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, 1997, accumulated amortization on these assets is \$189,655.

DESOIS PARISH POLICE JURY

Monroe, Louisiana

Notes to the Financial Statements (Continued)

6. PENSION PLAN

Substantially all employees of the DeSois 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, or at or after age 55 with at least 30 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 \$100 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 joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employer 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 14618, Baton Rouge, Louisiana 70808-0618, or by calling (504) 928-1361.

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 DeSois Parish Police Jury is required to contribute at an actuarially determined rate. The current rate is 2.50 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) 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 for DeSois 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 DeSois Parish Police Jury's contributions to the System under Plan B for the years ending December 31, 1997, 1996, 1995, were \$42,308, \$15,217, and \$14,031, respectively, equal to the required contributions for each year.

DESOUD PARISH POLICE JURY

Mansfield, Louisiana

Notes to the Financial Statements (Continued)

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 \$475,815 for 1997. Of that amount, \$13,178 was for retiree benefits for 1997.

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, 1997, the police jury has eleven capital leases in effect for equipment. The leases had an original recorded amount of \$1,159,429. Lease obligations are retired from the Bond and Solid Waste 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, 1997:

<u>Year</u>	
1998	254,004
1999	221,911
2000	179,291
2001	138,527
2002	<u>40,145</u>
Total minimum lease payments	824,878
Less amount representing interest	<u>(83,096)</u>
Present value of net minimum lease payments	<u>\$741,782</u>

9. CHANGES IN GENERAL LONG-TERM OBLIGATIONS

The following is a summary of long-term obligation transactions for the year ended December 31, 1997:

DESOLO PARISH POLICE JURY

Mansfield, Louisiana

Notes to the Financial Statements (Continued)

	Certificates of Indebtedness	Capital Leases	Compensated Absences	Total
Long-term obligations at January 1, 1997	\$1,200,000	\$437,380	\$84,940	\$1,722,340
Additions		502,537	62,070	564,607
Deductions	<u>(100,000)</u>	<u>(198,657)</u>	<u>(48,762)</u>	<u>(347,419)</u>
Long-term obligations at December 31, 1997	<u>\$900,000</u>	<u>\$741,260</u>	<u>\$98,250</u>	<u>\$1,740,010</u>

Bonded debt at December 31, 1997, is comprised of the following individual issue:

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 \$313,000 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.

\$900,000

The annual requirements to amortize all bonded debt outstanding at December 31, 1997, including interest of \$77,513 are as follows:

Year:	
1998	327,094
1999	316,363
2000	<u>134,056</u>
Total	<u>\$775,513</u>

16. POLLUTION CONTROL REVENUE BONDS

The following is a summary of long-term bond transactions entered into by the DeSoto Parish Police Jury and outstanding at December 31, 1997:

Pollution control revenue bonds totaling \$18,735,000 were issued November 30, 1979. Under an agreement entered into between the DeSoto 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.

DESO TO PARISH POLICE JURY

Mansfield, Louisiana

Notes to the Financial Statements (Continued)

Pollution control revenue refunding bonds totaling \$98,130,000 were issued May 1, 1991. Under an agreement entered into between the DeSoto 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, 1991. Under an agreement entered into between the DeSoto 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.

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, 1997:

Balance due at January 1, 1997	\$45,812
Amount due	36,770
Amount received	<u>(82,582)</u>
Balance due at December 31, 1997	<u>NONE</u>

12. DUE FROM/TO OTHER FUNDS

Individual fund balances due from/to other funds at December 31, 1997, are as follows:

	Due from Other Funds	Due to Other Funds
General fund	899,128	
Special revenue funds:		
Road	15,688	
Library	7,845	
Fell	3,158	

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

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
Solid Waste	\$4,707	
Criminal court		\$56,619
Sales tax		31,578
Rental assistance		734
Community services		<u>62,000</u>
Total	<u>\$4,707</u>	<u>\$150,937</u>

13. LITIGATION AND CLAIMS

At December 31, 1997, the police jury is involved in several lawsuits, which are adequately covered by the jury's liability insurance.

14. JOB TRAINING PARTNERSHIP ACT PROGRAM

The DeBoto 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 10 parishes. On August 16, 1983, the members of the Seventh Planning District, consisting of the Parishes of Bienville, Bossier, Caddo, Claiborne, DeBoto, 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 DeBoto Parish Police Jury as the chief elected official of the SDA and the DeBoto 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.
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.

DEBOTO PARISH POLICE JURY

Mansfield, Louisiana

Notes to the Financial Statements (Continued)

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 SDA 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 DeBoto Parish Police Jury appointed the Executive Vice-President of the Coordinating and Development Cooperation as the contracting officer for the JTPA 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 DeBoto 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 STAMP PROGRAM

The food stamp program is operated through the police jury under an agreement with the Louisiana Department of Health and Human Resources. Under this program, the police jury is responsible for the issuance of food stamps to eligible participants in the parish. The value of food stamps on hand, received, and issued is not recorded in the accompanying statements. Activity for the year ended December 31, 1997, follows:

Balance at January 1, 1997	\$1,385,763
Received	3,525,000
Issued	<u>(2,804,423)</u>
Balance at December 31, 1997	<u>\$2,106,340</u>

The food stamp inventory remaining at December 31, 1997 was turned in to the Department of Social Services in January, 1998.

DESO TO PARISH POLICE JURY

Mandeville, Louisiana

Notes to the Financial Statements (Continued)

16. 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, 1997, commodity foods valued at \$5,440, were received and issued by the police jury.

17. COMMITMENTS UNDER CONTRACT

During 1997, the police jury entered into a construction contract with Addicks Services, Inc. to construct a pumpable waste disposal cell. The total amount of the contract is \$1,250,138. Of that amount \$297,880 was spent on the project during the year ended December 31, 1997. The commitment is not recorded in the financial statements.

18. RESTATEMENT OF RETAINED EARNINGS

The December 31, 1996 retained earnings balance of the Eastside Sewer District Proprietary Fund has been restated for depreciation expense not previously recorded. The following reconciles retained earnings as previously reported to beginning retained earnings as presented on Statement D:

Retained earnings as previously reported	\$4,865
Accumulated depreciation not recorded	<u>(166,197)</u>
Retained earnings (Deficit) at January 1, 1997, restated	<u>\$(161,332)</u>

SUPPLEMENTAL INFORMATION SCHEDULES

DEBOTO PARISH POLICE JURY
Manfield, Louisiana
SUPPLEMENTAL INFORMATION SCHEDULES
As of and for the Year Ended December 31, 1997

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 1950, 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 as 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 Bond, Library, Jail, and Solid Waste Funds in accordance with percentages contained in the tax proposition.

HEALTH AND WELFARE

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 5 per cent service charge on local telephone service within the parish.

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 police 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.

DESOLO PARISH POLICE JURY
 Mandeville, Louisiana
SPECIAL REVENUE FUNDS

Comparing Balance Sheet, December 31, 1999

	<u>ASSETS</u>	<u>LIABILITIES</u>	<u>UNDEVELOPED ASSETS</u>	<u>COMBINED ASSETS</u>	<u>SALES TAX</u>	<u>COMB. DISTRICT</u>	<u>REALTY AND SEWERAGE</u>	<u>TOTAL</u>
ASSETS								
Cash and cash equivalents	\$148,305	\$181,814	\$360,628	\$56,778	\$2,865	\$28,623	\$68,230	\$998,231
Receivables	918,186	1,344	386,774	13,368	1,861	168,311	13,793	1,417,837
Due from other funds	15,696	7,843	4,708					31,219
Prepaid expenses	3,291		3,406					6,717
	<u>\$685,484</u>	<u>\$197,001</u>	<u>\$853,526</u>	<u>\$70,146</u>	<u>\$4,726</u>	<u>\$297,944</u>	<u>\$82,023</u>	<u>\$2,458,031</u>
TOTAL ASSETS								
	\$685,484	\$197,001	\$853,526	\$70,146	\$4,726	\$297,944	\$82,023	\$2,458,031
LIABILITIES AND FUND EQUITY								
Liabilities:								
Accounts payable	\$34,158	\$4,028	\$594	\$1,617		\$7,883	\$654	\$48,283
Due to other funds				36,419			65,739	102,337
Deferred revenues							66,131	66,131
Total Liabilities	<u>\$34,158</u>	<u>\$4,028</u>	<u>\$594</u>	<u>\$38,036</u>		<u>\$7,883</u>	<u>\$133,644</u>	<u>\$318,851</u>
Fund Equity - fund balances - unassigned - undesignated	<u>\$651,326</u>	<u>\$192,973</u>	<u>\$852,932</u>	<u>\$32,110</u>	<u>\$4,726</u>	<u>\$290,061</u>	<u>\$48,379</u>	<u>\$2,139,180</u>
TOTAL LIABILITIES AND FUND EQUITY								
	\$685,484	\$197,001	\$853,526	\$70,146	\$4,726	\$297,944	\$82,023	\$2,458,031

DESDO PARISH POLICE JURY
 Mandeville, Louisiana
SPECIAL DISTRICT PENNS

Comparing Schedule of Revenues, Expenditures,
 and Changes in Fund Balances
 For the Year Ended December 31, 1997

	ROAD	LIBRARY	WATER	SOLID WASTE	CRIMINAL JUSTICE	APPROX.	SALES TAX	COAST PROTECT.	HEALTH CARE	TOTAL
REVENUES										
Taxes:										
Ad valorem	\$693,879			\$811,564			\$2,214,001	\$186,798		\$1,852,825
Sales and use										2,214,001
Intergovernmental revenues:										
Federal funds - Federal grants					\$16,671					
State funds:										
Parish transportation funds	418,372									418,372
Revenue to	489,809									489,809
State revenue sharing fund	25,851									25,851
Other state funds		\$14,349		\$3,990						18,339
Local funds		2,800								2,800
Fees, charges, and commissions		18,133		\$61,321	6,624					86,078
Fines and forfeitures					\$253,383					253,383
Use of money and property	2,790	18,181		34,821	1,328	421	1,001	5,790	1,254	71,599
Other revenues	3,250								118	3,368
Total revenues	1,793,872	44,663		3,178,787	260,941	31,231	2,215,001	192,588	5,688,488	11,463,754
EXPENDITURES										
Current:										
General government:										
Judicial					178,980		4,267			183,247
Financial and administrative										
Public safety		445,761		699,720						1,145,481
Public works	2,363,777									2,363,777
Health and welfare								3,698,488		3,698,488
Culture and recreation		23,485								23,485
Transportation									44,687	44,687
Debt service	164,769			467,665						632,434

Capital stock	200,000	200,000	1,422	1,322,559	5,816	5,216	2,506	300	1,550,647
Intergovernmental					16,415	15,712			105,171
Total expenditures	<u>1,777,468</u>	<u>111,052</u>	<u>448,103</u>	<u>2,460,084</u>	<u>268,415</u>	<u>44,937</u>	<u>203,309</u>	<u>3,698,693</u>	<u>12,665,061</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>1,080,536</u>	<u>665,269</u>	<u>(433,049)</u>	<u>(1,290,387)</u>	<u>(113,478)</u>	<u>(172,664)</u>	<u>2,147,417</u>	<u>(6,813)</u>	<u>(1,213,708)</u>
OTHER FINANCING SOURCES (1) AND									
Sale of fixed assets	52	715	6,000	790					747
Compensation for property damage		787							787
Increase in capital loans	194,775		207,781	17,000					582,556
Operating transfer in	1,057,308	156,834	443,919	17,000				1,600	2,384,150
Operating transfer out									<u>(2,147,417)</u>
Total other financing sources (net)	<u>1,249,058</u>	<u>118,196</u>	<u>449,599</u>	<u>613,651</u>	<u>503,651</u>	<u>(17,380)</u>	<u>(2,147,417)</u>	<u>1,600</u>	<u>797,627</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND									
OTHER USES	224,898	(177,043)	13,526	(694,534)	(114,474)	5,006	50,943	(2,173)	(686,000)
FUND BALANCES (deficit) AT BEGINNING OF YEAR	<u>637,864</u>	<u>311,043</u>	<u>(5,864)</u>	<u>1,320,142</u>	<u>38,777</u>	<u>(537)</u>	<u>50,651</u>	<u>(6,800)</u>	<u>2,431,608</u>
FUND BALANCES AT END OF YEAR	<u>862,762</u>	<u>134,000</u>	<u>87,531</u>	<u>625,608</u>	<u>226,302</u>	<u>56,724</u>	<u>85,611</u>	<u>114,669</u>	<u>17,254,921</u>

DESOYO PARISH POLICE JURY
 Metairie, Louisiana
 SPECIAL REVENUE - HEALTH AND WELFARE FUNDS

Combining Balance Sheet, December 31, 1997

	<u>RENTAL ASSURANCE</u>	<u>COMM. SERVICES</u>	<u>TOTAL</u>
ASSETS			
Cash and cash equivalents	\$85,192	\$5,088	\$90,280
Receivables	<u>450</u>	<u>75,583</u>	<u>76,033</u>
TOTAL ASSETS	<u>\$85,642</u>	<u>\$78,671</u>	<u>\$164,313</u>
LIABILITIES AND FUND EQUITY			
Liabilities			
Accounts payable	\$142	\$472	\$614
Due to other funds	779	62,000	62,779
Deferred revenues	<u>64,731</u>	<u>65,472</u>	<u>130,203</u>
Total Liabilities	<u>65,652</u>	<u>68,944</u>	<u>134,596</u>
Fund Equity - fund balance - unreserved - undesignated	<u>NONE</u>	<u>15,899</u>	<u>15,899</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$65,652</u>	<u>\$78,671</u>	<u>\$144,323</u>

DEBOTE PARISH POLICE JURY
Monroe, Louisiana
SPECIAL REVENUE - HEALTH AND WELFARE FUNDS

*Combining Schedule of Revenues, Expenditures,
and Changes in Fund Balances*

For the Year Ended December 31, 1997

	<u>GENERAL ASSISTANCE</u>	<u>COMM. SERVICES</u>	<u>IRA</u>	<u>TOTAL</u>
REVENUES				
Federal funds- federal grants	\$322,981	\$338,581	\$4,827,672	\$8,489,234
Use of money and property	3,236			3,236
Other revenues		280		280
Total revenues	<u>326,217</u>	<u>338,861</u>	<u>4,827,672</u>	<u>5,492,550</u>
EXPENDITURES				
Current:				
Health and welfare	326,217	344,681	4,827,672	5,498,570
Capital outlay		200		200
Total expenditures	<u>326,217</u>	<u>344,881</u>	<u>4,827,672</u>	<u>5,498,960</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>NONE</u>	<u>(6,020)</u>	<u>NONE</u>	<u>(6,020)</u>
OTHER FINANCING SOURCE				
Operating transfers to		1,800		1,800
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCE OVER EXPENDITURES	<u>NONE</u>	<u>(5,018)</u>	<u>NONE</u>	<u>(5,018)</u>
FUND BALANCES AT BEGINNING OF YEAR	<u>NONE</u>	<u>30,989</u>	<u>NONE</u>	<u>30,989</u>
FUND BALANCES AT END OF YEAR	<u>NONE</u>	<u>\$15,989</u>	<u>NONE</u>	<u>\$15,989</u>

DEBOTO PARISH POLICE JURY
Mansfield, Louisiana
SUPPLEMENTAL INFORMATION SCHEDULES
As of and for the Year Ended December 31, 1997

COMPENSATION PAID POLICE JURORS

The schedule of compensation paid to police jurors is presented in compliance with House Concurrent Resolution No. 34 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.

DEBOTO PARISH POLICE JURY
Mansfield, Louisiana

Schedule of Compensation Paid Police Jurors
As of and For the Year Ended December 31, 1997

L. W. Bagley	\$7,200
L. C. Blum, Jr.	7,200
Richard T. Burford, Sr.	7,200
Marlin Cannon, President	8,573
Haye P. Evans	7,200
S. Mayweather	7,200
A.W. McDonald, Jr., Past President	7,227
B. Dewayne Mitchell	7,200
Bernard Shadoin	7,200
Forsley White, Jr.	7,200
Wayne Williams	<u>7,200</u>
 Total	 <u>\$81,400</u>

**Independent Auditor's Report 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, *Audit 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**

DESO TO PARISH POLICE JURY
Mandeville, Louisiana

MEMBER BUSINESS
OFFICE OF CERTIFIED
PUBLIC ACCOUNTANTS

SOCIETY OF ACCOUNTS
INTERNATIONAL
MEMBERSHIP

MEMBER LICENSED IN
GOVERNMENTAL,
AGRICULTURAL, AUDITING
AND PERSONAL SERVICES

I have audited the primary government financial statements of the DeSoto Parish Police Jury as of and for the year ended December 31, 1997, and have issued my report thereon dated May 21, 1998. 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 DeSoto 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 those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered DeSoto 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 judgement, could adversely affect the DeSoto 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 97-1, 97-2, 97-3.

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DEBOTE PARISH POLICE JURY

Metairie, Louisiana

Independent Auditor's Report on Compliance

And Internal Control Over Financial Reporting, etc.

December 31, 1997

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 is a material weakness.

This report is intended for the information of the members of the DeBote Parish Police Jury, management of the police jury, 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

May 21, 1998



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

DESOLO PARISH POLICE JURY
Mansfield, Louisiana

**MEMBER AMERICAN
INSTITUTE OF CERTIFIED
PUBLIC ACCOUNTANTS**

**SOCIETY OF CHARTERED
CERTIFIED PUBLIC
ACCOUNTANTS**

**FRATERNITY AFFILIATE TO
GOVERNMENTAL,
ACCOUNTING, AUDITING
AND FINANCIAL REPORTING**

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 its major federal programs for the year ended December 31, 1997. 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 its major federal programs are the responsibility of the DeSoto Parish Police Jury's management. 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 States, Local Governments, 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.

In my opinion, DeSoto 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, 1997. However, the results of my auditing procedures disclosed an instance of noncompliance with these requirements that is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item number 97-4.

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DESOIS 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, 1997**

Internal Control Over Compliance:

The management of the DeSois 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 DeSois Parish Police Jury's internal control over compliance with requirements that could have a direct and material effect on its major federal programs 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.

I noted a certain matter involving the internal control over compliance and its operation that I considered to be a reportable condition. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in my judgment, could adversely affect the DeSois Parish Police Jury's ability to administer a major federal program in accordance with applicable requirements of law, regulations, contracts and grants. A reportable condition is described in the accompanying schedule of findings and question costs as item 97-4.

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. Our consideration of the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, I do not believe the reportable condition described above is a material weakness.

This report is intended for the information of the members of the DeSois Parish Police Jury, management of the police jury, 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
May 21, 1998

DESOVO PARISH POLICE JURY
Mansfield, LouisianaSchedule of Findings and Questioned Costs
For the Year Ended December 31, 1997**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. Three reportable conditions relating to the audit of the financial statements are reported in the Independent Auditor's Report on Compliance and Internal Control Over Financial Reporting. The reportable conditions were not considered material weaknesses.
3. No instances of noncompliance material to the financial statements of the DeSoto Parish Police Jury were disclosed during the audit.
4. No reportable conditions relating to the audit of the major federal award programs are 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 Housing and Urban Development-CDBG Grant - CFDA 14.228
 - b. United States Department of Labor - Job Training Partnership Act - CFDA 17.250
 - c. Food Stamp Cluster:
 1. USDA Food Stamp Program - CFDA 10.551
 2. USDA Food Stamp Administration - CFDA 10.561

(Continued)

DESOVO PARISH POLICE JURY
 Metairie, Louisiana

Schedule of Findings and Questioned Costs (Continued)
 For the Year Ended December 31, 1997

7. The programs listed as major programs included: (cont.)

4. Section 8 Cluster:

1. Lower-Income Housing Assistance Program - Certificates - CFDA 14.837
2. Lower-Income Housing Assistance Program - Vouchers - CFDA 14.835

8. The threshold for distinguishing Type A and B programs was \$300,000.

9. The Desoto Parish Police Jury was not determined to be a low-risk auditee.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

**95-1 Need to Maintain Proper Support
 For Payroll Expenditures**

Finding: My test of payroll expenditures disclosed the following deficiencies (a) 111 out of 148 or 75% of time cards examined lacked a supervisor's signature, (b) 66 out of 110 or 60% of time cards examined did not have the employee's signature, (c) 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 being paid overtime are not getting approval for such overtime. From my examination of the payroll records I also determined that every department maintains different time records. For example during our audit period the following different systems were utilized: time sheets, time cards, calendars, and slips of paper on the wall. In addition, most of these records are not being turned into the police jury office therefore, it is impossible for the person doing payroll to match hours worked to the hours the employee is being paid for. Proper internal control dictates that evidence be present to support management's assertion that payroll expenditures are for work performed or authorized leave. Lack of signed time sheets, by the supervisor and the employee, precludes the police jury from providing this evidence.

DESOUDRE PARISH POLICE JURY
Marrfield, LouisianaSchedule of Findings and Questioned Costs (Continued)
For the Year Ended December 31, 1997

Recommendation: A uniform system for tracking employee time should be implemented. In addition, all time cards should be signed by the employee and the employee's supervisor. If overtime is maintained separately, this should also be signed by the employee and the employer'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.

93-2 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 January through April of 1998. From discussions with the treasurer, I determined the receipts were not posted because the general ledger for the year ended December 31, 1997 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 four months of 1998. 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.

97-3 Need to Compile List of Customer Deposits

During my examination of the records of the Eastside Sewer District I determined that there is not a list of customer deposits. Upon further examination, I determined that several deposits were paid during the year ended December 31, 1997. The amounts paid for customer deposits were included as revenues from user fees in the general ledger. It is my understanding that many deposits were paid before the police jury took over operation of the Sewer District. However, the police jury now has a fiduciary responsibility to maintain a complete list of customers with the amount they have on deposit.

Recommendation: I recommend 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.

DESO TO PARISH POLICE JURY
Minden, LouisianaSchedule of Findings and Questioned Costs (Continued)
For the Year Ended December 31, 1997**C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL
AWARD PROGRAMS AUDIT****97-4 Section 8 Reports Should be
Filed in a Timely Manner**

During my examination Section 8 program I noted the following deficiencies: (1) The balance sheet and operating statement were not prepared and submitted to the Department of Housing and Urban Development as required and (2) the amounts shown on the Requisition for Partial Payment of Annual Contributions, which shows the amount of funds to be received during the year, does not agree to the records maintained by the police jury office. The Department of Housing and Urban Development granted Calhoun Property Management, the management firm who is responsible for compiling the year end reports, an extension to February 17, 1998 to file the required reports, however, as of May 21, 1998 the reports have still not been filed. These problems are a result of the fact that the person who was responsible for preparing these reports is no longer employed at the agency and no one else was aware of the requirement to file reports at year end.

Recommendation: 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.

(Continued)

Fiscal through Office of the Governor,					
Division of Administration - Community					
Development Block Grant (State's Program)					
14-128	101-500062	11,429	441,359	441,359	140048
Fiscal through Office of Housing and					
Urban Development - Emergency Shelter Grants Program					
14-131	1100791119	50,058	14,784	14,784	1,481
		<u>101,487</u>	<u>459,143</u>	<u>459,143</u>	<u>144,829</u>
United States Department of Labor					
Fiscal through Louisiana Department of					
Labor - Job Training Partnership Act					
17-150	90548	60,541	4,871,671	4,871,671	19,761
Federal Emergency Management Agency					
Administrative costs - Civil Defense					
85-801	90548	1,800	15,744	15,744	1,792
85-111	90548	5,194	4,444	4,444	79,051
		<u>6,994</u>	<u>20,188</u>	<u>20,188</u>	<u>1,583</u>
Total Federal Emergency Management Agency					
United States Department of Transportation					
Fiscal through Louisiana Department of					
Transportation and Development - Public					
Transportation for Non-Urbanized Areas					
20-309	1-1-10-10101	11,192	61,567	61,567	11,461
		<u>11,192</u>	<u>61,567</u>	<u>61,567</u>	<u>11,461</u>
		<u>123,179</u>	<u>5,392,318</u>	<u>5,392,318</u>	<u>176,651</u>

FOOTNOTES:

- (1) The Schedule of Federal awards was prepared on the modified accrual basis of accounting.
- (2) If fiscal year/terminates at December 31.

DESOUDO PARISH POLICE JURY
Mansfield, Louisiana

Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 1997

There were no audit findings reported in the audit for the year ended December 31, 1996.

DE SOTO PARISH POLICE JURY

P. O. BOX 886 PHONE 873-9738 FAX 873-6848
MONROE, LOUISIANA 71201

Vernon R. Coon
Certified Public Accountant
118 Professional Drive
West Monroe, LA 71291

Dear Mr. Coon:

The following is action to be taken to comply with your recommendations:

Subject: Section I Internal Control and Compliance Material to the Financial Statements

97-1 Need to Maintain Proper Support for Payroll Expenditures.

The Jury voted at the May 13, 1998 Regular Meeting that all the Police Jury Employees would use the time clock. The employees will sign the card and it will also be signed by the supervisor.

97-2 Need to Post Receipts in a Timely Manner.

Before closing the GL for the year, there is information needed from various departments. When this information has been posted to the GL, the year is closed. Then the receipts are keyed into the GL. In the meantime, I do a manual Receipts GL to be able to provide financial status reports for the Jurors and various departments. Since our computer system does not have the capabilities of starting the new year while hold the old year open we have issued a PO to order a new system. This is also required because our system cannot be upgraded to handle the year 2000.

97-3 Need to Compile List of Customer Deposits.

When the Eastside Sewerage System was taken over by the Police Jury, they contracted with Integrity Utility Services, Inc. to manage the system. Aaron and Cheryl Coats have a list of the customers and only two have paid deposits since they have had the program. They will make every effort to see if any of the other customers on the system paid deposits to the previous administration.

Page 2
Vernon Coon

Subject: Section II Internal Control and Compliance
Material to Federal Awards

93-4 Section 8 reports should be filed in a timely manner.

Debbie Amos with Calhoun Property Management and Todd Little, a CPA contracted by CPM are working with HUD to learn how to do the financial statements required. They in turn will show Rick Brown. He is a CPA on CPM staff. This should resolve the problem and insure that the required reports will be filed in a timely manner.

If additional information is needed, do not hesitate to contact me. Thank you.

Sincerely,

DEBOTO PARISH POLICE JURY


Betty A. Woods
Parish Treasurer

BAW:umc