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**DESOTO PARISH POLICE JURY**  
Mansfield, Louisiana

**Primary Government Financial Statements  
With Independent Auditor's Report  
As of and for the Year Ended  
December 31, 1999  
With Supplemental Information Schedules**

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

Release Date JUL 2 6 2000

**VERNON R  
COON**  
CERTIFIED PUBLIC ACCOUNTANT

DESOTO PARISH POLICE JURY  
Mansfield, Louisiana

Primary Government Financial Statements  
With Independent Auditor's Report  
As of and for the Year Ended December 31, 1999  
With Supplemental Information Schedules

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## Independent Auditor's Report

### DESOTO PARISH POLICE JURY Mansfield, Louisiana

I have audited the primary government financial statements of the DeSoto Parish Police Jury, as of December 31, 1999, and for the year then ended, as listed in the table of contents. These primary government financial statements are the responsibility of the DeSoto 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. Those 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 respects, the financial position of the primary government of DeSoto Parish Police Jury, as of December 31, 1999, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles.

However, the primary government financial statements, because they do not include the financial data of component units of the DeSoto Parish Police Jury, do not purport to, and do not, present fairly the financial position of the DeSoto Parish Police Jury at December 31, 1999, and results of its operations for the year then ended in conformity with generally accepted accounting principles.

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DESOTO PARISH POLICE JURY

Mansfield, Louisiana  
Independent Auditor's Report,  
December 31, 1999

As discussed in note 17, the DeSoto Parish Police Jury is currently not responsible for closure and post closure costs of the parish landfill. Due to a 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.

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, *Audits 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 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 *Government Auditing Standards*, I have also issued a report dated June 29, 2000, on my consideration of the DeSoto Parish Police Jury's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of my audit.



West Monroe, Louisiana  
June 29, 2000

**PRIMARY GOVERNMENT FINANCIAL STATEMENTS  
(OVERVIEW)**

DESOTO PARISH POLICE JURY  
Mansfield, Louisiana  
ALL FUND TYPES AND ACCOUNT GROUPS

Combined Balance Sheet, December 31, 1999

	....GOVERNMENTAL FUND TYPE....			PROPRIETARY FUND TYPE EASTSIDE SEWER FUND	....ACCOUNT GROUPS....		TOTAL (MEMORANDUM ONLY)
	GENERAL FUND	SPECIAL REVENUE FUNDS	CAPITAL PROJECTS FUND		GENERAL FIXED ASSETS	GENERAL LONG-TERM OBLIGATIONS	
Cash and cash equivalents	\$1,140,823	\$678,313	\$109	\$7,593			\$1,826,838
Investments	6,184,019	319,818					6,503,837
Receivables	1,418,387	2,181,592		6,298			3,606,277
Due from other funds	107,824	40,213					148,037
Prepaid expenses	27,555	160,514					188,069
Total current assets	<u>8,878,608</u>	<u>3,380,450</u>	<u>109</u>	<u>13,891</u>	<u>NONE</u>	<u>NONE</u>	<u>12,273,058</u>
Restricted assets - cash on deposit				240			240
Land, buildings, equipment, and improvements (net of accumulated depreciation)				247,551	\$22,330,114		22,577,665
Amount to be provided for retirement of general long-term obligations						\$5,679,660	5,679,660
<b>TOTAL ASSETS AND OTHER DEBITS</b>	<u>\$8,878,608</u>	<u>\$3,380,450</u>	<u>\$109</u>	<u>\$261,682</u>	<u>\$22,330,114</u>	<u>\$5,679,660</u>	<u>\$40,530,623</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, buildings, equipment, and improvements  
(net of accumulated depreciation)  
Amount 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  
Deferred revenues  
Certificate of indebtedness  
General obligation bonds  
Capital leases payable  
Compensated absences payable  
Total liabilities  
Current liabilities (payable from restricted assets) -  
customer deposits

Accounts payable	\$53,386	\$120,100		\$709			\$174,195
Due to other funds	400	147,637					148,037
Deferred revenues		136,678					136,678
Certificate of indebtedness					\$315,000		315,000
General obligation bonds					4,700,000		4,700,000
Capital leases payable					535,431		535,431
Compensated absences payable					129,229		129,229
Total liabilities	<u>53,786</u>	<u>404,415</u>	<u>NONE</u>	<u>709</u>	<u>NONE</u>	<u>5,679,660</u>	<u>6,138,570</u>
Current liabilities (payable from restricted assets) - customer deposits				240			240

Fund Equity:						
Contributed capital		247,450				247,450
Investment in general fixed assets					\$22,330,114	22,330,114
Retained earnings - unreserved - undesignated		13,283				13,283
Fund balances - unreserved - undesignated	8,824,822	2,976,035	\$109			11,800,966
Total Fund Equity	<u>8,824,822</u>	<u>2,976,035</u>	<u>109</u>	<u>260,733</u>	<u>22,330,114</u>	<u>34,391,813</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$8,878,608</u>	<u>\$3,380,450</u>	<u>\$109</u>	<u>\$261,682</u>	<u>\$22,330,114</u>	<u>\$40,530,623</u>

The accompanying notes are an integral part of this statement.



DESOTO PARISH POLICE JURY  
Mansfield, Louisiana  
GOVERNMENTAL FUND TYPE

Combined Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
For the Year Ended December 31, 1999

	GENERAL FUND	SPECIAL REVENUE FUNDS	CAPITAL PROJECTS FUND	TOTAL (MEMORANDUM ONLY)
<b>REVENUES</b>				
Taxes:				
Ad valorem	\$1,221,024	\$1,882,117		\$3,103,141
Sales and use		2,601,854		2,601,854
Licenses and permits	82,121			82,121
Intergovernmental revenues:				
Federal funds - federal grants	77,458	6,031,642	\$47,922	6,157,022
State funds:				
Parish transportation funds		370,832		370,832
Severance taxes	1,257,230	230,000		1,487,230
State revenue sharing (net)	23,653	38,757		62,410
Other	158,948	253,401		412,349
Local funds	12,056	8,100		20,156
Fees, charges, and commissions for services	70,482	368,941		439,423
Fines and forfeitures		274,621		274,621
Use of money and property	376,689	84,227	109	461,025
Other revenues	3,911	4,404		8,315
Total revenues	<u>3,283,572</u>	<u>12,148,896</u>	<u>48,031</u>	<u>15,480,499</u>
<b>EXPENDITURES</b>				
Current:				
General government:				
Legislative	157,946			157,946
Judicial	345,746	288,054		633,800
Elections	34,825			34,825
Finance and administrative	241,756	50,743		292,499
Other general government	197,210			197,210
Public safety	83,406	670,550		753,956
Public works		4,095,189		4,095,189
Health and welfare	14,699	6,038,543		6,053,242
Culture and recreation	9,736	549,296		559,032
Economic development and assistance	95,125			95,125
Transportation		52,487		52,487

(Continued)

DESOTO PARISH POLICE JURY  
Mansfield, Louisiana  
GOVERNMENTAL FUND TYPE - GENERAL  
AND SPECIAL REVENUE FUNDS

Combined Statement of Revenues, Expenditures,  
and Changes in Fund Balances - Budget  
(Non-GAAP Basis) and Actual  
For the Year Ended December 31, 1999

	.....GENERAL FUND.....			...SPECIAL REVENUE FUNDS...		
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<b>REVENUES</b>						
Taxes:						
Ad valorem taxes	\$1,175,170	\$1,221,024	\$45,854	\$1,811,695	\$1,882,117	\$70,422
Sales and use taxes				2,601,854	2,601,854	
Licenses and permits	82,121	82,121				
Intergovernmental revenues:						
Federal funds - federal grants	95,635	42,761	(52,874)	6,042,779	6,031,642	(11,137)
State funds:						
Parish transportation funds				370,832	370,832	
Severance tax	1,257,230	1,257,230		230,000	230,000	
State revenue sharing (net)	25,161	23,653	(1,508)	38,757	38,757	
Other state grants	137,693	158,947	21,254	253,401	253,401	
Local funds	12,057	12,057		8,100	8,100	
Fees, charges, and commissions for services	70,482	70,482		368,525	368,941	416
Fines and forfeitures				274,621	274,621	
Use of money and property	390,150	376,689	(13,461)	84,267	84,227	(40)
Other revenues	717	3,911	3,194	3,968	4,404	436
Total revenues	<u>3,246,416</u>	<u>3,248,875</u>	<u>2,459</u>	<u>12,088,799</u>	<u>12,148,896</u>	<u>60,097</u>
<b>EXPENDITURES</b>						
Current:						
General government:						
Legislative	151,548	157,946	(6,398)			
Judicial	360,485	345,746	14,739	281,556	288,054	(6,498)
Elections	37,074	34,825	2,249			
Finance and administrative	330,958	241,756	89,202	47,743	50,743	(3,000)
Other general government	149,607	197,210	(47,603)			
Public safety	83,480	83,406	74	661,414	670,550	(9,136)
Public works				4,186,177	4,095,189	90,988
Health and welfare	14,417	14,699	(282)	6,043,331	6,038,543	4,788
Culture and recreation	9,406	9,736	(330)	557,861	549,296	8,565

(Continued)

DESOTO PARISH POLICE JURY  
Mansfield, Louisiana  
GOVERNMENTAL FUND TYPE - GENERAL  
AND SPECIAL REVENUE FUNDS  
Combined Statement of Revenues, Expenditures,  
and Changes in Fund Balances - Budget  
(Non-GAAP Basis) and Actual, etc.

	.....GENERAL FUND.....			...SPECIAL REVENUE FUNDS...		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>EXPENDITURES: (Contd.)</b>						
Current: (Contd.)						
Economic development and assistance	\$94,963	\$95,125	(\$162)			
Transportation				\$52,032	\$52,487	(\$455)
Debt service	358,054	358,054		625,954	625,952	2
Capital outlay	1,010,185	1,027,577	(17,392)	440,494	577,360	(136,866)
Intergovernmental				26,198	24,522	1,676
Total expenditures	<u>2,600,177</u>	<u>2,566,080</u>	<u>34,097</u>	<u>12,922,760</u>	<u>12,972,696</u>	<u>(49,936)</u>
<b>EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES</b>	<u>646,239</u>	<u>682,795</u>	<u>36,556</u>	<u>(833,961)</u>	<u>(823,800)</u>	<u>(10,161)</u>
<b>OTHER FINANCING SOURCES (Uses)</b>						
Sale of fixed assets				986	986	
Compensation for loss of assets				36,725	36,725	
Operating transfers in	150,000	150,000		2,678,593	2,678,593	
Operating transfers out	(145,000)	(145,000)		(2,683,593)	(2,683,593)	
Total other financing sources (uses)	<u>5,000</u>	<u>5,000</u>	<u>NONE</u>	<u>32,711</u>	<u>32,711</u>	<u>NONE</u>
<b>EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</b>	<u>651,239</u>	<u>687,795</u>	<u>36,556</u>	<u>(801,250)</u>	<u>(791,089)</u>	<u>10,161</u>
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	<u>NONE</u>	<u>8,102,330</u>	<u>8,102,330</u>	<u>834,057</u>	<u>3,293,924</u>	<u>2,459,867</u>
<b>FUND BALANCES AT END OF YEAR</b>	<u>\$651,239</u>	<u>\$8,790,125</u>	<u>\$8,138,886</u>	<u>\$32,807</u>	<u>\$2,502,835</u>	<u>\$2,470,028</u>

(Concluded)

The accompanying notes are an integral part of this statement.

DESOTO 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, 1999

<b>OPERATING REVENUES</b>	
Charges for services	<u>\$32,854</u>
<b>OPERATING EXPENSES</b>	
General and administrative	20,440
Official fees	925
Professional fees	1,260
Materials, supplies, and repairs	3,573
Utilities and communications	5,503
Depreciation expense	<u>23,829</u>
Total operating expenses	<u>55,530</u>
<b>OPERATING INCOME (Loss)</b>	<b>(22,676)</b>
Add depreciation on fixed assets acquired with contributed capital	23,728
<b>RETAINED EARNINGS (Deficit) AT BEGINNING OF YEAR</b>	<u>12,231</u>
<b>RETAINED EARNINGS (Deficit) AT END OF YEAR</b>	<u><u>\$13,283</u></u>

The accompanying notes are an integral part of this statement.

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

Statement of Cash Flows  
For the Year Ended December 31, 1999

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Operating Income (Loss)	<u>(\$22,673)</u>
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Depreciation expense	23,829
Increase in accounts receivable	(1,616)
Increase in accounts payable	568
Total adjustments	<u>22,781</u>
Net cash provided by operating activities	<u>108</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	108
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<u>7,725</u>
<b>CASH AT END OF YEAR</b>	<u><u>\$7,833</u></u>

The accompanying notes are an integral part of this statement.

**DESOTO PARISH POLICE JURY**  
Mansfield, Louisiana

Notes to the Financial Statements  
As of and for the Year Ended December 31, 1999

**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 2004.

Louisiana Revised Statute 33:1236 gives the police jury various powers in regulating and directing the affairs of the parish and its inhabitants. The more notable of those 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:

DESOTO PARISH POLICE JURY  
Mansfield, 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:

<u>Component Unit</u>	<u>Fiscal Year End</u>	<u>Criteria Used</u>
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
Sheriff	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

## DESOTO PARISH POLICE JURY

Mansfield, Louisiana

### Notes to the Financial Statements (Continued)

The police jury has chosen to issue financial statements of the primary government (police jury) only; therefore, none of the previously listed component units, except as discussed in the following paragraph, are included in the accompanying primary government financial statements.

These 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, 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 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 fiscally 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 fixed assets and general long-term obligations) that are not recorded in the "funds" because they do not directly affect net expendable available



DESOTO PARISH POLICE JURY  
Mansfield, 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. Those 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.

**Capital Projects Fund**

The capital projects fund account for financial resources received and used for the acquisition, construction, or improvement of capital facilities not reported in the other governmental funds.

**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 70 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 32 per cent of the library's fixed assets are valued at actual cost while the remaining 68 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

DESOTO PARISH POLICE JURY  
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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. 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.

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.

DESOTO PARISH POLICE JURY  
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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 (Uses)**

Sale of fixed assets, compensation for loss of assets, proceeds from general obligation bonds, 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 ensuing 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.

DESOTO PARISH POLICE JURY  
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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 judgement, 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, 1999, the police jury adopted modified accrual based budgets except for the exclusion of capital lease transactions (Non-GAAP) for all special revenue funds.

Budget comparison statements included in the accompanying financial statements include the original adopted budgets 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):

	Special Revenue Funds
Excess of revenues and other sources over expenditures and other use (Non-GAAP)	(\$791,089)
Adjustments:	
Increase in capital lease	<u>113,900</u>
Excess of revenues and other sources over expenditures and other uses (GAAP basis)	<u><u>(\$677,189)</u></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. At December 31, 1999, the police jury has cash and cash equivalents (book balances) totaling \$1,827,078 as follows:

DESOTO PARISH POLICE JURY  
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Notes to the Financial Statements (Continued)

Demand deposits	\$858,078
Time deposits	<u>969,000</u>
Total	<u><u>\$1,827,078</u></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, 1999, are secured as follows:

Bank Balances	<u>\$2,193,620</u>
Federal deposit insurance	\$200,000
Pledged securities (uncollateralized)	<u>5,670,156</u>
Total	<u><u>\$5,870,156</u></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 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the police jury that the fiscal agent bank has failed to pay deposited funds upon demand. Further, LRS 39:1224 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, all highly liquid investments with a maturity of three months or less when purchased are considered 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, 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 organized under the laws of the State of Louisiana, which operates a local government investment pool. At December 31, 1999, the police jury had

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Notes to the Financial Statements (Continued)

investments in LAMP totaling \$6,503,837, which is stated at cost and approximates market.

In accordance with GASB Codification 150.165 the investment in LAMP at December 31, 1999, 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 those 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 succeeding years. Employees earn 6 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.

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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, 1999, employees have accumulated and vested \$129,229 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.

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

**K. 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



## DESOTO PARISH POLICE JURY

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## 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.

**L. RISK MANAGEMENT**

The police jury is exposed to various risk of loss related to general liability; torts; 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 surety 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, 1999:

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
Parishwide taxes:			
General Fund	4.00	3.68	Indefinite
Road Maintenance	5.00	5.03	2003
E -911	1.00	1.01	2008
Landfill	5.00	5.03	2005
Courthouse Maintenance	Variable	1.00	2017
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 1999 assessed valuation:

	<u>1999 Assessed Valuation</u>	<u>Per cent of Total Assessed Valuation</u>
Central LA Electric Co.	\$38,303,859	19.35%
International Paper Co.	34,585,761	17.47%

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Notes to the Financial Statements (Continued)

	1999 Assessed Valuation	Per cent of Total Assessed Valuation
Southwestern Electric Power	\$31,598,159	15.96%
Dolet Hills Mining Venture	4,233,610	2.14%
Northeast Texas Electric	3,081,128	1.56%
South Central Bell	2,811,560	1.42%
Oklahoma Municipal Power	2,224,800	1.12%
Southern Natural Gas Co.	1,939,410	0.98%
J-W Operating Co.	1,902,830	0.96%
El Paso Production Company	1,697,266	0.86%
Total	<u>\$122,378,383</u>	<u>61.82%</u>

**3. RECEIVABLES**

The following is a summary of receivables at December 31, 1999:

	General Fund	Special Revenue Funds	Eastside Sewer Enterprise Fund	Total
Taxes:				
Ad valorem	\$1,183,515	\$1,823,074		\$3,006,589
Sales		39,814		39,814
Grants:				
Federal	37,398	39,637		77,035
State	184,897	140,838		325,735
Fees, charges, and commissions	5,390	113,349	\$6,298	125,037
Fines and Forfeitures		23,991		23,991
Use of money and property	6,747			6,747
Other	440	889		1,329
Total	<u>\$1,418,387</u>	<u>\$2,181,592</u>	<u>\$6,298</u>	<u>\$3,606,277</u>

**4. CHANGES IN GENERAL FIXED ASSETS**

The following schedule presents changes in general fixed assets for the year ended December 31, 1999:

DESOTO PARISH POLICE JURY  
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Notes to the Financial Statements (Continued)

	Balance January 1	Additions	Deletions	Balance December 31
<b>Police Jury:</b>				
Land	\$1,767,511			\$1,767,511
Buildings and improvements	10,300,801	\$1,153,835		11,454,636
Improvements other than buildings	756,381			756,381
Furniture and equipment	4,168,430	340,177	(\$8,971)	4,499,636
Fixed assets under capital lease	1,312,141	113,900	(156,900)	1,269,141
Construction in progress - CDBG	NONE	39,160		39,160
Sub-total	<u>18,305,264</u>	<u>1,647,072</u>	<u>(165,871)</u>	<u>19,786,465</u>
<b>Library:</b>				
Land	38,950			38,950
Buildings and improvements	283,803			283,803
Equipment and furniture	427,769	57,205	(1,923)	483,051
Books and reference materials	1,590,702	158,163	(11,020)	1,737,845
Sub-total	<u>2,341,224</u>	<u>215,368</u>	<u>(12,943)</u>	<u>2,543,649</u>
Total	<u><u>\$20,646,488</u></u>	<u><u>\$1,862,440</u></u>	<u><u>(\$178,814)</u></u>	<u><u>\$22,330,114</u></u>

The beginning balance at January 1, 1999 for library books and reference materials has been restated to reflect a change made by agency for average costs of library books, as well as, the beginning balance for buildings and improvements to reflect assets not added in prior year.

A summary of proprietary fund type property, plant, and equipment of the Eastside Sewer District at December 31, 1999, follows:

	Cost	Accumulated Depreciation	Net Book Value
Land	\$10,175		\$10,175
Buildings	505	(\$404)	101
Sewer system	373,375	(186,690)	186,685
Treatment plant	101,180	(50,590)	50,590
Total	<u><u>\$485,235</u></u>	<u><u>(\$237,684)</u></u>	<u><u>\$247,551</u></u>

**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

## DESOTO PARISH POLICE JURY

Mansfield, Louisiana

### Notes to the Financial Statements (Continued)

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, 1999, accumulated amortization on these assets is \$217,721.

#### 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 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 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 70898-4619, 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 DeSoto 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 the DeSoto Parish Police Jury are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer

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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, 1999, 1998, 1997, were \$47,733, \$43,662, and \$42,708, 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 \$406,303 for 1999. Of that amount, \$10,946 was for retiree benefits for 1999.

**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, 1999, the police jury has thirteen capital leases in effect for equipment. The leases had an original recorded amount of \$1,421,041. Lease obligations are retired 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, 1999:

<u>Year</u>	
2000	\$267,809
2001	183,339
2002	83,200
2003	31,698
2004	10,841
Total minimum lease payments	<u>576,887</u>
Less amount representing interest	<u>(41,456)</u>
Present value of net minimum lease payments	<u><u>\$535,431</u></u>

DESOTO PARISH POLICE JURY  
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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, 1999:

	Certificates of Indebtedness	General Obligation Bonds	Capital Leases	Compensated Absences	Total
Long-term obligations at January 1, 1999	\$615,000	\$4,700,000	\$684,991	\$110,323	\$6,110,314
Additions			113,900	65,976	179,876
Deductions	(300,000)		(263,460)	(46,289)	(609,749)
Adjustment <sup>1</sup>				(781)	(781)
Long-term obligations at December 31, 1999	<u>\$315,000</u>	<u>\$4,700,000</u>	<u>\$535,431</u>	<u>\$129,229</u>	<u>\$5,679,660</u>

<sup>1</sup> As discussed in note 1H, upon separation from employment, employees are paid for accumulated leave at their current rate of pay. The beginning balance for compensated absences has been restated to correct a calculation error in the prior year.

Bonded debt at December 31, 1999, 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.	\$315,000
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 \$135,000 to \$380,000 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.	<u>4,700,000</u>
Total bonded debt	<u>\$5,015,000</u>

The annual requirements to amortize all bonded debt outstanding at December 31, 1999, including interest of \$2,348,913 are as follows:

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<u>Year</u>	
2000	\$692,359
2001	367,103
2002	369,903
2003	371,502
2004-2013	3,663,496
2013-2018	<u>1,899,550</u>
Total	<u>\$7,363,913</u>

**10. 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, 1999:

Pollution control revenue refunding bonds totaling \$50,110,000 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.

Pollution control revenue bonds totaling \$27,735,000 were issued August 19, 1993. 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.

Pollution control revenue refunding bonds totaling \$25,000,000 were issued November 17, 1994. Under an agreement entered into between the DeSoto 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,

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and any other costs associated with servicing the debt, are the sole responsibility of International Paper Company.

Pollution control revenue refunding bonds totaling \$19,500,000 were issued April 26, 1995. Under an agreement entered into between the DeSoto 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 DeSoto 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, 1999:

Balance due at January 1, 1999	\$27,445
Amount due	12,046
Amount remitted	<u>(27,445)</u>
Balance due at December 31, 1999	<u><u>\$12,046</u></u>

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

Individual fund balances due from/to other funds at December 31, 1999, are as follows:

	Due from Other Funds	Due to Other Funds
General fund	<u>\$107,824</u>	<u>\$400</u>
Special revenue funds:		
Road	19,907	39



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	Due from Other Funds	Due to Other Funds
Library	\$9,953	
Jail	3,981	
Solid Waste	5,972	
Criminal court		\$12,046
Airport	400	
Sales tax		42,813
Rental assistance		739
Community services		92,000
Total	<u>\$148,037</u>	<u>\$148,037</u>

**13. FUND DEFICITS**

At December 31, 1999, the Jail and Community Services Special Revenue Funds have a deficit fund balance of \$11,237 and \$2,080, respectively. The deficits will be eliminated by reducing expenditures.

**14. LITIGATION AND CLAIMS**

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

**15. 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 10 parishes. On August 16, 1983, the members of the Seventh Planning District, consisting of the Parishes of Bienville, Bossier, Caddo, 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

## DESOTO PARISH POLICE JURY

Mansfield, Louisiana

### Notes to the Financial Statements (Continued)

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.
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 DeSoto 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 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.

## 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

DESOTO PARISH POLICE JURY  
 Mansfield, Louisiana  
 Notes to the Financial Statements (Continued)

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, 1999, commodity foods valued at \$6,649, were received and issued by the police jury.

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

On May 29, 1998, the police jury entered into a contract for management of the landfill with Mundy Sanitary Landfill, LLC . The ownership of the landfill remains with the DeSoto Parish Police Jury. Mundy 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, Mundy 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, Mundy is filing bankruptcy under Chapter 11 (reorganization), and, if successful, they would still be responsible for the closure and post closure cost. If Mundy 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 Mundy 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, 1999.

**17. PRIOR PERIOD ADJUSTMENT**

The beginning retained earnings of the Eastside Sewer District Enterprise Fund has been adjusted to correct an error in calculating prior years' amortization of depreciation on fixed assets purchased with federal grant funds. The following reconciles the prior year ending retained earnings with beginning retained earnings shown on Statement D.

Retained earnings as previously reported	(\$7,432)
Correction of amortized contributed capital	19,663
Retained earnings restated	<u>\$12,231</u>

**SUPPLEMENTAL INFORMATION SCHEDULES**

DESOTO PARISH POLICE JURY  
Mansfield , Louisiana  
SUPPLEMENTAL INFORMATION SCHEDULES  
As of and for the Year Ended December 31, 1999

**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 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 airport 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 DeSoto Parish. Financing is provided by a 5 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 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.

DESOTO PARISH POLICE JURY  
 Mansfield, Louisiana  
 SPECIAL REVENUE FUNDS

Combining Balance Sheet, December 31, 1999

	ROAD	LIBRARY	JAIL	SOLID WASTE	CRIMINAL COURT	AIRPORT	SALES TAX	COMM. DISTRICT	HEALTH AND WELFARE	TOTAL
<b>ASSETS</b>										
Cash and cash equivalents	\$118,350	\$57,796	\$1,870	\$173,236	\$795	\$2,320	\$3,000	\$132,882	\$188,064	\$678,313
Investments		154,870						164,948		319,818
Receivables	965,673	1,582	2,840	929,504	23,298	107	39,814	179,137	39,637	2,181,592
Due from other funds	19,907	9,953	3,981	5,972		400				40,213
Prepaid charges	103,383	4,302		52,359					470	160,514
<b>TOTAL ASSETS</b>	<u>\$1,207,313</u>	<u>\$228,503</u>	<u>\$8,691</u>	<u>\$1,161,071</u>	<u>\$24,093</u>	<u>\$2,827</u>	<u>\$42,814</u>	<u>\$476,967</u>	<u>\$228,171</u>	<u>\$3,380,450</u>
<b>LIABILITIES AND FUND EQUITY</b>										
Liabilities:										
Accounts payable	\$32,348	\$9,557	\$19,928	\$40,317	\$7,575	\$458		\$9,083	\$834	\$120,100
Due to other funds	38				12,046		\$42,814		92,739	147,637
Deferred revenue									136,678	136,678
Total Liabilities	<u>32,386</u>	<u>9,557</u>	<u>19,928</u>	<u>40,317</u>	<u>19,621</u>	<u>458</u>	<u>42,814</u>	<u>9,083</u>	<u>230,251</u>	<u>404,415</u>
Fund Equity - fund balances - unreserved - undesignated	<u>1,174,927</u>	<u>218,946</u>	<u>(11,237)</u>	<u>1,120,754</u>	<u>4,472</u>	<u>2,369</u>	<u>NONE</u>	<u>467,884</u>	<u>(2,080)</u>	<u>2,976,035</u>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<u>\$1,207,313</u>	<u>\$228,503</u>	<u>\$8,691</u>	<u>\$1,161,071</u>	<u>\$24,093</u>	<u>\$2,827</u>	<u>\$42,814</u>	<u>\$476,967</u>	<u>\$228,171</u>	<u>\$3,380,450</u>



DESOTO PARISH POLICE JURY  
Mansfield, Louisiana  
SPECIAL REVENUE FUNDS

Combining Schedule of Revenues, Expenditures,  
and Changes in Fund Balances  
For the Year Ended December 31, 1999

	ROAD	LIBRARY	JAIL	SOLID WASTE	CRIMINAL COURT	AIRPORT	SALES TAX	COMM. DISTRICT	HEALTH AND WELFARE	TOTAL
<b>REVENUES</b>										
Taxes:										
Ad valorem	\$856,000			\$855,946				\$170,171		\$1,882,117
Sales and use							\$2,601,854			2,601,854
Intergovernmental revenues:										
Federal funds - federal grants			\$4,030						\$6,027,612	6,031,642
State funds:										
Parish transportation funds	370,832									370,832
Severance tax	230,000									230,000
State revenue sharing (net)	32,330							6,427		38,757
Other state funds	203,763	\$42,180				\$7,458				253,401
Local funds		8,100								8,100
Fees, charges, and commissions			18,113	225,606		2,675		122,547		368,941
Fines and forfeitures		9,578			\$265,043					274,621
Use of money and property	31,850	9,263		20,269	1,093		2,974	14,793	3,985	84,227
Other revenue	969	2,332		219					884	4,404
Total revenues	<u>1,725,744</u>	<u>71,453</u>	<u>22,143</u>	<u>1,102,040</u>	<u>266,136</u>	<u>10,133</u>	<u>2,604,828</u>	<u>313,938</u>	<u>6,032,481</u>	<u>12,148,896</u>
<b>EXPENDITURES</b>										
Current:										
General government:					288,054					288,054
Judicial							50,743			50,743
Financial and administrative								262,004		670,550
Public safety			408,546							4,095,189
Public works				875,653						6,038,543
Health and welfare									6,038,543	549,296
Culture and recreation	3,219,536									549,296
Transportation						52,487				52,487

Debt service	166,899		432,031		27,022		625,952
Capital outlay	210,849	153,924	197,819	825	2,433	3,740	577,360
Intergovernmental			4,030				24,522
Total expenditures	<u>3,597,284</u>	<u>703,220</u>	<u>1,505,503</u>	<u>288,879</u>	<u>291,459</u>	<u>6,042,283</u>	<u>12,972,696</u>
<b>EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES</b>	<u>(1,871,540)</u>	<u>(631,767)</u>	<u>(403,463)</u>	<u>(22,743)</u>	<u>22,479</u>	<u>(9,802)</u>	<u>(823,800)</u>
<b>OTHER FINANCING SOURCES (Uses)</b>							
Sale of fixed assets	556	430					986
Compensation for property damage	34,378	2,347					36,725
Increase in capital lease	113,900						113,900
Operating transfer in	1,266,797	633,398	380,039		35,000		2,678,593
Operating transfer out			(150,000)				(2,683,593)
Total other financing sources (uses)	<u>1,415,631</u>	<u>636,175</u>	<u>230,039</u>	<u>NONE</u>	<u>35,000</u>	<u>NONE</u>	<u>146,611</u>
<b>EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</b>							
	(455,909)	4,408	(32,844)	(173,424)	22,479	(9,802)	(677,189)
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	<u>1,630,836</u>	<u>214,538</u>	<u>21,607</u>	<u>27,215</u>	<u>445,405</u>	<u>7,722</u>	<u>3,653,224</u>
<b>FUND BALANCES AT END OF YEAR</b>	<u>\$1,174,927</u>	<u>\$218,946</u>	<u>(\$11,237)</u>	<u>\$4,472</u>	<u>NONE</u>	<u>(\$2,080)</u>	<u>\$2,976,035</u>

DESOTO PARISH POLICE JURY  
Mansfield, Louisiana  
SPECIAL REVENUE - HEALTH AND WELFARE FUNDS

Combining Balance Sheet, December 31, 1999

	RENTAL ASSISTANCE	COMM. SERVICES	TOTAL
<b>ASSETS</b>			
Cash and cash equivalents	\$137,417	\$50,647	\$188,064
Prepaid charges		470	470
Receivables		39,637	39,637
<b>TOTAL ASSETS</b>	<b>\$137,417</b>	<b>\$90,754</b>	<b>\$228,171</b>
<b>LIABILITIES AND FUND EQUITY</b>			
Liabilities:			
Accounts payable		\$834	\$834
Due to other funds	\$739	92,000	92,739
Deferred revenue	136,678		136,678
Total Liabilities	137,417	92,834	230,251
Fund Equity - fund balance - unreserved - undesignated	NONE	(2,080)	(2,080)
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$137,417</b>	<b>\$90,754</b>	<b>\$228,171</b>

DESOTO PARISH POLICE JURY  
Mansfield, Louisiana  
SPECIAL REVENUE - HEALTH AND WELFARE FUNDS

Combining Schedule of Revenues, Expenditures,  
and Changes in Fund Balances  
For the Year Ended December 31, 1999

	<u>RENTAL ASSISTANCE</u>	<u>COMM. SERVICES</u>	<u>JTPA</u>	<u>TOTAL</u>
<b>REVENUES</b>				
Federal funds- federal grants	\$515,967	\$253,442	\$5,258,203	\$6,027,612
Use of money and property	3,985			3,985
Other revenues		884		884
Total revenues	<u>519,952</u>	<u>254,326</u>	<u>5,258,203</u>	<u>6,032,481</u>
<b>EXPENDITURES</b>				
Current:				
Health and welfare	519,952	260,388	5,258,203	6,038,543
Capital outlay		3,740		3,740
Total expenditures	<u>519,952</u>	<u>264,128</u>	<u>5,258,203</u>	<u>6,042,283</u>
<b>EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES</b>	<u>NONE</u>	<u>(9,802)</u>	<u>NONE</u>	<u>(9,802)</u>
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	<u>NONE</u>	<u>7,722</u>	<u>NONE</u>	<u>7,722</u>
<b>FUND BALANCES AT END OF YEAR</b>	<u>NONE</u>	<u>(\$2,080)</u>	<u>NONE</u>	<u>(\$2,080)</u>

**DESOTO PARISH POLICE JURY**  
Mansfield , Louisiana  
**SUPPLEMENTAL INFORMATION SCHEDULES**  
As of and for the Year Ended December 31, 1999

**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.

DESOTO PARISH POLICE JURY  
Mansfield, LouisianaSchedule of Compensation Paid Police Jurors  
As of and For the Year Ended December 31, 1999

L. W. Bagley	\$7,200
L. C. Blunt, Jr.	7,200
Richard T. Burford, Sr.	7,200
Marlin Caston, President	8,400
Huey P. Evans	7,200
S. Mayweather	7,200
A.W. McDonald, Jr.	7,200
B. Dewayne Mitchell	7,200
Bernard Shadoin	7,200
Persley White, Jr.	7,200
Wayne Williams	<u>7,200</u>
Total	<u><u>\$80,400</u></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

DESOTO PARISH POLICE JURY  
Mansfield, Louisiana

I have audited the general purpose financial statements of the DeSoto Parish Police Jury as of and for the year ended December 31, 1999, and have issued my report thereon dated June 29, 2000. 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 instance of noncompliance that is required to be reported under *Government Auditing Standards*. However, I did note certain matters that I have communicated to management in a letter dated June 29, 2000.

### 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. 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. A material weakness is a condition in which the design or operation of one or more of

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DESOTO PARISH POLICE JURY

Mansfield, Louisiana

Independent Auditor's Report on Compliance

And Internal Control Over Financial Reporting, etc.

December 31, 1999

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. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

*This report is intended for the information of the members of the DeSoto Parish Police Jury, management of the police jury, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.*

A handwritten signature in black ink, appearing to be 'V. Smith', written in a cursive style.

West Monroe, Louisiana

June 29, 2000



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

DESOTO PARISH POLICE JURY  
Mansfield, 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, 1999. 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, *Audits of States, Local Governments, and Non-Profit Organizations*. Those 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 those 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 those 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, 1999. The results of my auditing procedures disclosed no instances of noncompliance with those requirements that are required to be reported in accordance with OMB Circular A-133.

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DESOTO PARISH POLICE JURY

Mansfield, Louisiana

Independent Auditor's Report on Compliance

With Requirements Applicable to Each Major

Program and Internal Control Over Compliance, etc.

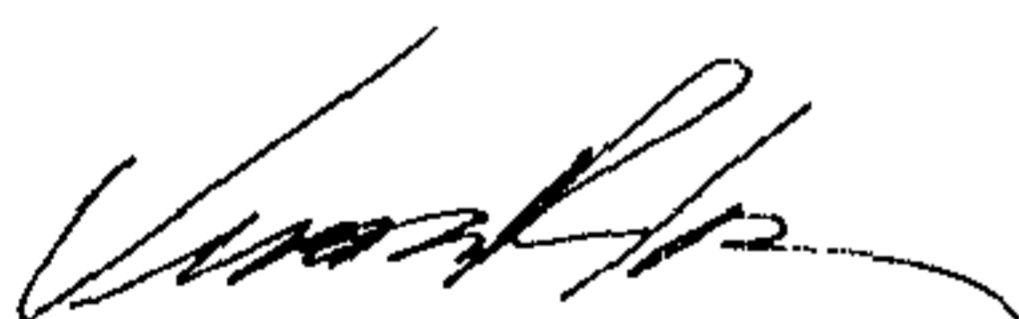
December 31, 1999

**Internal Control Over Compliance**

The management of the DeSoto 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 DeSoto 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 DeSoto Parish Police Jury, management of the police jury, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



West Monroe, Louisiana

June 29, 2000

DESOTO PARISH POLICE JURY  
Mansfield, Louisiana

Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 1999

**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. No 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.
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 program 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 an unqualified opinion.
6. No audit findings relative to the major federal award programs for the DeSoto Parish Police Jury are reported.
7. The programs tested as major programs included:
  - a. United States Department of Labor - Job Training Partnership Act - CFDA 17.250
  - b. Section 8 Cluster:
    1. Lower-Income Housing Assistance Program - Certificates - CFDA 14.857
    2. Lower-Income Housing Assistance Program - Vouchers - CFDA 14.855

(Continued)

DESOTO PARISH POLICE JURY  
Mansfield, Louisiana

Schedule of Findings and Questioned Costs (Continued)  
For the Year Ended December 31, 1999

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**

None

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

None

(Concluded)

DeSoto Parish Police Jury  
Mansfield, Louisiana  
Schedule of Expenditures of Federal Awards  
For the Year Ended December 31, 1999

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR NAME/ PROGRAM TITLE	CFDA NUMBER	PASS-THROUGH GRANTOR'S NUMBER	FEDERAL EXPENDITURES
<b>UNITED STATES DEPARTMENT OF AGRICULTURE</b>			
Passed through Louisiana Department of Social Services Commodities	10.550	NONE	<u>\$6,649</u>
<b>UNITED STATES DEPARTMENT OF ENERGY</b>			
Passed through Louisiana Department of Social Services - Weatherization Assistance for Low-Income Persons	81.042	370700377	<u>23,060</u>
<b>UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES:</b>			
Passed through Louisiana department of Social Services:			
Medical Assistance Program	93.778	NONE	3,734
Low-Income Energy Assistance Program	93.568	370700338	101,220
Passed through Louisiana Department of Labor -			
Community Services Block Grant	93.569	98P0080	<u>100,291</u>
Total United States Department of Health and Human Services			<u>205,245</u>
<b>UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>			
Direct program - Lower-Income Housing Assistance Program - Certificates	14.857	LA230CE0004	247,275
Direct program - Lower-Income Housing Assistance Program - Vouchers	14.855	LA230V00009	268,692
Passed through Office of the Governor,			
Division of Administration - Community Development Block Grant (States Program)	14.228	107-900365	47,922
Passed through Office of Housing and Urban Development -			
Emergency Shelter Grants Program	14.231	NONE	<u>10,006</u>
Total United States department of Housing and Urban Development			<u>573,895</u>
<b>UNITED STATES DEPARTMENT OF JUSTICE</b>			
Direct program - Local Law Enforcement Block Grant	16.592	NONE	<u>4,030</u>
<b>UNITED STATES DEPARTMENT OF LABOR</b>			
Passed through Louisiana Department of Labor - Jobs Training Partnership Act	17.250	NONE	<u>5,258,203</u>
<b>FEDERAL EMERGENCY MANAGEMENT AGENCY</b>			
Administrative costs - Civil Defense	83.503	NONE	10,808
Direct program - Emergency Management Agency	83.523	NONE	<u>8,482</u>
Total Federal Emergency management Agency			<u>19,290</u>
<b>UNITED STATES DEPARTMENT OF TRANSPORTATION</b>			
Passed through Louisiana Department of Transportation and Development - Public Transportation for Non-Urbanized Areas	20.509	LA-18-X015	<u>66,650</u>
Total Federal Financial Assistance			<u>\$6,157,022</u>

## Footnote:

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

DESOTO PARISH POLICE JURY  
Mansfield, Louisiana

Summary Schedule of Prior Audit Findings  
For the Year Ended December 31, 1999

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

Recommendation: 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.

Status: Agency has improved documentation of payroll records.

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

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.

Status: Receipts are being posted in a timely manner and reports are being provided to the management of the police jury on a monthly basis.

**Need to Obtain Bond Commission Approval**

Recommendation: The auditor recommended that the police jury obtain approval from the State Bond Commission for all debt in excess of ninety days.

Status: The police jury is aware of the requirements for bond commission approval.

**Violation of Code of Federal Regulations Title 24 Section 982.161**

Recommendation: The auditor recommended that no new Section 8 tenants be allowed to move into Calhoun properties. In addition, as tenants are scheduled for reexamination, 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 reoccur.

Status: The police jury has terminated its contract with Calhoun Property Management for the administration of its Section 8 program.



## Management Letter

DeSoto Parish Police Jury  
P.O. Box 898  
Mansfield, LA 71052

During my annual audit of the primary government financial statements of the DeSoto Parish Police Jury for the year ended December 31, 1999, I noted matters which, although not appropriate for inclusion in the auditor's report on compliance, I feel should be communicated to management of the police jury.

### **Parish Transportation Act**

During my review of compliance with the Parish Transportation Act, it was noted that the police jury failed to adopt a capital improvement plan listing projects to be constructed for a three year period. However, I am aware that at the present time a plan is being completed for adoption by the police jury.

Louisiana Revised Statute 48:755(B) provides for the adoption of a listing of all projects to be constructed during the current fiscal year on a selective basis and projects which may reasonably be anticipated to be constructed in the following two years.

The police jury should ensure that its capital improvement plan is completed and is updated each year in the future.

### **Budget Amendments**

While performing my test of budgets I was unable to determine if budget amendments in the accounting records were the actual amounts adopted by the jury. A motion was made in the minutes to amend the budgets and was subsequently passed, however, amounts or an assigned budget amendment number were not utilized. Consequently, it was not possible to determine if the amendments being used were what the jury actually approved.

MEMBER AMERICAN  
INSTITUTE OF CERTIFIED  
PUBLIC ACCOUNTANTS  
  
SOCIETY OF LOUISIANA  
CERTIFIED PUBLIC  
ACCOUNTANTS  
  
PRACTICE LIMITED TO  
GOVERNMENTAL  
ACCOUNTING, AUDITING  
AND FINANCIAL REPORTING

118 PROFESSIONAL DRIVE,  
WEST MONROE,  
LOUISIANA 71291  
PHONE 318.325.2121  
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1.800.541.5020  
FAX 318.324.1630



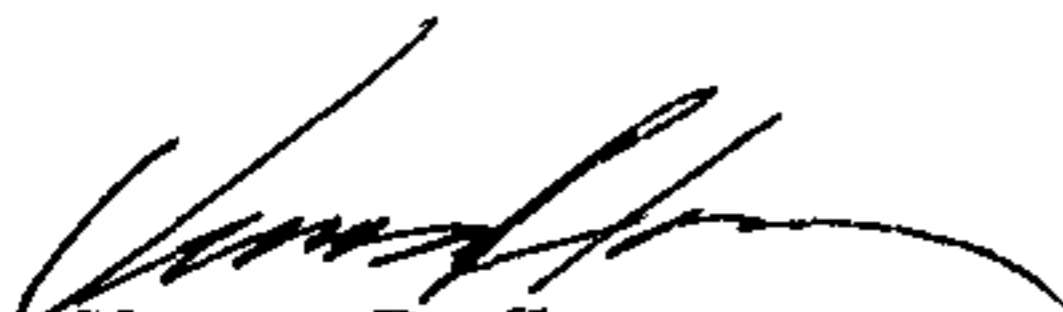
DeSoto Parish Police Jury  
Management Letter  
December 31, 1999

Louisiana Revised Statute 39:1310 provides that for changes in operations upon which the original adopted budget was developed a budget amendment be adopted in an open meeting reflecting the change.

In the future, I recommend that; (1) the jury use amounts and totals when amending the budget and; (2) a number can be assigned to each budget amendment, such as 00-1 for the first amendment in 2000, 00-2 for the second ...etc.

Should you have any questions or if I can be of assistance in these matters in the future, please feel free to contact me.

Sincerely,



Vernon R. Coon  
June 29, 2000



# DeSoto Parish Police Jury

P.O. Box 898 Mansfield, Louisiana 71052  
PHONE: (318) 872-0738 FAX: (318) 872-5343

## OFFICERS

Dewayne Mitchell  
President

Huey P. Evans, Sr.  
Vice President

Donald M. Edlington  
Administrator/Engineer

Shirley C. Wheless  
Secretary

Betty A. Woods  
Treasurer

## MEMBERS

Charles A. Burford  
Keatchie, LA 71046  
District 1A

Dewayne Mitchell  
Logansport, LA 71049  
District 1B

O.H. Jones  
Logansport, LA 71049  
District 1C

A.W. McDonald, Jr.  
Stonewall, LA 71078  
District 2

Richard Burford  
Stonewall, LA 71078  
District 3

Wayne Williams  
Mansfield, LA 71052  
District 4A

Marlin L. Caston  
Mansfield, LA 71052  
District 4B

Clyde Washington, Jr.  
Mansfield, LA 71052  
District 4C

Sylvester Mayweather  
Mansfield, LA 71052  
District 4D

Huey P. Evans, Sr.  
Mansfield, LA 71052  
District 5

Fred Jones  
Pelican, LA 71063  
District 6

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

Dear Mr. Coon:

The DeSoto Parish Police Jury respectfully submits the following corrective plan of action on the following:

Parish Transportation Act

Our Parish Administrator/Engineer is working with the Police Jurors to complete a capital improvement plan listing all projects to be constructed during the year and listing the projects to be constructed for the following two year period.

Budget Amendments

When we make the amendments to the budget we will include the amounts of the amendments.

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

Sincerely,

DESOTO PARISH POLICE JURY

B.D. Mitchell, President