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**DESOTO PARISH POLICE JURY
Mansfield, Louisiana**

**General Purpose Financial Statements
With Independent Auditor's Report
As of and for the Two Years Ended
December 31, 1995
With Supplemental Information Schedules**

DESOTO PARISH POLICE JURY
Mansfield, Louisiana

General Purpose Financial Statements
With Independent Auditor's Report
As of and for the Two Years Ended December 31, 1995
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, 1995, and for each of the years in the two year period 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; *Government Auditing Standards*, issued by the Comptroller General of the United States; and Office of Management and Budget Circular A-128, *Audits of State and Local Governments*. Those standards and OMB Circular A-128 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, 1995, and the results of its operations for each of the years in the two year period then ended, in conformity with generally accepted accounting principles.

PRACTICE LIMITED TO GOVERNMENTAL AUDITING AND ACCOUNTING

MEMBER AMERICAN
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-4-

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CERTIFIED PUBLIC
ACCOUNTANTS

DESOTO PARISH POLICE JURY
Mansfield, Louisiana
Independent Auditor's Report,
December 31, 1995

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, 1995, and results of its operations for each of the years in the two year period then ended in conformity with generally accepted accounting principles.

My audit was made for the purpose of forming an opinion on the primary government financial statements taken as a whole. The supplemental information schedules listed in the table of contents are 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* and OMB Circular A-128, I have also issued reports dated July 30, 1996, on the DeSoto Parish Police Jury's schedule of federal financial assistance; compliance with laws, regulations, contracts, and grants; and my consideration of the agency's internal control structure.

Jouis J. Andrieu

West Monroe, Louisiana
July 30, 1996

**GENERAL PURPOSE FINANCIAL STATEMENTS
(OVERVIEW)**

Statement A

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

Combined Balance Sheet, December 31, 1995

	....GOVERNMENTAL FUND TYPE....				....ACCOUNT GROUPS....		TOTAL (MEMORANDUM ONLY)
	GENERAL FUND	SPECIAL REVENUE FUNDS	LCDBG CAPITAL PROJECTS FUND	GENERAL FIXED ASSETS	GENERAL LONG-TERM OBLIGATIONS		
ASSETS AND OTHER DEBITS							
Cash and cash equivalents	\$464,061	\$979,338	\$3,429				\$1,446,828
Investments	713,000	64,000					777,000
Receivables	483,890	745,083					1,228,973
Due from other funds	46,784	35,099					81,883
Land, buildings, and equipment				\$17,054,847			17,054,847
Amount to be provided for retirement of general long-term obligations					\$474,514		474,514
TOTAL ASSETS AND OTHER DEBITS	<u>\$1,707,735</u>	<u>\$1,823,520</u>	<u>\$3,429</u>	<u>\$17,054,847</u>	<u>\$474,514</u>		<u>\$21,064,045</u>
LIABILITIES AND FUND EQUITY							
Liabilities:							
Accounts payable	\$11,983	\$87,178					\$99,161
Salaries payable	26,275	53,742					80,017
Due to other funds		81,883					81,883
Deferred revenues		15,329	\$3,429				18,758
Capital leases payable					\$394,498		394,498
Compensated absences payable					80,016		80,016
Total Liabilities	<u>38,258</u>	<u>238,132</u>	<u>3,429</u>	<u>NONE</u>	<u>474,514</u>		<u>754,333</u>
Fund Equity:							
Investment in general fixed assets				\$17,054,847			17,054,847
Fund balances - unreserved - undesignated	<u>1,669,477</u>	<u>1,585,388</u>	<u>NONE</u>	<u>17,054,847</u>	<u>NONE</u>		<u>3,254,865</u>
Total Fund Equity	<u>1,669,477</u>	<u>1,585,388</u>	<u>NONE</u>	<u>17,054,847</u>	<u>NONE</u>		<u>20,309,712</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$1,707,735</u>	<u>\$1,823,520</u>	<u>\$3,429</u>	<u>\$17,054,847</u>	<u>\$474,514</u>		<u>\$21,064,045</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, 1995

	GENERAL FUND	SPECIAL REVENUE FUNDS	J.CDBG CAPITAL PROJECTS FUND	TOTAL (MEMORANDUM ONLY)
REVENUES				
Taxes:				
Ad valorem	\$333,700	\$553,405		\$887,105
Sales and use		2,568,236		2,568,236
Licenses and permits	77,837			77,837
Intergovernmental revenues:				
Federal funds - federal grants	103,804	5,522,068	\$141,322	5,767,194
State funds:				
Parish transportation funds		286,385		286,385
State revenue sharing (net)	24,744	33,804		58,548
Severance taxes	740,070	302,355		1,042,425
Other	1,278,247	65,000		1,343,247
Local funds	33,401			33,401
Fees, charges, and commissions for services	39,624	436,691		476,315
Fines and forfeitures		132,575		132,575
Use of money and property	86,641	28,877		115,518
Other revenues		33,046		33,046
Total revenues	<u>2,718,068</u>	<u>9,962,442</u>	<u>141,322</u>	<u>12,821,832</u>
EXPENDITURES				
Current:				
General government:				
Legislative	150,487			150,487
Judicial	342,323	160,400		502,723
Elections	47,431			47,431
Finance and administrative	201,055	77,233		278,288
Other general government	116,043			116,043
Public safety	79,196	535,970		615,166
Public works		2,542,624	141,322	2,683,946
Health and welfare	102,849	5,527,337		5,630,186
Culture and recreation	9,096	383,843		392,939
Economic development and assistance	1,212,388			1,212,388
Transportation		24,383		24,383
Debt service		200,123		200,123
Capital outlay	11,100	744,813		755,913
Intergovernmental		23,327		23,327
Total expenditures	<u>2,271,968</u>	<u>10,220,053</u>	<u>141,322</u>	<u>12,633,343</u>

(Continued)

DESOTO PARISH POLICE JURY
 Mansfield, Louisiana
 GOVERNMENTAL FUND TYPE
 Combined Statement of Revenues, Expenditures,
 and Changes in Fund Balances, etc., 1995

	<u>GENERAL FUND</u>	<u>SPECIAL REVENUE FUNDS</u>	<u>LCDBG CAPITAL PROJECTS FUND</u>	<u>TOTAL (MEMORANDUM ONLY)</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>\$446,100</u>	<u>(\$257,611)</u>	<u>NONE</u>	<u>\$188,489</u>
OTHER FINANCING SOURCES (Uses)				
Increase in capital leases		504,943		504,943
Operating transfers in		2,678,364		2,678,364
Operating transfers out	<u>(209,000)</u>	<u>(2,469,364)</u>		<u>(2,678,364)</u>
Total other financing sources (uses)	<u>(209,000)</u>	<u>713,943</u>	<u>NONE</u>	<u>504,943</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	237,100	456,332	NONE	693,432
FUND BALANCES AT BEGINNING OF YEAR	<u>1,432,377</u>	<u>1,129,056</u>	<u>NONE</u>	<u>2,561,433</u>
FUND BALANCES AT END OF YEAR	<u>\$1,669,477</u>	<u>\$1,585,388</u>	<u>NONE</u>	<u>\$3,254,865</u>

(Concluded)

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, 1994

	<u>GENERAL FUND</u>	<u>SPECIAL REVENUE FUNDS</u>	<u>LCDBG CAPITAL PROJECTS FUND</u>	<u>TOTAL (MEMORANDUM ONLY)</u>
REVENUES				
Taxes:				
Ad valorem	\$323,668	\$527,611		\$851,279
Sales and use		1,927,043		1,927,043
Licenses and permits	66,840			66,840
Intergovernmental revenues:				
Federal funds - federal grants	115,052	6,285,601	\$462,897	6,863,550
State funds:				
Parish transportation funds		619,090		619,090
State revenue sharing (net)	24,723	33,775		58,498
Severance taxes	833,828	230,000		1,063,828
Other	324,836	55,000		379,836
Local funds	67,051			67,051
Fees, charges, and commissions for services	40,426	461,855		502,281
Fines and forfeitures		141,876		141,876
Use of money and property	40,067	17,879		57,946
Other revenues		18,837		18,837
Total revenues	<u>1,836,491</u>	<u>10,318,567</u>	<u>462,897</u>	<u>12,617,955</u>
EXPENDITURES				
Current:				
General government:				
Legislative	152,678			152,678
Judicial	276,067	135,313		411,380
Elections	24,701			24,701
Finance and administrative	185,389	91,691		277,080
Other general government	80,954			80,954
Public safety	73,579	473,128	462,897	1,009,604
Public works		2,612,842		2,612,842
Health and welfare	94,982	6,241,901		6,336,883
Culture and recreation	40,780	351,425		392,205
Economic development and assistance	299,248			299,248
Transportation		25,961		25,961
Debt service		255,976		255,976
Capital outlay	53,015	369,368		422,383
Intergovernmental		16,638		16,638
Total expenditures	<u>1,281,393</u>	<u>10,574,243</u>	<u>462,897</u>	<u>12,318,533</u>

(Continued)

DESOTO PARISH POLICE JURY
 Mansfield, Louisiana
 GOVERNMENTAL FUND TYPE
 Combined Statement of Revenues, Expenditures,
 and Changes in Fund Balances, etc., 1994

	<u>GENERAL FUND</u>	<u>SPECIAL REVENUE FUNDS</u>	<u>LCDBG CAPITAL PROJECTS FUND</u>	<u>TOTAL (MEMORANDUM ONLY)</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>\$555,098</u>	<u>(\$255,676)</u>	NONE	<u>\$299,422</u>
OTHER FINANCING SOURCES (Uses)				
Increase in capital leases		156,900		156,900
Sales of fixed assets	5,530	9,854		15,384
Operating transfers in		2,108,783		2,108,783
Operating transfers out	<u>(289,000)</u>	<u>(1,819,783)</u>		<u>(2,108,783)</u>
Total other financing sources (uses)	<u>(283,470)</u>	<u>455,754</u>	NONE	<u>172,284</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	271,628	200,078	NONE	471,706
FUND BALANCES AT BEGINNING OF YEAR	<u>1,160,749</u>	<u>928,978</u>	NONE	<u>2,089,727</u>
FUND BALANCES AT END OF YEAR	<u>\$1,432,377</u>	<u>\$1,129,056</u>	NONE	<u>\$2,561,433</u>

(Concluded)

The accompanying notes are an integral part of this statement.

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
(GAAP) Basis and Actual
For the Year Ended December 31, 1995

	.....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>
REVENUES						
Taxes:						
Ad valorem taxes	\$321,648	\$333,700	\$12,052	\$533,700	\$553,405	\$19,705
Sales and use taxes				2,568,302	2,568,236	(66)
Licenses and permits	77,837	77,837				
Intergovernmental revenues:						
Federal funds - federal grants	99,973	103,804	3,831	5,527,227	5,522,068	(\$5,159)
State funds:						
Parish transportation funds				286,385	286,385	
State revenue sharing (net)	24,744	24,744		33,804	33,804	
Severance tax	740,070	740,070		302,355	302,355	
Other state grants	1,230,580	1,278,247	47,667	65,000	65,000	
Local funds	33,401	33,401				
Fees, charges, and commissions for services	30,145	39,624	9,479	436,691	436,691	
Fines and forfeitures				132,826	132,575	(251)
Use of money and property	96,985	86,641	(10,344)	29,021	28,877	(144)
Other revenues				32,909	33,046	137
Total revenues	<u>2,655,383</u>	<u>2,718,068</u>	<u>62,685</u>	<u>9,948,220</u>	<u>9,962,442</u>	<u>14,222</u>
EXPENDITURES						
Current:						
General government:						
Legislative	150,487	150,487				
Judicial	342,323	342,323		140,675	160,400	(19,725)
Elections	47,431	47,431				
Finance and administrative	200,310	201,055	(745)	77,300	77,233	67
Other general government	116,043	116,043				
Public safety	104,179	79,196	24,983	536,036	535,970	66
Public works				2,543,576	2,542,624	952
Health and welfare	102,849	102,849		5,530,129	5,527,337	2,792
Culture and recreation	9,096	9,096		383,852	383,843	9

(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
 (GAAP) Basis and Actual, etc., 1995

	.....GENERAL FUND.....			...SPECIAL REVENUE FUNDS...		
	<u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE (UNFAVORABLE)	<u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE (UNFAVORABLE)
EXPENDITURES: (Contd.)						
Current: (Contd.)						
Economic development and assistance	\$1,212,388	\$1,212,388				
Transportation				\$24,383	\$24,383	
Debt service				200,123	200,123	
Capital outlay	11,100	11,100		763,196	744,813	\$18,383
Intergovernmental				23,327	23,327	
Total expenditures	<u>2,296,206</u>	<u>2,271,968</u>	<u>\$24,238</u>	<u>10,222,597</u>	<u>10,220,053</u>	<u>2,544</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>359,177</u>	<u>446,100</u>	<u>86,923</u>	<u>(274,377)</u>	<u>(257,611)</u>	<u>16,766</u>
OTHER FINANCING SOURCES (Uses)						
Increase in capital leases				504,943	504,943	
Operating transfers in				2,678,364	2,678,364	
Operating transfers out	<u>(209,000)</u>	<u>(209,000)</u>		<u>(2,469,364)</u>	<u>(2,469,364)</u>	
Total other financing sources (uses)	<u>(209,000)</u>	<u>(209,000)</u>	<u>NONE</u>	<u>713,943</u>	<u>713,943</u>	<u>NONE</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	150,177	237,100	86,923	439,566	456,332	16,766
FUND BALANCES AT BEGINNING OF YEAR	<u>1,432,377</u>	<u>1,432,377</u>	<u>NONE</u>	<u>1,129,056</u>	<u>1,129,056</u>	<u>NONE</u>
FUND BALANCES AT END OF YEAR	<u>\$1,582,554</u>	<u>\$1,669,477</u>	<u>\$86,923</u>	<u>\$1,568,622</u>	<u>\$1,585,388</u>	<u>\$16,766</u>

(Concluded)

The accompanying notes are an integral part of this statement.

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
(GAAP) Basis and Actual
For the Year Ended December 31, 1994

	.....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>
REVENUES						
Taxes:						
Ad valorem taxes	\$312,311	\$323,668	\$11,357	\$512,094	\$527,611	\$15,517
Sales and use taxes				1,927,043	1,927,043	
Licenses and permits	66,840	66,840				
Intergovernmental revenues:						
Federal funds - federal grants	113,150	115,052	1,902	6,293,847	6,285,601	(\$8,246)
State funds:						
Parish transportation funds				619,090	619,090	
State revenue sharing (net)	24,723	24,723		33,775	33,775	
Severance tax	833,828	833,828		230,000	230,000	
Other state grants	249,690	324,836	75,146	55,000	55,000	
Local funds	67,051	67,051				
Fees, charges, and commissions for services	33,887	40,426	6,539	461,855	461,855	
Fines and forfeitures				141,178	141,876	698
Use of money and property	51,274	40,067	(11,207)	16,075	17,879	1,804
Other revenues				18,837	18,837	
Total revenues	<u>1,752,754</u>	<u>1,836,491</u>	<u>83,737</u>	<u>10,308,794</u>	<u>10,318,567</u>	<u>9,773</u>
EXPENDITURES						
Current:						
General government:						
Legislative	152,678	152,678				
Judicial	295,652	276,067	19,585	138,677	135,313	3,364
Elections	27,993	24,701	3,292			
Finance and administrative	180,641	185,389	(4,748)	91,691	91,691	
Other general government	81,791	80,954	837			
Public safety	73,579	73,579		493,556	473,128	20,428
Public works				2,768,642	2,612,842	155,800
Health and welfare	94,982	94,982		6,246,646	6,241,901	4,745
Culture and recreation	40,780	40,780		351,136	351,425	(289)

(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
(GAAP) Basis and Actual, etc., 1994

	.....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>
EXPENDITURES: (Contd.)						
Current: (Contd.)						
Economic development and assistance	\$299,248	\$299,248				
Transportation				\$25,961	\$25,961	
Debt service				168,397	255,976	(\$87,579)
Capital outlay				356,958	369,368	(12,410)
Intergovernmental	53,015	53,015		16,638	16,638	
Total expenditures	<u>1,300,359</u>	<u>1,281,393</u>	<u>\$18,966</u>	<u>10,658,302</u>	<u>10,574,243</u>	<u>84,059</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>452,395</u>	<u>555,098</u>	<u>102,703</u>	<u>(349,508)</u>	<u>(255,676)</u>	<u>(93,832)</u>
OTHER FINANCING SOURCES (Uses)						
Increase in capital leases				156,900	156,900	
Sale of fixed assets		5,530	5,530	9,854	9,854	
Operating transfers in				2,089,784	2,108,783	18,999
Operating transfers out	(289,000)	(289,000)		(1,819,783)	(1,819,783)	
Total other financing sources (uses)	<u>(289,000)</u>	<u>(283,470)</u>	<u>5,530</u>	<u>436,755</u>	<u>455,754</u>	<u>18,999</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	163,395	271,628	108,233	87,247	200,078	112,831
FUND BALANCES AT BEGINNING OF YEAR	<u>1,160,749</u>	<u>1,160,749</u>	<u>NONE</u>	<u>928,978</u>	<u>928,978</u>	<u>NONE</u>
FUND BALANCES AT END OF YEAR	<u>\$1,324,144</u>	<u>\$1,432,377</u>	<u>\$108,233</u>	<u>\$1,016,225</u>	<u>\$1,129,056</u>	<u>\$112,831</u>

(Concluded)

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 Two Years Ended December 31, 1995

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 1996.

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 powers 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, sales taxes, beer and alcoholic beverage permits, state revenue sharing, and various other state and federal grants.

In accomplishing its objectives, the police jury also has the authority to create special districts (component units) within the parish. The districts perform specialized functions, such as fire protection, library facilities, airport facilities, and health care facilities.

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:

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

1. Appointing a voting majority of an organization's governing body, and:
 - 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
DeSoto Parish Airport	December 31	1, 2, and 3
DeSoto Parish Community Services Eleventh Judicial District	December 31	1, 2, and 3
Criminal Court (DeSoto Parish)	December 31	2 and 3
DeSoto Parish Tourism Commission	December 31	1, 2, and 3
DeSoto Parish Fire District No. 1	December 31	1 and 3
DeSoto Parish Fire District No. 2	December 31	1 and 3
DeSoto Parish Fire District No. 3	December 31	1 and 3
DeSoto Parish Fire District No. 5	December 31	1 and 3
DeSoto Parish Fire District No. 8	December 31	1 and 3
DeSoto Parish Fire District No. 9	December 31	1 and 3
East DeSoto Ambulance District	December 31	1 and 3
DeSoto Parish Tax Assessor	December 31	2 and 3
DeSoto Parish Sheriff	June 30	2 and 3
DeSoto Parish Clerk of Court	June 30	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, 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

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

are not recorded in the "funds" because they do not directly affect net expendable available 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 fiduciary 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.

LCDBG Capital Projects Fund

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

**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 95 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 30 per cent of the library's fixed assets are valued at actual cost while the remaining 70 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.

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

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

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

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

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.

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

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

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 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.

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.

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 two years ended December 31, 1995, the police jury adopted modified accrual based budgets for the General Fund and all special revenue funds.

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

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

F. CASH AND CASH EQUIVALENTS

Under state law, the police jury may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having principal offices in Louisiana. At December 31, 1995, the police jury has cash and cash equivalents (book balances) totaling \$1,446,828 as follows:

Demand deposits	\$1,404,828
Time deposits	<u>42,000</u>
Total	<u>\$1,446,828</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, 1995, are secured as follows:

Bank Balances	<u>\$1,440,029</u>
Federal deposit insurance	\$100,000
Pledged securities (uncollateralized)	<u>1,322,063</u>
Total	<u>\$1,422,063</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.

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

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 banks organized under Louisiana law and national banks having principal offices in Louisiana.

At December 31, 1995, the police jury has investments in certificates of deposits totaling \$777,000. The investments are stated at cost which approximates market.

These investments are secured by federal deposit insurance and pledged securities of the fiscal agent bank. 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.

H. VACATION AND SICK LEAVE

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

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

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

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

At December 31, 1995, employees have accumulated and vested \$80,016 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 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.

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

2. LEVIED TAXES

The following is a summary of authorized and levied ad valorem taxes for the two years ended December 31, 1995:

	<u>Authorized Millage</u>	<u>Levied ..Millage..</u>		<u>Expiration Date</u>
		<u>1995</u>	<u>1994</u>	
Parishwide taxes:				
General Fund	4.00	3.66	3.66	Indefinite
Road Maintenance	5.00	5.00	5.00	2003

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 1995 assessed valuation (amounts expressed in thousands):

	<u>1995 Assessed Valuation</u>	<u>Per cent of Total Assessed Valuation</u>
International Paper	\$32,343	35.74%
Central La Electric Company	5,758	6.36%
Southwestern Electric Power	3,161	3.49%
Dolet Hills Mining Venture	3,011	3.33%
South Central Bell	2,890	3.19%
Southern Natural Gas Company	1,883	2.08%
Louisiana Pacific	1,055	1.17%
Valley Electric Membership	961	1.06%
I. P. Timberland Operating Co.	929	1.03%
Kansas City Southern Railway	922	1.02%
Total	<u>\$52,913</u>	<u>58.47%</u>

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

3. RECEIVABLES

The following is a summary of receivables at December 31, 1995:

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Total</u>
Taxes:			
Ad valorem	\$307,573	\$510,705	\$818,278
Sales		31,948	31,948
Grants:			
Federal	13,850	21,824	35,674
State	138,158	138,604	276,762
Other	24,309	42,002	66,311
Total	<u>\$483,890</u>	<u>\$745,083</u>	<u>\$1,228,973</u>

4. CHANGES IN GENERAL FIXED ASSETS

The following schedule presents changes in general fixed assets:

	<u>Balance January 1</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance December 31</u>
1994:				
Police Jury:				
Land	\$1,752,086			\$1,752,086
Buildings and improvements	8,982,990	\$37,529		9,020,519
Furniture and equipment	2,904,838	327,954	(\$73,135)	3,159,657
Fixed assets under capital lease	657,633	156,900	(217,320)	597,213
Sub-total	<u>14,297,547</u>	<u>522,383</u>	<u>(290,455)</u>	<u>14,529,475</u>
Library:				
Land	15,500			15,500
Buildings and improvements	241,192	16,089		257,281
Equipment and furniture	238,634	29,118		267,752
Books and reference materials	1,313,856	72,113	(17,962)	1,368,007
Sub-total	<u>1,809,182</u>	<u>117,320</u>	<u>(17,962)</u>	<u>1,908,540</u>
Total	<u>\$16,106,729</u>	<u>\$639,703</u>	<u>(\$308,417)</u>	<u>\$16,438,015</u>

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

	<u>Balance</u> <u>January 1</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>December 31</u>
1995:				
Police Jury:				
Land	\$1,752,086			\$1,752,086
Buildings and improvements	9,020,519			9,020,519
Furniture and equipment	3,159,657	\$235,349	(\$82,093)	3,312,913
Fixed assets under capital lease	<u>597,213</u>	<u>\$504,943</u>	<u>(\$133,423)</u>	<u>968,733</u>
Sub-total	<u>14,529,475</u>	<u>740,292</u>	<u>(215,516)</u>	<u>15,054,251</u>
Library:				
Land	15,500			15,500
Buildings and improvements	257,281			257,281
Equipment and furniture	267,752	71,653	(12,166)	327,239
Books and reference materials	<u>1,368,007</u>	<u>\$77,391</u>	<u>(\$44,822)</u>	<u>1,400,576</u>
Sub-total	<u>1,908,540</u>	<u>\$149,044</u>	<u>(\$56,988)</u>	<u>\$2,000,596</u>
Total	<u>\$16,438,015</u>	<u>\$889,336</u>	<u>(\$272,504)</u>	<u>\$17,054,847</u>

5. 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,

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

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 1.00 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 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, 1995, 1994, 1993, were \$14,031, \$20,675, and \$24,052, respectively, equal to the required contributions for each year.

**6. 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's cost of providing retiree health care insurance benefits are recognized as expenditures when the monthly premiums are paid, which was \$8,910 and \$11,507 for 1994 and 1995, respectively.

7. CAPITAL LEASES

The police jury records items under capital leases as an asset and an obligation in the accompanying financial statements. At December 31, 1995, the police jury has eight capital leases in effect for equipment. The leases had an original recorded amount of \$664,658. Obligations are retired from the Road and Solid Waste Special Revenue Funds. The following is a summary of future minimum

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

lease payments, together with the present value of the net minimum lease payments, as of December 31, 1995:

<u>Year</u>	
1996	155,130
1997	115,673
1998	90,987
1999	60,337
2000	<u>17,716</u>
Total minimum lease payments	439,843
Less amount representing interest	<u>(45,345)</u>
Present value of net minimum lease payments	<u><u>\$394,498</u></u>

8. CHANGES IN GENERAL LONG-TERM OBLIGATIONS

The following is a summary of long-term obligation transactions:

	<u>Capital Leases</u>	<u>Compensated Absences</u>	<u>Total</u>
Long-term obligations at January 1, 1995	\$303,161	\$57,030	\$360,191
Additions			
1994	156,900	50,609	207,509
1995	206,234	55,671	261,905
Deductions			
1994	(147,742)	(31,434)	(179,176)
1995	<u>(124,055)</u>	<u>(51,860)</u>	<u>(175,915)</u>
Long-term obligations at December 31, 1995	<u><u>\$394,498</u></u>	<u><u>\$80,016</u></u>	<u><u>\$474,514</u></u>

9. 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, 1995:

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

Pollution control revenue bonds totaling \$28,735,000 were issued November 30, 1979. Additionally, environmental improvement revenue bonds totaling \$25,000,000 and \$19,000,000 were issued November 17, 1994, and March 1, 1995, respectively. Under terms of agreements 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 \$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.

10. 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, 1995:

Balance due at January 1, 1994	\$66,153
Amount due:	
1994	67,052
1995	33,401
Amount remitted:	
1994	(66,153)
1995	<u>(67,052)</u>
Balance due at December 31, 1995	<u>\$33,401</u>

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

11. DUE FROM/TO OTHER FUNDS

Individual fund balances due from/to other funds at December 31, 1995, are as follows:

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General fund	\$46,784	
Special revenue funds:		
Road	17,549	
Library	8,775	
Jail	3,510	
Solid Waste	5,265	
Criminal court		\$33,401
Sales tax		35,098
Rental assistance		1,384
Community services		<u>12,000</u>
Total	<u>\$81,883</u>	<u>\$81,883</u>

12. LITIGATION AND CLAIMS

At December 31, 1995, the police jury is involved in several lawsuits, which are adequately covered by the jury's liability insurance.

13. ATTORNEY GENERAL INVESTIGATION

At December 31, 1995, the Louisiana Attorney General is conducting an investigation into alleged misappropriation of police jury funds. As a result of this investigation, two police jury employees have been terminated and have been indicted by a DeSoto Parish grand jury. In addition, indictments have been returned against two police jurors in connection with the investigation.

14. JOB TRAINING PARTNERSHIP ACT PROGRAM

The DeSoto Parish Police Jury participates in the Job Training Partnership Act (JTPA) Program funded through the Louisiana Department of Labor by the United States Department of Labor. The jury is a member of the Seventh Planning District which is comprised of 10 parishes. On August 16, 1983,

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

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 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.

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

15. FOOD STAMP PROGRAM

The food stamp program is operated through the police jury under an agreement with the Louisiana Department of Health and Human Resources. Under this program, the police jury is responsible for the issuance of food stamps to eligible participants in the parish. The value of food stamps on hand, received, and issued is not recorded in the accompanying statements. Activity for the year ended December 31, 1995, follows:

Balance at January 1, 1994	\$1,436,005
Received	
1994	5,080,000
1995	4,849,000
Issued	
1994	(5,216,577)
1995	<u>(4,862,924)</u>
Balance at December 31, 1995	<u>\$1,285,504</u>

16. FOOD DISTRIBUTION PROGRAM

The Food Distribution Program is operated by the police jury under an agreement with the Louisiana Department of Agriculture. Under this program, the police jury is responsible for the issuance of federally donated commodity foods to individuals in need of food assistance. The police jury issues commodity foods the same day they are received and does not maintain any balances on hand. The value of federally donated commodity foods received and issued is not recorded in the accompanying financial statements. During the two years ended December 31, 1994, and 1995, commodity foods valued at \$57,574 and \$21,092, respectively, were received and issued by the police jury.

SUPPLEMENTAL INFORMATION SCHEDULES

DESOTO PARISH POLICE JURY
Mansfield , Louisiana
SUPPLEMENTAL INFORMATION SCHEDULES
As of and for the Two Years Ended December 31, 1995

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 sales and use taxes.

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 air- port facility. Financing is provided by grants from local governments, fees, and interest earned on investments.

SALES TAX FUND

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

COMMUNICATION DISTRICT FUND

The Communication District Fund accounts for the establishment, maintenance, and operation of the 911 emergency telephone system for DeSoto Parish. Financing is provided by a 5 per cent service charge on local telephone service within the parish.

FEDERAL FUNDS

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, 1995

	<u>ROAD</u>	<u>LIBRARY</u>	<u>JAIL</u>	<u>SOLID WASTE</u>	<u>CRIMINAL COURT</u>	<u>AIRPORT</u>	<u>SALES TAX</u>	<u>COMM. DISTRICT</u>	<u>RENTAL ASSISTANCE</u>	<u>COMM. SERVICES</u>	<u>TOTAL</u>
ASSETS											
Cash and cash equivalents	\$331,165	\$247,262	\$62,599	\$51,644	\$57,438	\$6,006	\$3,000	\$133,445	\$76,866	\$9,913	\$979,338
Investments				19,361	9,364	380	32,098	64,000		21,846	64,000
Receivables	557,808	2,493	1,068					100,665			745,083
Due from other funds	17,549	8,775	3,510	5,265							35,099
TOTAL ASSETS	<u>\$906,522</u>	<u>\$258,530</u>	<u>\$67,177</u>	<u>\$76,270</u>	<u>\$66,802</u>	<u>\$6,386</u>	<u>\$35,098</u>	<u>\$298,110</u>	<u>\$76,866</u>	<u>\$31,759</u>	<u>\$1,823,520</u>

LIABILITIES AND FUND EQUITY

Liabilities:											
Accounts payable	\$16,214		\$7,568					\$3,243	\$60,153		\$87,178
Salaries payable	39,583	\$13,209		\$950	\$33,401		\$35,098		1,384	\$12,000	53,742
Due to other funds									15,329		81,883
Deferred revenues									76,866	12,000	15,329
Total Liabilities	<u>55,797</u>	<u>13,209</u>	<u>7,568</u>	<u>950</u>	<u>33,401</u>	<u>NONE</u>	<u>35,098</u>	<u>3,243</u>	<u>76,866</u>	<u>12,000</u>	<u>238,132</u>
Fund Equity - fund balances - unreserved - undesignated	<u>850,725</u>	<u>245,321</u>	<u>59,609</u>	<u>75,320</u>	<u>33,401</u>	<u>\$6,386</u>	<u>NONE</u>	<u>294,867</u>	<u>NONE</u>	<u>19,759</u>	<u>1,585,388</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$906,522</u>	<u>\$258,530</u>	<u>\$67,177</u>	<u>\$76,270</u>	<u>\$66,802</u>	<u>\$6,386</u>	<u>\$35,098</u>	<u>\$298,110</u>	<u>\$76,866</u>	<u>\$31,759</u>	<u>\$1,823,520</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, 1995

	ROAD	LIBRARY	JAIL	SOLID WASTE	CRIMINAL COURT	AIRPORT	SALES TAX	COMM. DISTRICT	RENTAL ASSISTANCE	COMM. SERVICES	JTPA	TOTAL
REVENUES												
Taxes:												
Ad valorem	\$455,870							\$97,535				\$553,405
Sales and use							\$2,568,236					2,568,236
Intergovernmental:												
Federal funds - federal grants									\$584,456	\$201,095	\$4,736,517	5,522,068
State funds:												
Parish transportation funds	286,385											286,385
State revenue sharing (net)	33,804											33,804
Severance tax	302,355											302,355
Other state funds	65,000											65,000
Fees, charges, and commissions												
Fines and forfeitures			\$11,552	309,110	\$128,550	\$8,127		107,902				436,691
Use of money and property	6,361	7,582		1,303	2,814		1,688	7,227	1,902			28,877
Other revenues	32,906							140				33,046
Total revenues	<u>1,149,775</u>	<u>44,513</u>	<u>11,552</u>	<u>310,413</u>	<u>131,364</u>	<u>8,127</u>	<u>2,569,924</u>	<u>212,804</u>	<u>586,358</u>	<u>201,095</u>	<u>4,736,517</u>	<u>9,962,442</u>
EXPENDITURES												
Current:												
General government:												
Judicial												160,400
Financial and administrative							77,233	119,714				77,233
Public safety			416,256									535,970
Public works				614,341								2,542,624
Health and welfare	1,928,283								586,358	204,462	4,736,517	5,527,337
Culture and recreation												383,843
Transportation						24,383						24,383

Debt service	132,150		67,973									200,123
Capital outlay	320,248	149,044	256,495	4,615								744,813
Intergovernmental												23,327
Total expenditures	<u>2,380,681</u>	<u>532,887</u>	<u>938,809</u>	<u>165,015</u>	<u>24,383</u>	<u>23,327</u>	<u>133,567</u>	<u>205,020</u>	<u>4,736,517</u>			<u>10,220,053</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>(1,230,906)</u>	<u>(488,374)</u>	<u>(628,396)</u>	<u>(33,651)</u>	<u>(16,256)</u>	<u>2,469,364</u>	<u>79,237</u>	<u>(3,925)</u>	<u>NONE</u>	<u>NONE</u>		<u>(257,611)</u>
OTHER FINANCING SOURCES (Uses)												
Increase in capital lease	269,851		235,092									504,943
Operating transfer in	1,234,682	617,341	370,405		18,000			1,000				2,678,364
Operating transfer out						<u>(2,469,364)</u>						<u>(2,469,364)</u>
Total other financing sources (uses)	<u>1,504,533</u>	<u>617,341</u>	<u>605,497</u>	<u>NONE</u>	<u>18,000</u>	<u>(2,469,364)</u>	<u>NONE</u>	<u>1,000</u>	<u>NONE</u>	<u>NONE</u>		<u>713,943</u>
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	<u>273,627</u>	<u>128,967</u>	<u>(22,899)</u>	<u>(33,651)</u>	<u>1,744</u>	<u>NONE</u>	<u>79,237</u>	<u>(2,925)</u>	<u>NONE</u>	<u>NONE</u>		<u>456,332</u>
FUND BALANCES AT BEGINNING OF YEAR	<u>577,098</u>	<u>116,354</u>	<u>98,219</u>	<u>67,052</u>	<u>4,642</u>	<u>NONE</u>	<u>215,630</u>	<u>22,684</u>	<u>NONE</u>	<u>NONE</u>		<u>1,129,056</u>
FUND BALANCES AT END OF YEAR	<u>\$850,725</u>	<u>\$245,321</u>	<u>\$75,320</u>	<u>\$33,401</u>	<u>\$6,386</u>	<u>NONE</u>	<u>\$294,867</u>	<u>\$19,759</u>	<u>NONE</u>	<u>NONE</u>		<u>\$1,585,388</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, 1994

	ROAD	LIBRARY	JAIL	SOLID WASTE	CRIMINAL COURT	AIRPORT	SALES TAX	COMM. DISTRICT	RENTAL ASSISTANCE	COMM. SERVICES	JTPA	TOTAL
REVENUES												
Taxes:												
Ad valorem	\$442,001							\$85,610				\$527,611
Sales and use							\$1,927,043					1,927,043
Intergovernmental:												
Federal funds - federal grants	45,093			\$2,458					\$527,060	\$234,285	\$5,476,705	6,285,601
State funds:												
Parish transportation funds	619,090											619,090
State revenue sharing (net)	33,775											33,775
Severance tax	230,000											230,000
Other state funds	55,000											55,000
Fees, charges, and commissions				353,503	\$138,587	\$6,760		101,592				461,855
Fines and forfeitures												141,876
Use of money and property	4,741	4,108		1,708	1,688		1,069	2,759	1,806			17,879
Other revenues	195	18,292								350		18,837
Total revenues	<u>1,429,895</u>	<u>25,689</u>	<u>NONE</u>	<u>357,669</u>	<u>140,275</u>	<u>6,760</u>	<u>1,928,112</u>	<u>189,961</u>	<u>528,866</u>	<u>234,635</u>	<u>5,476,705</u>	<u>10,318,567</u>
EXPENDITURES												
Current:												
General government:												
Judicial												135,313
Financial and administrative							91,691	61,573				91,691
Public safety			411,555									473,128
Public works				597,392								2,612,842
Health and welfare									528,866	236,330	5,476,705	6,241,901
Culture and recreation	2,015,450											351,425
Transportation						25,961						25,961

DESOTO PARISH POLICE JURY
Mansfield , Louisiana
SUPPLEMENTAL INFORMATION SCHEDULES
As of and for the Year Ended December 31, 1995

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, Louisiana

Schedule of Compensation Paid Police Jurors
As of and For the Year Two Years Ended December 31, 1995

	<u>1995</u>	<u>1994</u>
L. W. Bagley	7,200	7,200
L. C. Blunt, Jr.	7,200	7,200
Marlin Caston	7,200	7,200
Huey P. Evans	7,200	7,200
Tommie Lee Fuller	7,200	7,200
R. U. Johnson	7,200	7,200
S. Mayweather	7,200	7,200
A. W. McDonald	8,350	7,200
B. Dewayne Mitchell	7,200	7,200
John K. Rambin	7,200	7,200
Persley White, Jr., President	<u>7,250</u>	<u>8,400</u>
Total	<u>\$80,400</u>	<u>\$80,400</u>

**Independent Auditor's Reports on Federal
Financial Assistance, Compliance With Laws,
Regulations, Contracts and Grants,
and Internal Control Structure**

The following independent auditor's reports on the schedule of federal financial assistance, compliance with laws, regulations, and contracts and on the internal control structure are presented in compliance with the requirements of *Government Auditing Standards*, issued by the Comptroller General of the United States; Office of Management and Budget Circular A-128, *Audits of State and Local Governments*; the *Single Audit Act of 1984*; and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.

LOUIS L. ANDRIES
CERTIFIED PUBLIC ACCOUNTANT

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**Independent Auditor's Report on Supplementary
Schedule of Federal Financial Assistance**

DESOTO PARISH POLICE JURY
Mansfield, Louisiana

I have audited the general purpose financial statements of DeSoto Parish Police Jury, primary government, as of December 31, 1995, and for each of the years in the two year period then ended, and have issued my report thereon dated July 30, 1996. These general purpose financial statements are the responsibility of the DeSoto Parish Police Jury's management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards; *Government Auditing Standards*, issued by the Comptroller General of the United States; and the provisions of Office of Management and Budget Circular A-128, *Audits of State and Local Governments*. Those standards and OMB Circular A-128 require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

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

Louis L. Andries

West Monroe, Louisiana
July 30, 1996

PRACTICE LIMITED TO GOVERNMENTAL AUDITING AND ACCOUNTING

-45-

MEMBER AMERICAN
INSTITUTE OF CERTIFIED
PUBLIC ACCOUNTANTS

SOCIETY OF LOUISIANA
CERTIFIED PUBLIC
ACCOUNTANTS

DESOTO PARISH POLICE JURY
 Mansfield, Louisiana
 Schedule of Federal Financial Assistance
 For the Two Years Ended December 31, 1995

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM NAME	CFDA NUMBER	PASS-THROUGH GRANTOR'S NUMBER	(DEFERRED) ACCRUED REVENUE AT DECEMBER 31, 1993	REVENUE RECOGNIZED	ISSUES/ EXPENDITURES	REVENUE RECOGNIZED	ISSUES/ EXPENDITURES	(DEFERRED) ACCRUED REVENUE AT DECEMBER 31, 1995
			.....1994.....	.....1995.....				
UNITED STATES DEPARTMENT OF AGRICULTURE								
Passed through Louisiana Department of Social Services:								
Food Stamp Program	10.551 *	22-031-01	(\$1,436,005) #	\$5,080,000	\$5,216,577	\$4,849,000	\$4,862,924	(\$1,285,504) #
State Administrative Matching Grants for Food Stamp Program	10.561	22-031-01	12,493	46,684	46,684	43,971	43,971	7,865
Passed through Louisiana Department of Agriculture and Forestry:								
Food Distribution	10.550	N/A		57,574	57,574	21,092	21,092	
Temporary Emergency Food Assistance	10.568	N/A		9,768	9,768	6,291	6,291	
Total United States Department of Agriculture			(1,423,512)	5,194,026	5,330,603	4,920,354	4,934,278	(1,277,639)
UNITED STATES DEPARTMENT OF ENERGY								
Passed through Louisiana Department of Urban and Community Affairs - Weatherization Assistance for Low-Income Persons								
	81.042	370-7629	7,512	27,957	27,957	49,790	49,790	12,225
UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT								
Direct programs - Lower Income Housing Assistance Program								
Passed through Louisiana Division of Administration Community Development Block Grant	14.156 *	N/A	(15,437)	527,060	527,060	584,456	584,456	(13,459)
Total United States Department of Housing and Urban Development	14.219 *	101-6008		462,897	462,897	141,322	141,322	
			(15,437)	989,957	989,957	725,778	725,778	(13,459)
UNITED STATES DEPARTMENT OF TRANSPORTATION								
Passed through Louisiana Department of Transportation and Development - Public Transportation of Nonurbanized Areas								
	20.509	LA-18-X012	21025	54,619	54,619	45,742	45,742	NONE

UNITED STATES DEPARTMENT OF LABOR

Passed through Louisiana Department of Labor -
Job Training Partnership Act

17.250 * N/A NONE 5,476,705 4,736,517 4,736,517 NONE

**UNITED STATES DEPARTMENT OF HEALTH
AND HUMAN SERVICES**

Passed through Louisiana Department of Labor -
Community Services Block Grant
Passed through Louisiana Department of
Social Services:

13.792 95P0080 6,315 85,861 79,056 79,056 9,599

13.789 370-9740 107,070 107,070 61,408 61,408

13.714 46515 1,176 3,628 4,550 4,550

7,491 196,559 145,014 145,014 9,599

**UNITED STATES FEDERAL EMERGENCY
MANAGEMENT AGENCY**

Passed through Louisiana Department of
Military Affairs:

83.503 N/A 2,651 11,848 14,091 14,091 5,988

83.516 1012-DR-LA 49,453 49,453

2,651 61,301 14,091 14,091 5,988

(\$1,400,270) \$12,001,124 \$12,137,701 \$10,637,286 \$10,651,210 (\$1,263,286)

* Major federal financial assistance program
Food stamp coupons on hand

LOUIS L. ANDRIES
CERTIFIED PUBLIC ACCOUNTANT

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**Independent Auditor's Report on Compliance
With Laws, Regulations, Contracts, and Grants**

DESOTO PARISH POLICE JURY
Mansfield, Louisiana

I have audited the primary government financial statements of the DeSoto Parish Police Jury, primary government, as of December 31, 1995, and for each of the years in the two year period then ended, and have issued my report thereon dated July 30, 1996.

I conducted my audit in accordance with generally accepted auditing standards; *Government Auditing Standards*, issued by the Comptroller General of the United States; the provisions of Office of Management and Budget Circular A-128; and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor. Those standards, OMB Circular A-128, and the audit guide require that I plan and perform the audit to obtain reasonable assurance about whether the component unit financial statements are free of material misstatement.

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

Material instances of noncompliance are failures to follow requirements or violations of prohibitions, contained in laws, regulations, contracts, or grants that cause me to conclude that the aggregation of those failures or violations is material to the primary government financial statements. The results of my tests of compliance disclosed the following material instances of noncompliance:

PRACTICE LIMITED TO GOVERNMENTAL AUDITING AND ACCOUNTING

DESOTO PARISH POLICE JURY
Mansfield, Louisiana
Independent Auditor's Report
on Compliance, etc.,
December 31, 1995

**Need to Comply with Article VII, Section 14
of the Louisiana Constitution**

Finding: Article VII, Section 14 of the Louisiana Constitution prohibits the police jury from donating funds or things of value to any person, association, or corporation, public or private. During the course of my audit I noted several transactions of the police jury that I believe violate Article VII, Section 14 of the Louisiana Constitution. The following comments summarize those findings:

1. During my test of expenditures, I noted that telephone calls placed from the home of one juror and from third numbers were charged to the telephone calling card issued to that juror. During a three month period examined, 280 calls totaling approximately \$1,300 were charged to the calling card which appear to be of a personal nature and not related to the official duties of the police juror. It should be noted that the police jury has canceled the calling cards and has discontinued the practice of issuing cards to jurors.
2. During the year ended December 31, 1994, the police jury purchased approximately 190 tires totaling approximately \$13,500 which appear to be in excess of the number that could have been reasonable required for jury use. Based on the police jury's inventory of vehicles, only 14 vehicles owned by the jury use the sizes of tires in question.
3. I also noted three invoices totaling approximately \$150 charging various automotive parts to the police jury for vehicles apparently not owned by the jury. In each case the corresponding purchase order indicated that the parts were for police jury vehicles.

Recommendation: The police jury should implement procedures to detect and prevent unauthorized purchases to be charged to the jury. I further recommend that the police jury seek restitution from the individuals found responsible for these charges.

DESOTO PARISH POLICE JURY

Mansfield, Louisiana
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on Compliance, etc.,
December 31, 1995

Management's Response: Action was taken by the police jury to correct this problem. The jury has appointed an administrator, a public works director, and a new purchasing agent. Purchase orders are issued by the purchasing agent who is located in the main jury office. The vehicle number is listed on the purchase order. The phone calls, the tires, and the invoices in question are part of the ongoing investigation and will be addressed by the jury when it is completed. One of the employees has voluntarily reimbursed the jury for the cost of parts for his private vehicle. Another invoice was questioned and the individual paid the invoice directly to the vendor.

Need to Comply with Fixed Asset Laws

Finding: Louisiana Revised Statute 24:515 (B)(1) requires the police jury to maintain records of all general fixed assets owned by the police jury. As discussed in my internal control finding on fixed assets, during my test of general fixed assets, 3 vehicles listed on the police jury's fixed asset listing could not be located. I was informed by police jury personnel that the vehicles had been sold as salvage. In addition to these 3 vehicles, I determined through interviews with police jury personnel, that certain other police jury vehicles had been sold by police jury employees and that these vehicles have subsequently been recovered.

Recommendation: The police jury should implement policies and procedures to ensure that all fixed assets are properly accounted for and that no assets are disposed of without specific authorization of the police jury. I further recommend that the police jury conduct a physical inventory of all equipment and vehicles owned by the jury and ensure that all assets listed on the fixed asset listing are accounted for.

Management's Response: The public works director immediately started conducting a physical inventory of the equipment and vehicles to assure all the assets listed were accounted for. Also, the policies and procedures of the jury will be followed if there is a need to dispose of any assets.

DESOTO PARISH POLICE JURY

Mansfield, Louisiana
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It should be noted that in connection with the above findings, an ongoing investigation is being conducted by the Louisiana Attorney General's office. As a result of the Attorney General's investigation, indictments on theft and malfeasance in office charges have been returned against certain police jurors and former jury employees.

Finding: Louisiana Revised Statute 24:513 (A)(5)(a) requires the police jury's audit to be completed within six months of the close of the police jury's fiscal year. Because information must be gathered from various departments and not all departments submitted this information to the accounting department in a timely manner, the police jury was unable to close the books and provide the financial and accounting records to the auditor in time for the audit to be completed within the prescribed time period.

Recommendation: In the future, the police jury should ensure that the jury's accounts and records are available for audit in sufficient time as to ensure that its audit is completed within the time prescribed by state law.

Management's Response: We have been assured by the departments that they will furnish this office with the necessary documentation to enable us to complete our books in a timely manner.

I considered these instances of noncompliance in forming my opinion on whether the DeSoto Parish Police Jury's 1995 financial statements are presented fairly, in all material respects, in conformity with generally accepted accounting principles, and this report does not affect my report dated July 30, 1996, on those primary government financial statements.

Except as described above, the results of my tests of compliance indicate that, with respect to the items tested, the DeSoto Parish Police Jury, primary government, complied, in all material respects, with the provisions referred to in the third paragraph of this report; and with respect to items not tested, nothing came to my attention that caused me to believe that the DeSoto Parish Police Jury, primary government, had not complied, in all material respects, with those provisions.

I noted certain immaterial instances of noncompliance that I have reported to the management of the DeSoto Parish Police Jury in a separate letter dated July 30, 1996.

DESOTO PARISH POLICE JURY

Mansfield, Louisiana

Independent Auditor's Report

on Compliance, etc.,

December 31, 1995

This report is intended for the information of members of the DeSoto Parish Police Jury , management of the police jury, and interested state and federal agencies. This is not intended to limit the distribution of this report, which is a matter of public record.

Louis J. Andrus

West Monroe, Louisiana

July 30, 1996

LOUIS L. ANDRIES
CERTIFIED PUBLIC ACCOUNTANT

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**Independent Auditor's Report on Compliance With
Specific Requirements Applicable to Major
Federal Financial Assistance Programs**

DESOTO PARISH POLICE JURY
Mansfield, Louisiana

I have audited the primary government financial statements of the DeSoto Parish Police Jury as of December 31, 1995 and for each of the years in the two year period then ended, and have issued my report thereon dated July 30, 1996.

I have also audited the DeSoto Parish Police Jury's compliance with the requirement governing types of services allowed, eligibility, reporting, monitoring subrecipients, security over food stamps, claims for advances and reimbursements, and the special requirements governing contract rent and utility allowance limitations, initial and annual inspections, revenue restrictions, obligation of funds, and environmental reviews that are applicable to each of its major federal financial assistance programs, which are identified in the accompanying Schedule of Federal Financial Assistance, for the two years ended December 31, 1995. The management of the DeSoto Parish Police Jury is responsible for the police jury's compliance with that requirement. My responsibility is to express an opinion on compliance with that requirement based on my audit.

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

In my opinion, the DeSoto Parish Police Jury complied, in all material respects, with the requirement governing types of services allowed, eligibility, reporting, monitoring subrecipients, security over food stamps, claims for advances and reimbursements, and the special requirements governing contract rent and utility allowance limitations, initial and annual inspections, revenue restrictions, obligation of funds, and environmental reviews that are applicable to each of its major federal financial assistance programs for the two years ended December 31, 1995.

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DESOTO PARISH POLICE JURY
Mansfield, Louisiana
Independent Auditor's Report on Compliance
With Specific Requirements Applicable
To Major Programs,
December 31, 1995

This report is intended for the information of the DeSoto Parish Police Jury, management of the police jury, and interested state and federal agencies. This is not intended to limit the distribution of this report, which is a matter of public record.

Louis A. Andrieu

West Monroe, Louisiana
July 30, 1996

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**Independent Auditor's Report on Compliance
With General Requirements Applicable to
Federal Financial Assistance Programs**

DESOTO PARISH POLICE JURY
Mansfield, Louisiana

I have audited the primary government financial statements of the DeSoto Parish Police Jury as of December 31, 1995 and for each of the years in the two year period then ended, and have issued my report thereon dated July 30, 1996.

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

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

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

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

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DESOTO PARISH POLICE JURY
Mansfield, Louisiana
Independent Auditor's Report on
Compliance With General Requirements
Applicable to Federal Programs,
December 31, 1995

This report is intended for the information of the DeSoto Parish Police Jury, management of the police jury, and interested state and federal grantor agencies. This is not intended to limit the distribution of this report, which is a matter of public record.

Jacques L. Anclues

West Monroe, Louisiana
July 30, 1996

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**Independent Auditor's Report on Compliance With
Specific Requirements Applicable to Nonmajor
Federal Financial Assistance Program Transactions**

DESOTO PARISH POLICE JURY
Mansfield, Louisiana

I have audited the primary government financial statements of the DeSoto Parish Police Jury as of December 31, 1995 and for each of the years in the two year period then ended, and have issued my report thereon dated July 30, 1996.

In connection with my audit of the primary government financial statements of the DeSoto Parish Police Jury and with my consideration of the DeSoto Parish Police Jury's control structure used to administer federal financial assistance programs, as required by Office of Management and Budget Circular A-128, *Audits of State and Local Governments*, I selected certain transactions applicable to certain nonmajor federal financial assistance programs for the two years ended December 31, 1995. As required by OMB Circular A-128, I have performed auditing procedures to test compliance with the requirements governing types of services allowed, eligibility, matching, monitoring of subrecipients, and special requirements governing outreach, assistance notification, and grievance hearings that are applicable to those transactions. My procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the DeSoto Parish Police Jury's compliance with these requirements. Accordingly, I do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the preceding paragraph. With respect to items not tested, nothing came to my attention that caused me to believe that the DeSoto Parish Police Jury had not complied, in all material respects, with those requirements.

This report is intended for the information of the DeSoto Parish Police Jury, management of the police jury, and interested state and federal grantor agencies. This is not intended to limit the distribution of this report, which is a matter of public record.

Louis L. Andries

West Monroe, Louisiana
July 30, 1996

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**Independent Auditor's Report
on the Internal Control Structure**

DESOTO PARISH POLICE JURY
Mansfield, Louisiana

I have audited the primary government financial statements of the DeSoto Parish Police Jury, primary government, as of December 31, 1994, and for each of the years in the two year period then ended, and have issued my report thereon dated July 30, 1996.

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

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

In planning and performing my audit of the primary government financial statements of the DeSoto Parish Police Jury, primary government, for the two years ended December 31, 1994, I obtained an understanding of the internal control structure. With respect to the internal control structure, I obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and I assessed control risk in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide an opinion on the internal control structure. Accordingly, I do not express such an opinion.

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DESOTO PARISH POLICE JURY
Mansfield, Louisiana
Independent Auditor's Report
on Internal Control Structure,
December 31, 1994

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

**Need to Improve Controls over
General Fixed Records**

Finding: Louisiana Revised Statute 24:515 (b)(1) requires the police jury to maintain records of all general fixed assets owned by the police jury. During my test of general fixed assets, 3 vehicles listed on the police jury's fixed asset listing could not be located. I was informed by police jury personnel that the vehicles had been sold as salvage.

Recommendation: The police jury should implement policies and procedures to ensure that all fixed assets are properly accounted for and that no assets are disposed of without specific authorization of the police jury. These policies should also include procedures for disposing of property that is no longer serviceable or of no further use to the police jury.

Management's Response: The police jury has a policy in place to ensure that the fixed assets are properly accounted for. When this policy was violated by persons in a trusted position, the jury took corrective action and the vehicles in question are a part of an on going investigation by the attorney general. Copies titles were turned over to the investigators, these three included. When the investigation has been completed and the jury is furnished with some type of written notification, these items will be addressed. This will also enable the jury to determine what further action is deemed necessary.

A material weakness is a reportable condition in which the design or operation of one or more of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the primary government 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.

DESOTO PARISH POLICE JURY
Mansfield, Louisiana
Independent Auditor's Report
on Internal Control Structure,
December 31, 1994

My consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered material weaknesses as defined above. However, I believe the reportable condition described above to be a material weakness.

This report is intended for the information of members of the DeSoto Parish Police Jury, management of the police jury, and interested state and federal agencies. This is not intended to limit the distribution of this report, which is a matter of public record.

Jacques H. Andrieu

West Monroe, Louisiana
July 30, 1996

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**Independent Auditor's Report on Internal Control
Structure Used in Administering Federal
Financial Assistance Programs**

DESOTO PARISH POLICE JURY
Mansfield, Louisiana

I have audited the primary government financial statements of the DeSoto Parish Police Jury as of December 31, 1995, and for each of the years in the two year period then ended, and have issued my report thereon dated July 30, 1996. I have also audited the compliance of the DeSoto Parish Police Jury with requirements applicable to major federal financial assistance programs and have issued my report thereon dated July 30, 1996.

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

In planning and performing my audit for the two years ended December 31, 1995, I considered the internal control structure of the DeSoto Parish Police Jury in order to determine my auditing procedures for the purpose of expressing my opinion on the primary government financial statements of the DeSoto Parish Police Jury and on the compliance of the DeSoto Parish Police Jury with requirements applicable to major programs, and to report on the internal control structure in accordance with OMB Circular A-128. This report addresses my consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal financial assistance programs. I have addressed internal control structure policies and procedures relevant to my audit of primary government financial statements in a separate report dated July 30, 1996.

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DESOTO PARISH POLICE JURY

Mansfield, Louisiana

Independent Auditor's Report on Internal
Control Structure Used in Administering
Federal Financial Assistance Programs,
December 31, 1995

Specific Requirements:

Types of services allowed/unallowed

Eligibility

Reporting

Monitoring subrecipients

Security over food stamps

Special requirements

Claims for advances and reimbursements

Amounts claimed or used for matching

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

For each of the years in the two year period ended December 31, 1995 and 1994, the DeSoto Parish Police Jury expended 96 per cent of its total federal financial assistance under its major federal financial assistance programs.

I performed tests of controls, as required by OMB Circular A-128, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that I considered relevant to preventing or detecting material noncompliance with specific requirements and general requirements that are applicable to the police jury's major federal financial assistance programs, which are identified in the accompanying Schedule of Federal Financial Assistance. My procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, I do not express such an opinion.

My consideration of the internal control structure policies and procedures used in administering federal financial assistance would not necessarily disclose all matters in the internal control structure that might constitute material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that noncompliance with laws and regulations that would be

DESOTO PARISH POLICE JURY
Mansfield, Louisiana
Independent Auditor's Report on Internal
Control Structure Used in Administering
Federal Financial Assistance Programs,
December 31, 1995

material to a federal financial assistance program may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control structure and its operations that I consider to be material weaknesses as defined above.

This report is intended for the information of the DeSoto Parish Police Jury, management of the police jury; and interested state and federal agencies. This is not intended to limit the distribution of this report, which is a matter of public record.

James D. Andrew

West Monroe, Louisiana
July 30, 1996

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July 30, 1996

MANAGEMENT LETTER

DESOTO PARISH POLICE JURY
Mansfield, Louisiana

In planning and performing my audit of the DeSoto Parish Police Jury's financial statements for the two years ended December 31, 1995, a certain matter came to my attention which I believe should be conveyed to management of the police jury. This matter, while not appropriate for inclusion in the various auditor's reports accompanying the financial statements, is an item which I believe should be brought to your attention.

SECURITY OF DEPOSITS

Louisiana Revised Statute 39:1225 requires that the police jury's bank deposits be fully secured at all times by either federal deposit insurance or pledged securities owned by the bank. At December 31, 1995, the police jury's deposits were under secured by approximately \$18,000. The police jury should monitor securities pledged by its banks and require the banks to provide security equal to one hundred per cent of the amount on deposit, less the amount of deposits covered by federal deposit insurance, at all times.

GENERAL

I am available to assist the police jury with any problems or questions they may have concerning the above or any other matters.

Respectfully,

Louis L. Andries

Louis L. Andries

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