

**DESOTO PARISH POLICE JURY  
ANNUAL FINANCIAL REPORT**

**DECEMBER 31, 2021**

DeSoto Parish Police Jury  
Annual Financial Report  
December 31, 2021

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# DeSoto Parish Police Jury

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## Management's Discussion and Analysis

### OFFICERS

**Ernel Jones**  
President

**Greg Baker**  
Vice President

**Michael Norton**  
Parish Administrator

**Jodi Zeigler**  
Secretary

**Lilinaa Garcia**  
Treasurer

### MEMBERS

**Jimmy Holmes**  
Keatchie, LA 71046  
District 1A

**B. D. Mitchell**  
Logansport, LA 71049  
District 1B

**Keith Parker**  
Mansfield, LA 71052  
District 1C

**Kyle Kennington**  
Stonewall, LA 71078  
District 2

**Greg Baker**  
Stonewall, LA 71078  
District 3

**Richard Fuller**  
Mansfield, LA 71052  
District 4A

**Jeri Burrell**  
Mansfield, LA 71052  
District 4B

**Ernel Jones**  
Mansfield, LA 71052  
District 4C

**Thomas Jones**  
Mansfield, LA 71052  
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**Reggie Roe**  
Frierson, LA 71027  
District 5

**Rodriguez Ross**  
Pelican, LA 71063  
District 6

This section of the DeSoto Parish Police Jury's annual financial report offers readers a narrative overview and analysis of the financial performance of the Police Jury for the fiscal year ended on December 31, 2021. The Management's Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their No. 34 Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments issued June, 1999. Readers are encouraged to consider the information presented here in conjunction with additional information furnished in the Police Jury's financial statements, which immediately follow this section.

### Financial Highlights

- The assets of the DeSoto Parish Police Jury exceeded its liabilities at the close of the most recent fiscal year by \$112,796,188 (net position). Of this amount, \$33,044,355 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors in accordance with the Police Jury's fund designation and fiscal policies.
- As of the close of the current fiscal year, the DeSoto Parish Police Jury's governmental funds reported combined ending fund balances of \$40,804,361. Of this total amount, \$12,388,996 is unassigned and available for use within the Police Jury's designation and policies.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Police Jury's basic financial statements. The Police Jury's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) financial statements of individual funds, and 3) notes to the financial statements.

**Government-wide Financial Statements** - The government-wide financial statements are designed to provide readers with a broad overview of the Police Jury's finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information on all of the Police Jury's assets, deferred outflows, liabilities, and deferred inflows, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Police Jury is improving or deteriorating.

The Statement of Activities presents information showing how the Police Jury's net position changed during the fiscal year. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in the future fiscal periods (e.g., uncollected taxes and earned, but unused, compensated absences).

**DESOTO PARISH POLICE JURY**

Management's Discussion and Analysis

For Year Ended December 31, 2021

Both of the government-wide financial statements distinguish functions of the Police Jury that are principally supported by taxes and intergovernmental revenues (governmental activities) from functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Police Jury include general government, public safety, public works, sanitation, economic development, health and welfare, recreation and culture, transportation, animal control, and interest on long-term debt. The business-type activities of the Police Jury include eastside sewer. The government-wide financial statements can be found on pages 13 and 14 of this report.

**Fund Financial Statements** - A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Police Jury, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Police Jury can be divided into two categories - governmental funds and proprietary funds.

**Governmental Funds** - Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on current sources and uses of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of government's near-term financing decisions. Both the governmental funds balance sheet and the governmental statements of revenues, expenditures and changes in fund balances provides a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Police Jury maintains 12 governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general, solid waste, road, airport, jail, sales tax and ARPA funds, all of which are considered to be major funds. Data from the other funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report. The basic governmental funds financial statements can be found on pages 16 through 20.

**Propriety Funds** - The Police Jury maintains only one type of propriety fund called an enterprise fund which is used to report the same functions presented as business-type activities in the government-wide financial statements. The Police Jury uses the enterprise fund to account for its eastside sewer operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the eastside sewer fund. The basic propriety fund financial statements can be found on pages 21 through 23 of this report.

**Notes to the Financial Statements** - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 25 through 63.

**DESOTO PARISH POLICE JURY**  
Management's Discussion and Analysis  
For Year Ended December 31, 2021

**Government-Wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of government's financial position. In the case of the DeSoto Parish Police Jury, assets exceeded liabilities by \$112,796,188 as of December 31, 2021, which is an increase of \$4,250,372 from December 31, 2020.

The largest portion of the Police Jury's net position (71%) reflects its investments in capital assets (e.g., land, building, equipment, improvements, construction in progress and infrastructure), less any debt used to acquire those assets that is still outstanding. The Police Jury uses these capital assets to provide service to citizens; consequently, these assets are not available for future spending. Although the Police Jury's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets, themselves, cannot be used to liquidate these liabilities.

**DeSoto Parish Police Jury's Net Position**

	<u>As of December 31, 2021</u>			<u>As of December 31, 2020</u>		
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Current and other assets	\$ 48,280,134	\$ 42,803	\$ 48,322,937	\$ 44,574,381	\$ 44,954	\$ 44,619,335
Capital assets	79,616,698	180,690	79,797,388	75,842,797	190,973	76,033,770
Right of Use assets	<u>993,544</u>	<u>0</u>	<u>993,544</u>	<u>1,086,961</u>	<u>0</u>	<u>1,086,961</u>
Total Assets	<u>\$128,890,376</u>	<u>\$223,493</u>	<u>\$129,113,869</u>	<u>\$121,504,139</u>	<u>\$235,927</u>	<u>\$121,740,066</u>
Deferred Outflows	<u>\$ 1,456,762</u>	<u>\$ 0</u>	<u>\$ 1,456,762</u>	<u>\$ 1,472,506</u>	<u>\$ 0</u>	<u>\$ 1,472,506</u>
Long term liabilities	\$ 9,821,999	\$ 0	\$ 9,821,999	\$ 10,881,779	\$ 0	\$ 10,881,779
Other liabilities	<u>6,089,829</u>	<u>65</u>	<u>6,089,894</u>	<u>2,708,460</u>	<u>353</u>	<u>2,708,813</u>
Total Liabilities	<u>\$ 15,911,828</u>	<u>\$ 65</u>	<u>\$ 15,911,893</u>	<u>\$ 13,590,239</u>	<u>\$ 353</u>	<u>\$ 13,590,592</u>
Deferred Inflows	<u>\$ 1,862,550</u>	<u>\$ 0</u>	<u>\$ 1,862,550</u>	<u>\$ 1,076,164</u>	<u>\$ 0</u>	<u>\$ 1,076,164</u>
Net Position:						
Net investment						
in capital assets	\$ 79,571,143	\$180,690	\$ 79,751,833	\$ 75,802,649	\$190,973	\$ 75,993,622
Unrestricted net position	<u>33,001,617</u>	<u>42,738</u>	<u>33,044,355</u>	<u>32,507,593</u>	<u>44,601</u>	<u>32,552,194</u>
Total Net Position	<u>\$112,572,760</u>	<u>\$223,428</u>	<u>\$112,796,188</u>	<u>\$108,310,242</u>	<u>\$235,574</u>	<u>\$108,545,816</u>

The balance of unrestricted net position of \$33,044,355 may be used to meet the government's ongoing obligations to citizens and creditors.

The following table provides a summary of the Police Jury's operations for years ended December 31, 2021 and December 31, 2020. For both years, the Police Jury is able to report positive balances in all categories of net position for the government as a whole. For the year ended December 31, 2021, the Police Jury reports positive fund balances in all of its separate governmental and business-type activities.

**DESOTO PARISH POLICE JURY**  
Management's Discussion and Analysis  
For Year Ended December 31, 2021

**DeSoto Parish Police Jury's Changes in Net Position**

	<u>As of December 31, 2021</u>			<u>As of December 31, 2020</u>		
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Program Revenues:						
Fees, fines and charges for services	\$ 7,049,253	\$ 270	\$ 7,049,523	\$ 7,788,223	\$ 0	\$ 7,788,223
Operating grants and contributions	4,077,642	0	4,077,642	2,839,032	0	2,839,032
Capital grants and contributions	1,192,946	0	1,192,946	380,386	0	380,386
General Revenues:						
Ad valorem taxes	12,043,485	0	12,043,485	11,274,953	0	11,274,953
Sales and use tax	7,558,371	0	7,558,371	6,933,702	0	6,933,702
Severance	1,407,090	0	1,407,090	1,408,412	0	1,408,412
Tourism	160,129	0	160,129	133,450	0	133,450
Video poker	208,913	0	208,913	163,623	0	163,623
Investment Earnings	286,669	0	286,669	305,217	0	305,217
State Revenue Sharing	64,055	0	64,055	62,562	0	62,562
Gain (loss) on sale/retirement of fixed assets	19,290	0	19,290	49,014	0	49,014
Rental, leases & royalties	712,030	0	712,030	327,058	0	327,058
Miscellaneous	<u>602,804</u>	<u>0</u>	<u>602,804</u>	<u>502,195</u>	<u>0</u>	<u>502,195</u>
Total Revenues	\$ <u>35,382,677</u>	\$ <u>270</u>	\$ <u>35,382,947</u>	\$ <u>32,167,827</u>	\$ <u>0</u>	\$ <u>32,167,827</u>
Expenses:						
General government	\$ 6,443,730	\$ 0	\$ 6,443,730	\$ 6,377,140	\$ 0	\$ 6,377,140
Public safety	1,119,626	0	1,119,626	1,042,429	0	1,042,429
Public works	10,431,434	0	10,431,434	10,843,947	0	10,843,947
Sanitation	8,316,739	0	8,316,739	11,774,685	0	11,774,685
Culture and recreation	425,190	0	425,190	373,120	0	373,120
Health and welfare	2,662,721	0	2,662,721	2,648,904	0	2,648,904
Economic development	277,713	0	277,713	844,373	0	844,373
Transportation	780,573	0	780,573	767,120	0	767,120
Animal control	602,152	0	602,152	569,386	0	569,386
Interest Charges	60,281	0	60,281	0	0	0
Eastside sewer	<u>0</u>	<u>12,416</u>	<u>12,416</u>	<u>0</u>	<u>12,172</u>	<u>12,172</u>
Total Expenses	\$ <u>31,120,159</u>	\$ <u>12,416</u>	\$ <u>31,132,575</u>	\$ <u>35,241,104</u>	\$ <u>12,172</u>	\$ <u>35,253,276</u>
Increases (Decreases) in net position before transfers	\$ 4,262,518	\$ (12,146)	\$ 4,250,372	\$ (3,073,277)	\$ (12,172)	\$ (3,085,449)
Transfers	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Change in Net Position	\$ 4,262,518	\$ (12,146)	\$ 4,250,372	\$ (3,073,277)	\$ (12,172)	\$ (3,085,449)
Beginning Net Position	<u>108,310,242</u>	<u>235,574</u>	<u>108,545,816</u>	<u>111,383,519</u>	<u>247,746</u>	<u>111,631,265</u>
Ending Net Position	\$ <u>112,572,760</u>	\$ <u>223,428</u>	\$ <u>112,796,188</u>	\$ <u>108,310,242</u>	\$ <u>235,574</u>	\$ <u>108,545,816</u>

**Financial Analysis of the Government's Funds**

**Governmental Funds** - The focus of the DeSoto Parish Police Jury's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Police Jury's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.



**DESOTO PARISH POLICE JURY**

Management's Discussion and Analysis

For Year Ended December 31, 2021

At the end of the current fiscal year, the DeSoto Parish Police Jury's governmental funds reported combined ending fund balances of \$40,804,361 (a decrease of 3% from 2020 fiscal year). Of this total amount, \$12,388,996 constitutes unassigned fund balance, and \$32,856 is nonspendable as this is inventory and the amount is not in spendable form. The remainder of the fund balances are restricted to indicate that they can only be spent for specific purposes stipulated through enabling legislation.

**General Fund Budgetary Highlights** - During the year, the Police Jury made one revision to the original appropriations approved by the Police Jury Members.

**Capital Assets**

The DeSoto Parish Police Jury's investment in capital assets for its governmental and business-type activities as of December 31, 2021 amounts to \$79,797,388 (net of accumulated depreciation). This investment in capital assets includes land, buildings, equipment, infrastructure and construction in progress.

Major capital asset events during the current fiscal year included the following:

- New Detention Center Facility & Sheriff's offices.
- Wastewater Treatment Facility and Waste Disposal Cell 1X.
- Airport Apron Overlay and Obstruction Removal.
- Road Improvements.
- Sports Complex and Courthouse Modification project.
- MEP and Fire Safety improvements at Detention Center.

**Capital Assets at Year-end  
Net of Accumulated Depreciation  
As of December 31, 2021**

	Governmental <u>Activities</u>	Business-Type <u>Activities</u>	<u>Total</u>
Land	\$ 2,534,642	\$ 10,175	\$ 2,544,817
Construction in Progress	9,546,127	16,266	9,562,393
Buildings and improvements	12,997,668	0	12,997,668
Land improvements	7,086,934	154,249	7,241,183
Furniture, equipment and vehicles	4,537,257	0	4,537,257
Infrastructure	<u>42,914,070</u>	<u>0</u>	<u>42,914,070</u>
Total	<u>\$79,616,698</u>	<u>\$180,690</u>	<u>\$79,797,388</u>

Additional information on the DeSoto Parish Police Jury's capital assets can be found on pages 43 and 44 of this report.

**DESOTO PARISH POLICE JURY**  
Management's Discussion and Analysis  
For Year Ended December 31, 2021

**Economic Factors and Next Year's Budgets and Rates**

For the fiscal year ending December 31, 2022, the following factors were considered when the original budget was prepared:

- Budgeted general revenues were increased to reflect the anticipated receipts in sales tax collections and other local revenues for operational expenses.
- Various cost savings were incorporated into the 2022 budget, including:
  - Suspension of cost-of-living and step increases for FY 2022;
- Increased budgeted revenues and expenditures for federal funding related to COVID-19, as well as Federal Aviation Administration CARES Act funding.

Overall, revenues for the year ending December 31, 2022 are budgeted at a 28% increase from the 2021 budget year and expenses are budgeted at a 24% increase from the 2021 budget year.

**Request for Information**

This financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the Police Jury's finances. If you have questions about this report or need any additional information, contact the Finance Department, at 101 Franklin Street, Mansfield, Louisiana, 71052, call (318) 872-0738.

**T | C | B | T**  
**THOMAS, CUNNINGHAM, BROADWAY & TODTENBIER**  
*Certified Public Accountants*

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**INDEPENDENT AUDITORS' REPORT**

To the Jury Members of the  
DeSoto Parish Police Jury  
101 Franklin Street  
Mansfield, Louisiana 71052

**Adverse and Unmodified Opinions**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the DeSoto Parish Police Jury (Police Jury) as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Police Jury's basic financial statements as listed in the table of contents.

**Adverse Opinion on Aggregate Discretely Presented Component Units**

In our opinion, because of the significance of the matter discussed in the Basis for Adverse and Unmodified Opinions section of our report, the financial statements referred to above do not present fairly the financial position of the aggregate discretely presented component units of the DeSoto Parish Police Jury, as of December 31, 2021, or the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Unmodified Opinion on Governmental Activities, Business-Type Activities, Each Major Fund and the Aggregate Remaining Fund Information**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Police Jury as of December 31, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis for Adverse and Unmodified Opinions**

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

## **Matters Giving Rise to Adverse Opinion on the Aggregately Discretely Presented Component Units**

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

## **Responsibilities of Management for the Financial Statements**

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

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

## **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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

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

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Budgetary Comparison Schedules, Schedule of Employer's Share of Net Pension Liability, Schedule of Employer Contributions, Schedule of Changes in Net OPEB Liability and Related Ratios on pages 1 through 6 and 65 through 74 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Police Jury's basic financial statements. The Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer, Justice System Funding Schedule – Collecting/Disbursing Entity, the accompanying combining and individual nonmajor fund financial statements, Schedule of Compensation of Police Jurors, Financial Data, and Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer, Justice System Funding Schedule – Collecting/Disbursing Entity, the accompanying combining and individual nonmajor fund financial statements, Schedule of Compensation of Police Jurors, Financial Data, and Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the financial statements as a whole.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 26, 2022, on our consideration of the Police Jury's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Police Jury's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Police Jury's internal control over financial reporting and compliance.

## Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Louisiana Legislative Auditor, we have issued a report, dated May 26, 2022, on the results of our state wide agreed-upon procedures performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards*. The purpose of that report is solely to describe the scope of testing performed on those control and compliance areas identified in the Louisiana Legislative Auditor's state wide agreed-upon procedures, and the results of that testing, and not to provide an opinion on control or compliance.

*Thomas, Cunningham, Broadway & Todtenbier, CPA's*

Thomas, Cunningham, Broadway & Todtenbier, CPA's  
Natchitoches, Louisiana

May 26, 2022

## BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE  
FINANCIAL STATEMENTS



DeSoto Parish Police Jury  
Statement of Net Position  
December 31, 2021

	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>	<u>Total</u>
Assets-			
Cash & Cash Equivalents	\$ 12,026,642	\$ 42,803	\$ 12,069,445
Investments	20,260,993	-	20,260,993
Receivables (net of allowances for uncollectible)	14,566,413	-	14,566,413
Inventory	32,856	-	32,856
Due from Other Governments	7,286	-	7,286
Capital Assets (net)	79,616,698	180,690	79,797,388
Right of Use Assets (net)	993,544	-	993,544
Net Pension Asset	1,385,944	-	1,385,944
Total Assets	<u>\$ 128,890,376</u>	<u>\$ 223,493</u>	<u>\$ 129,113,869</u>
Deferred Outflows of Resources			
Pension	\$ 825,545	\$ -	\$ 825,545
OPEB	631,217	-	631,217
Total Deferred Outflows of Resources	<u>\$ 1,456,762</u>	<u>\$ -</u>	<u>\$ 1,456,762</u>
Liabilities-			
Accounts Payable	\$ 4,729,407	\$ 65	\$ 4,729,472
Deposit Balances	600	-	600
Advances	1,070,226	-	1,070,226
Due to Other Governments	289,596	-	289,596
Capital Lease Liability-		-	
Current Portion	344,060	-	344,060
Noncurrent Portion	695,039	-	695,039
Landfill Post Closure Liability	3,434,580	-	3,434,580
Compensated Absences	103,188	-	103,188
Other Post Employment Benefit Obligation	5,245,132	-	5,245,132
Total Liabilities	<u>\$ 15,911,828</u>	<u>\$ 65</u>	<u>\$ 15,911,893</u>
Deferred Inflows of Resources			
Pension	\$ 1,748,756	\$ -	\$ 1,748,756
OPEB	113,794	-	113,794
Total Deferred Inflows of Resources	<u>\$ 1,862,550</u>	<u>\$ -</u>	<u>\$ 1,862,550</u>
Net Position-			
Net Investment in Capital Assets	\$ 79,571,143	\$ 180,690	\$ 79,751,833
Unrestricted	33,001,617	42,738	33,044,355
Total Net Position	<u>\$ 112,572,760</u>	<u>\$ 223,428</u>	<u>\$ 112,796,188</u>

See independent auditors' report and notes to financial statements.



## FUND FINANCIAL STATEMENTS

DeSoto Parish Police Jury  
Governmental Funds  
Balance Sheet  
December 31, 2021

	Major Funds							Nonmajor Funds	Total Governmental Funds
	Special Revenue Funds								
	General Fund	Solid Waste Fund	Road Fund	Airport Fund	Jail Fund	Sales Tax Fund	ARPA Fund		
<u>Assets</u>									
Cash & Cash Equivalents	\$ 994,332	\$ 1,354,014	\$ 2,397,096	\$ 237,543	\$ 4,735,436	\$ 3,000	\$ 1,070,962	\$ 1,234,259	\$ 12,026,642
Investments	7,684,823	7,413,581	11,398	5,151,191	-	-	-	-	20,260,993
Revenue Receivables	3,710,901	4,705,576	4,762,968	119,376	2,532	1,093,099	-	141,761	14,536,213
Inventory	-	-	-	32,856	-	-	-	-	32,856
Due from Other Governments	7,286	-	-	-	-	-	-	-	7,286
Due from Other Funds	421,449	561,784	539,281	3,807	107,856	-	-	-	1,634,177
Noncurrent Receivable	-	-	30,200	-	-	-	-	-	30,200
Total Assets	<u>\$ 12,818,791</u>	<u>\$ 14,034,955</u>	<u>\$ 7,740,943</u>	<u>\$ 5,544,773</u>	<u>\$ 4,845,824</u>	<u>\$ 1,096,099</u>	<u>\$ 1,070,962</u>	<u>\$ 1,376,020</u>	<u>\$ 48,528,367</u>
<u>Liabilities</u>									
Accounts Payable	\$ 415,695	\$ 2,857,085	\$ 534,332	\$ 103,253	\$ 736,224	\$ 14,538	\$ -	\$ 68,280	\$ 4,729,407
Due to Other Funds	3,807	-	400,000	275,000	-	811,921	-	143,449	1,634,177
Due to Other Governments	9,693	5,131	5,132	-	-	269,640	-	-	289,596
Advances	-	-	-	-	-	-	1,070,226	-	1,070,226
Deposits	600	-	-	-	-	-	-	-	600
Total Liabilities	<u>\$ 429,795</u>	<u>\$ 2,862,216</u>	<u>\$ 939,464</u>	<u>\$ 378,253</u>	<u>\$ 736,224</u>	<u>\$ 1,096,099</u>	<u>\$ 1,070,226</u>	<u>\$ 211,729</u>	<u>\$ 7,724,006</u>
<u>Fund Balance</u>									
Nonspendable-									
Inventory	\$ -	\$ -	\$ -	\$ 32,856	\$ -	\$ -	\$ -	\$ -	\$ 32,856
Restricted for-									
Airport	-	-	-	5,133,664	-	-	-	-	5,133,664
Judicial	-	-	-	-	-	-	-	75,236	75,236
Public Safety	-	-	-	-	4,109,600	-	-	-	4,109,600
Roads	-	-	6,801,479	-	-	-	-	-	6,801,479
Sanitation	-	11,172,739	-	-	-	-	-	-	11,172,739
Health & Welfare	-	-	-	-	-	-	736	200,432	201,168
Witness & Juror Fees	-	-	-	-	-	-	-	866,926	866,926
Animal Control	-	-	-	-	-	-	-	21,697	21,697
Unassigned	12,388,996	-	-	-	-	-	-	-	12,388,996
Total Fund Balance	<u>\$ 12,388,996</u>	<u>\$ 11,172,739</u>	<u>\$ 6,801,479</u>	<u>\$ 5,166,520</u>	<u>\$ 4,109,600</u>	<u>\$ -</u>	<u>\$ 736</u>	<u>\$ 1,164,291</u>	<u>\$ 40,804,361</u>
Total Liabilities & Fund Balance	<u>\$ 12,818,791</u>	<u>\$ 14,034,955</u>	<u>\$ 7,740,943</u>	<u>\$ 5,544,773</u>	<u>\$ 4,845,824</u>	<u>\$ 1,096,099</u>	<u>\$ 1,070,962</u>	<u>\$ 1,376,020</u>	<u>\$ 48,528,367</u>

See independent auditors' report and notes to financial statements.

DeSoto Parish Police Jury  
 Reconciliation of Total Governmental Fund Balances to  
 Net Position of Governmental Activities  
 December 31, 2021

Total Governmental Fund Balances	\$	40,804,361
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Amounts reported for Governmental Activities  
 in the Statement of Net Position are different because:

Non current assets used in Governmental Activities  
 are not financial resources. Therefore, they not  
 reported in the Governmental Fund Balance Sheet -

Capital Assets		305,418,120
Less, Accumulated Depreciation		(225,801,422)
Right of Use Assets		1,806,456
Less, Accumulated Amortization		(812,912)
Net Pension Asset		1,385,944
Deferred Outflows of Resources - Pension		825,545
Deferred Outflows of Resources - OPEB		631,217

Long-term Liabilities are not due and payable in the  
 current period. Therefore they are not reported in the  
 Governmental Fund Balance Sheet -

Landfill Post Closure Liability		(3,434,580)
Capital Lease Liabilities		(1,039,099)
Other Post Employment Benefit Obligation		(5,245,132)
Compensated Absences		(103,188)
Deferred Inflows of Resources - Pension		(1,748,756)
Deferred Inflows of Resources - OPEB		(113,794)

Total Net Position of Governmental Activities at December 31, 2021	\$	<u>112,572,760</u>
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DeSoto Parish Police Jury  
Governmental Funds  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Year Ended December 31, 2021

	Major Funds							Nonmajor Funds	Total Governmental Funds
	General Fund	Solid Waste Fund	Road Fund	Airport Fund	Jail Fund	Sales Tax Fund	ARPA Fund		
Revenues:									
Taxes-									
Ad Valorem	\$ 3,540,286	\$ 3,890,396	\$ 4,612,803	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,043,485
Sales & Use	-	1,462,711	4,875,705	-	975,141	244,813	-	-	7,558,370
Severance	653,545	-	753,545	-	-	-	-	-	1,407,090
Tourism	160,129	-	-	-	-	-	-	-	160,129
License & Permits	317,123	-	182,975	-	-	-	-	-	500,098
Intergovernmental-									
Federal Grants	218,617	-	62,590	713,802	-	-	1,596,957	1,928,598	4,520,564
State Funds-									
Parish Transportation Funds	-	-	354,054	-	-	-	-	-	354,054
Grants	17,715	-	-	188,640	-	-	-	-	206,355
State Revenue Sharing (net)	27,436	-	36,619	-	-	-	-	-	64,055
Video Poker	208,913	-	-	-	-	-	-	-	208,913
Fire Insurance Rebate	110,174	-	-	-	-	-	-	-	110,174
Fees, Charges & Commissions	130,373	5,743,021	335,142	154,386	-	-	-	12,698	6,375,620
Fines & Forfeits	-	-	41,400	-	-	-	-	176,775	218,175
Investment Earnings	167,926	18,174	865	101,571	-	161	736	519	289,952
Rents & Royalties	680,887	-	-	31,144	-	-	-	-	712,031
Contributions	-	-	62,500	-	-	-	-	16,942	79,442
Other Revenues	114,636	20,225	3,562	464	-	-	-	328,707	467,594
Total Revenues	\$ 6,347,760	\$ 11,134,527	\$ 11,321,760	\$ 1,190,007	\$ 975,141	\$ 244,974	\$ 1,597,693	\$ 2,464,239	\$ 35,276,101
Expenditures:									
Current-									
General Government									
Legislative	\$ 374,814	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 374,814
Judicial	1,390,713	-	-	-	-	-	-	421,147	1,811,860
Elections	117,840	-	-	-	-	-	-	-	117,840
Finance & Administrative	1,594,138	163,800	190,523	-	-	-	-	-	1,948,461
Other	1,165,133	-	-	-	-	244,974	-	-	1,410,107
Public Safety	158,585	-	-	-	732,909	-	-	-	891,494
Public Works	-	-	8,732,076	-	-	-	-	-	8,732,076

Continued on next page.

DeSoto Parish Police Jury  
Governmental Funds  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Year Ended December 31, 2021

	Major Funds							Nonmajor Funds	Total Governmental Funds
	General Fund	Solid Waste Fund	Road Fund	Airport Fund	Jail Fund	Sales Tax Fund	ARPA Fund		
Sanitation	-	8,301,159	-	-	-	-	-	-	8,301,159
Cultural & Recreation	364,366	-	-	-	-	-	-	-	364,366
Health & Welfare	310,725	-	-	-	-	-	-	2,197,938	2,508,663
Economic Development	124,552	-	-	-	-	-	-	-	124,552
Transportation	-	-	-	456,060	-	-	-	-	456,060
Animal Control	-	-	-	-	-	-	-	563,085	563,085
Capital Lease Expenditures	63,340	42,348	77,623	20,007	-	-	-	25,437	228,755
Capital Outlay	296,736	4,803,640	1,029,069	865,645	1,366,964	-	-	-	8,362,054
Debt Service-									
Principal Retirement	60,877	55,107	170,769	15,431	-	-	-	14,581	316,765
Interest & Other Charges	9,494	16,819	29,733	2,108	-	-	-	2,127	60,281
Total Expenditures	<u>\$ 6,031,313</u>	<u>\$ 13,382,873</u>	<u>\$ 10,229,793</u>	<u>\$ 1,359,251</u>	<u>\$ 2,099,873</u>	<u>\$ 244,974</u>	<u>\$ -</u>	<u>\$ 3,224,315</u>	<u>\$ 36,572,392</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$ 316,447</u>	<u>\$ (2,248,346)</u>	<u>\$ 1,091,967</u>	<u>\$ (169,244)</u>	<u>\$ (1,124,732)</u>	<u>\$ -</u>	<u>\$ 1,597,693</u>	<u>\$ (760,076)</u>	<u>\$ (1,296,291)</u>
Other Financing Sources (Uses):									
Operating Transfers In	\$ 975,443	\$ 1,381,289	\$ 974,260	\$ 4,334	\$ -	\$ -	\$ -	\$ 762,554	\$ 4,097,880
Sale of Assets	-	-	19,290	-	-	-	-	-	19,290
Proceeds of Capital Leases	63,340	42,348	77,623	20,007	-	-	-	25,437	228,755
Operating Transfers Out	(738,652)	(1,704,421)	-	-	-	-	(1,596,957)	(57,850)	(4,097,880)
Total Other Financing	<u>\$ 300,131</u>	<u>\$ (280,784)</u>	<u>\$ 1,071,173</u>	<u>\$ 24,341</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,596,957)</u>	<u>\$ 730,141</u>	<u>\$ 248,045</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	<u>\$ 616,578</u>	<u>\$ (2,529,130)</u>	<u>\$ 2,163,140</u>	<u>\$ (144,903)</u>	<u>\$ (1,124,732)</u>	<u>\$ -</u>	<u>\$ 736</u>	<u>\$ (29,935)</u>	<u>\$ (1,048,246)</u>
Fund Balances-Beginning of Year	<u>11,772,418</u>	<u>13,701,869</u>	<u>4,638,339</u>	<u>5,311,423</u>	<u>5,234,332</u>	<u>-</u>	<u>-</u>	<u>1,194,226</u>	<u>41,852,607</u>
Fund Balances-End of Year	<u>\$ 12,388,996</u>	<u>\$ 11,172,739</u>	<u>\$ 6,801,479</u>	<u>\$ 5,166,520</u>	<u>\$ 4,109,600</u>	<u>\$ -</u>	<u>\$ 736</u>	<u>\$ 1,164,291</u>	<u>\$ 40,804,361</u>

DeSoto Parish Police Jury  
 Reconciliation of the Statement of Revenues, Expenditures and Changes in  
 Fund Balances of Governmental Funds to the Statement of Activities  
 For the Year Ended December 31, 2021

Net Change in Fund Balances-Total Governmental Funds \$ (1,048,246)

Amounts reported for Governmental Activities in the Statement of Activities are different because:

Governmental Funds report Capital Outlays as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives as depreciation expense. The current year amounts for these items were-

Capital Expenditures	8,340,362
Depreciation Expense	(4,566,461)

Governmental Funds report Capital Lease acquisitions as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives as amortization expense. The current year amounts for these items were-

Capital Lease Acquisitions	228,756
Amortization Expense	(322,173)

Payments on long-term debt (leases) are shown as expenditures in the Government Funds, but the payments reduce long-term liabilities in the Statement of Net Position. The current year amounts are 316,766

Proceeds of long-term debt (leases) are shown as revenues in the Government Funds, but the debt increases long-term liabilities in the Statement of Net Position. The current year amounts are (228,756)

Some revenues reported in the Statement of Activities do not provide current financial resources and these are not reported as revenues in the governmental funds. Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore are not reported as expenditures in governmental funds. These timing differences are summarized below:

Non-Employer Pension Revenue	90,571
Pension Expense	270,814
Net OPEB Obligation	(369,290)
Landfill Post Closure	1,373,430
Accrued Compensated Absences	<u>176,745</u>

Change in Net Position of Governmental Activities \$ 4,262,518



DeSoto Parish Police Jury  
Statement of Net Position  
Proprietary Fund  
Year Ended December 31, 2021

		<u>Business-Type Activities</u>
		<u>Enterprise Fund</u>
		<u>Eastside Sewer Fund</u>
Assets-		
Current Assets-		
Cash & Cash Equivalents	\$	42,803
Noncurrent Assets-		
Capital Assets		<u>180,690</u>
Total Assets	\$	<u>223,493</u>
Liabilities-		
Current Liabilities-		
Accounts Payable	\$	65
Noncurrent Liabilities-		
Customer's Deposits		<u>-</u>
Total Liabilities	\$	<u>65</u>
Net Position-		
Net Investment in Capital Assets	\$	180,690
Unrestricted		<u>42,738</u>
Total Net Position	\$	<u>223,428</u>

See independent auditors' report and notes to financial statements.

DeSoto Parish Police Jury  
Statement of Revenues, Expenses and Changes in Net Position  
Proprietary Fund  
Year Ended December 31, 2021

	<u>Business-Type Activities</u>
	<u>Enterprise Fund</u>
	<u>Eastside Sewer Fund</u>
Operating Revenues- Charges for Services- Sewer Usage Fees	\$ 270
Operating Expenses- Professional Fees	\$ 545
Utilities	1,588
Depreciation	10,283
Total Operating Expenses	\$ 12,416
Loss from Operations	\$ (12,146)
Other Financing Sources- Transfers In	-
Change in Net Position	\$ (12,146)
Net Position at Beginning of Year	235,574
Net Position at End of Year	\$ 223,428

See independent auditors' report and notes to financial statements.

DeSoto Parish Police Jury  
Statement of Cash Flows  
Proprietary Fund  
Year Ended December 31, 2021

	Business-Type Activities
	Enterprise Fund
	Eastside Sewer Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES-</b>	
Cash Payments to Suppliers for Goods & Services	\$ (2,151)
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES-</b>	
Due from Other Funds	3,082
Net Change in Cash & Cash Equivalents	\$ 931
<b>CASH &amp; CASH EQUIVALENTS-</b>	
Beginning of Year	41,872
End of Year	\$ 42,803
<b>RECONCILIATION OF LOSS FROM OPERATIONS TO NET CASH PROVIDED BY OPERATING ACTIVITIES-</b>	
Loss from Operations	\$ (12,146)
Adjustments-	
Depreciation	10,283
Increase/(Decrease) in Accounts Payable	(18)
Increase/(Decrease) in Deposit Balances	(270)
Net Cash Used by Operations	\$ (2,151)

See independent auditors' report and notes to financial statements.

## NOTES TO FINANCIAL STATEMENTS

DeSoto Parish Police Jury  
Mansfield, Louisiana  
Notes to the Financial Statements  
December 31, 2021

## Introduction

DeSoto Parish, located in Northwest Louisiana, was established by Act 88 of 1843. The Parish has a population of approximately 28,812. The DeSoto Parish Police Jury (hereinafter referred to as “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 compensated jurors representing the various districts within the parish. The jurors serve four-year terms which expire on January 8, 2024.

Louisiana Revised Statute 33:1236 gives the Police Jury various powers in regulating and directing the affairs of the parish and its inhabitants. The more notable of those are the power to make regulations for their own government, to regulate the construction and maintenance of roads and bridges, to regulate the construction and maintenance of drainage systems, to regulate the sale of alcoholic beverages, and to provide for the health and welfare of the poor, disadvantaged, and unemployed of the parish. Funding to accomplish these tasks is provided by ad valorem taxes, sales and use taxes, beer and alcoholic beverage permits, state revenue sharing, and various other state and federal grants.

### 1. Summary of Significant Accounting Policies

The DeSoto Parish Police Jury’s financial statements are prepared in conformity with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements-and Management’s Discussion and Analysis-for State and Local Governments*, issued in June 1999. The more significant accounting policies established by GAAP and used by the DeSoto Parish Police Jury are discussed below.

#### 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 Police Jury is such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete.

GASB Statement No. 14, *The Reporting Entity*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under the provisions of this Statement, the Police Jury is considered a primary government since it is a special purpose government that has a separately elected governing body, is legally separate and is fiscally independent of other state or local governments. As used in GASB Statement No. 14, fiscally independent means that the Police Jury may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, or issue bonded debt. 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.

DeSoto Parish Police Jury  
Mansfield, Louisiana  
Notes to the Financial Statements  
December 31, 2021

These criteria include:

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 of 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:		
Clerk of Court	June 30	2 and 3
Library	December 31	1, 2 and 3
Tourist Commission	December 31	1, 2 and 3
Communications District	December 31	1 and 3
Emergency Medical Services	June 30	1 and 3
Fire Districts:		
No. 1	December 31	1 and 3
No. 2	December 31	1 and 3
No. 3	December 31	1 and 3
No. 5	December 31	1 and 3
No. 8	December 31	1 and 3
No. 9	December 31	1 and 3

Complete financial statements of the individual component units may be obtained from their respective administration offices or from the DeSoto Parish Police Jury, Mansfield, Louisiana.

The Police Jury has chosen to issue financial statements of the primary government (Police Jury) only; therefore, none of the previously listed component units are included in the accompanying financial statements.

GASB Statement No. 14 provides for the issuance of primary government financial statements that are separate from those of the reporting entity. However, the primary government's (Police Jury) 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 except for the exclusion of component units as discussed above.

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The financial statements consist of all funds, organizations, institutions, agencies, departments, and offices that comprise the Police Jury's legal entity and for which the Police Jury maintains the accounting records. These financial statements include the activities of the DeSoto Parish Airport, the DeSoto Parish Community Services, the Eastside Sewer District, the Mundy Landfill, and the DeSoto Parish Animal Services.

The financial statements do not include financial data for the Police Jury's legally separate component units, which accounting principles generally accepted in the United States of America require to be reported with the financial data of the DeSoto Parish Police Jury's primary government. As a result, the primary government financial statements do not purport to, and do not, present fairly the financial position of the reporting entity of the DeSoto Parish Police Jury and the changes in financial position in conformity with accounting principles generally accepted in the United States of America, but rather are intended to reflect only the financial statements of the primary government (Police Jury).

## **B. Basis of Presentation**

The Police Jury's primary government Basic Financial Statements have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The primary government Basic Financial Statements consist of Government-wide Financial Statements, including a Statement of Net Position and a Statement of Activities, and Fund Financial Statements, which provide a more detailed level of financial information. Both the Government-wide and the Fund Financial Statements categorize activities as either governmental activities or business-type activities.

The Police Jury used funds to maintain its financial records during the year. Each fund is accounted for by a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues and expenditures. The individual funds account for the governmental resources allocated to them for the purpose of carrying on specific activities in accordance with laws, regulations, or other restrictions. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

## **C. Fund Accounting**

The funds of the Police Jury are classified into two categories: governmental and proprietary. The Police Jury uses governmental funds to account for all or most of the Police Jury's general activities, including the collection and disbursement of specifically or legally restricted monies (special revenue funds). These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between the governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources which may be used to finance future period programs or operations.

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The following are the Police Jury's governmental funds:

General Fund – The General Fund is the primary operating fund of the DeSoto Parish Police Jury. All financial resources, except those required to be accounted for in another fund, are accounted for in the General Fund.

Special Revenue Funds – Special revenue funds are used to account for the proceeds of specific revenue resources (other than special assessments, expendable trusts or major capital projects) that are legally restricted to expenditure for specific purposes.

Proprietary funds are used to account for ongoing organizations and activities that are similar to those often found in the private sector. The measurement focus is based upon determination of net income, financial position, and cash flows. The following is the Police Jury's proprietary fund type:

Enterprise Funds – Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises—where the intent of the governing body is that costs (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that the periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

#### **D. Measurement Focus and Basis of Accounting**

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” revenues, expenditures, expenses, and transfers—and assets, deferred outflows of resources, liabilities, and deferred inflows of resources—are recognized in the accounts and reported in the financial statements.

##### Government-Wide Financial Statements (GWFS)

The Statement of Net Position and the Statement of Activities report information on all the financial activities of the Police Jury. Individual funds are not displayed, but the statements distinguish governmental activities, which are normally supported by taxes and intergovernmental revenues, from business-type activities, which rely to a significant extent on fees and charges for support. The effect of most interfund activity is eliminated from these financial statements.

Information contained in these statements reflects the “economic resources” measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities and deferred inflows of resources resulting from non-exchange transactions are recognized in accordance with the requirements of Section N50 of GASB Statement No. 33, as amended by Statement No. 36. Property taxes are recognized as revenues in the year for which they are levied.

Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.



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The statement of activities demonstrates the degree to which the direct expenses of a given function or segment of Police Jury activities is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. The Police Jury does not allocate indirect expenses to functions in the Statement of Activities.

Program revenues included in the Statement of Activities are (1) derived directly from charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function, (2) operating grants and contributions, and (3) capital grants and contributions. For identifying to which function program revenue pertains, the determining factor for charges for services is which function generates the revenue. For grants and contributions, the determining factor is to which functions the revenues are restricted. Revenues not classified as program revenues are presented as general revenues, which include ad valorem taxes, sales taxes, franchise taxes, severance taxes, beer taxes, state revenue sharing, rents and royalties, interest, and other unrestricted revenues. Program revenues reduce the cost of the function to be financed from the Police Jury's general revenues.

#### Fund Financial Statement (FFS)

The fund financial statements report financial information by major and nonmajor funds. The emphasis of fund financial statements is on major governmental and enterprise funds, each of which is displayed in a separate column. Nonmajor funds are aggregated and presented in a single column.

A fund is considered major if it is the primary operating fund of the Police Jury or if it meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least ten percent (10%) of the corresponding total for all funds of that category or type.
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least five percent (5%) of the corresponding total for all government and enterprise funds combined.
- c. The Police Jury's management believes that the fund is particularly important to the financial statement users.

The Police Jury's major funds are described as follows:

#### **Major Governmental Funds:**

General Fund – The General Fund is the primary operating fund of the Police Jury. It accounts for all activities except those required to be accounted for in other funds.

Solid Waste Fund – The Solid Waste Fund is a special revenue fund used to account for the construction and operation of the parish's solid waste collection and disposal facilities. Financing is provided by ad valorem tax, sales and use tax, and fees for services.

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Road Fund – The Road Fund is a special revenue fund used to account for the operations and maintenance of parish roads, streets, and bridges. Financing is provided by the State of Louisiana Parish Transportation Fund, ad valorem taxes, sales taxes, and state revenue sharing funds.

Airport Fund – The Airport Fund is a special revenue fund used to account for the operation and maintenance of a parish airport facility. Financing is primarily provided by rents and royalties, federal and state grants, fees, and interest earned on investments.

Jail Fund – The Jail Fund is a special revenue fund used to account for the construction, improvement, and maintenance of parish jail facilities. Financing is primarily provided by sales taxes.

Sales Tax Fund – The Sales Tax Fund is a special revenue fund used to account for the collection of the one percent sales and use tax. The sales tax revenue is reported in the various funds in accordance with the percentages established in the tax propositions.

ARPA Fund – The ARPA Fund is a special revenue fund used to account for the collection of the Coronavirus State and Local Fiscal Recovery Funds. Financing is provided by the Department of the Treasury.

All other governmental funds are considered nonmajor funds.

**Major Business-Type Fund:**

Proprietary Fund – The Enterprise Fund (Eastside Sewer Fund) accounts for the operations of the Police Jury’s sewer system. Business-type funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing goods and services in connection with the proprietary fund’s ongoing operation. Operating expenses for the proprietary funds include the cost of personnel and contractual services, supplies and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. Financing of the Enterprise Fund is provided by user fees and transfers from the General Fund.

**Governmental Fund Financial Statements** – The amounts reflected in the Governmental Fund Financial Statements are accounted for using the “current financial resources” measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. When the “current financial resources” measurement focus is used, amounts recorded as assets exclude capital assets and the acquisition of capital assets is treated as an expenditure. Furthermore, long-term debts are excluded from amounts reported as liabilities. Proceeds from issuing long-term debt are reported as another financing source and repayment of long-term debt is reported as an expenditure. The statement of revenues, expenditures, and changes in fund balance reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of the Police Jury’s operations.

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The amounts reflected in the Governmental Fund Financial Statements use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Police Jury considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred; however, principal and interest on general obligation long-term debt is recognized when due.

The governmental funds use the following practices in recording revenues and expenditures:

Federal and state entitlements (which include state revenue sharing) are recorded as unrestricted grants-in-aid when available and measurable. Revenue from federal and state grants is recognized when all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when resources are required to be used or the year when use is first permitted; matching requirements, in which the Parish must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the Police Jury on a reimbursement basis.

Ad valorem taxes and the related state revenue sharing are recorded in the year the taxes are assessed. 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 generally collected in December of the current year and January and February of the ensuing year.

Sales tax revenues are recorded in the period in which the underlying exchange has occurred.

Gaming tax revenues are recorded in the period during which the exchange transactions on which the tax is imposed occur.

Fines, forfeitures, fees, and court costs are recognized in the period they are collected by the DeSoto Parish Sheriff.

Royalties are recognized in the period the underlying exchange transaction occurs.

Interest earnings on deposits are recorded when earned and interest earnings on deposits with financial institutions are recorded when credited to the Police Jury.

Those revenues susceptible to accrual are sales taxes, property taxes, franchise taxes, grants, oil and gas royalties, interest revenue and charges for services. Substantially all other revenues, including rents, fines, permits, and license revenues are not susceptible to accrual because generally they are not measurable until received in cash.

Salaries and related benefits are recorded when employee services are provided.

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Commitments under construction contracts are recognized as expenditures when earned by the contractor.

Purchases of various operating supplies are recorded as expenditures in the accounting period in which they are purchased.

Substantially all other expenditures are recognized as expenditures when the related fund liability has been incurred.

Transfers between funds that are not expected to be repaid, sales of assets, proceeds from the sale of bonds, capitalized leases, compensation for loss of assets, and the proceeds from accrued interest on the sale of bonds are accounted for as other financing sources (uses) in the Statement of Revenues, Expenditures, and Changes in Fund Balances. These other financing sources (uses) are recognized at the time the underlying events occur.

***Proprietary Fund Financial Statements*** – The financial statements of the proprietary fund are reported using the “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. The amounts reflected in the Proprietary Fund Financial Statements use the accrual basis of accounting. All assets and liabilities (current or non-current) associated with their activities are reported.

#### **E. Cash and Cash Equivalents and Investments**

Cash and cash equivalents include cash on hand, amounts in demand deposits, interest bearing demand deposits, time deposits (certificates of deposit), and short-term, highly liquid investments with original maturities of ninety (90) days or less when purchased. For the purpose of the proprietary fund Statement of Cash Flows, “cash and cash equivalents” include all demand and savings accounts, and certificates of deposit. Under state law, the Police Jury may deposit funds with a fiscal agent organized under the laws of Louisiana, the laws of any other state in the union, or the laws of the United States. The Police Jury may invest in United States bonds, treasury notes and bills, government-backed agency securities, or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. In addition, local Louisiana governments are authorized to invest in the Louisiana Asset Management Pool (LAMP), a nonprofit corporation formed by the State Treasurer and organized under the laws of the State of Louisiana, which operates a local government investment pool.

The Police Jury has adopted an investment policy limiting investments to:

- Direct United States Treasury obligations.
- Bonds, debentures, notes, or other evidence of indebtedness issued or guaranteed by federal agencies provided that such obligations are backed by the full faith and credit of the United States of America.
- Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by U.S. government instrumentalities, which are federally sponsored.
- Direct Security repurchase agreements of any federal book entry.

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- Time certificates of deposit of any bank domiciled or having a branch office in the state of Louisiana, savings accounts or shares of savings and loan associations and savings banks as defined by R.S. 6:703(16) or (17), or share accounts and share certificate accounts of federally or state-chartered credit unions issuing time certificates of deposit.
- Mutual or trust fund institutions which are registered with the Securities and Exchange Commission under the Securities Act of 1933 and the Investment Act of 1940, and which have underlying investments consisting solely of and limited to securities of the United States government or its agencies.
- Guaranteed investment contracts issued by a bank, financial institution, insurance company, or other entity having one of the two highest short-term rating categories of either Standard & Poor's Corporation or Moody's Investors Service.
- Investment grade (A-1/P-1) commercial paper of domestic United States corporations.

Investments are stated at cost, which approximates market value. The Policy Jury's investments comply with Louisiana Statutes (LSA R.S. 33:2955).

#### **F. Receivables**

In the government-wide financial statements, receivables consist of all revenues earned and not yet received. Major receivables for the governmental activities include ad valorem taxes, sales and use taxes, severance taxes, fees for services, and federal grant revenues. Business-type activities report customers' sewer service charges as its major receivables. The Police Jury uses the allowance method to account for bad debts for ad valorem taxes, sanitation (tipping) fees and sewer service charges. Under this method, an estimate is made of the expected bad debts included in the year-end receivables. The provision for bad debts is recorded as a current expenditure with a corresponding increase to the allowance for doubtful accounts. Accounts receivable are reported in the financial statements net of the allowance account. Subsequent charge-offs or recoveries of specific accounts respectively decrease or increase the allowance account.

#### **G. Interfund Transactions**

Resources belonging to particular funds are commonly shared with other funds that need access to additional resources. When resources are provided without the expectation of repayment, the transaction is reported as a transfer and is treated as a source of income by the recipient and as an expenditure or expense by the provider. If repayment is expected, these receivables and payables are classified as "Due from other funds" or "Due to other funds".

Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers.

In preparing the government-wide financial statements, transfers are eliminated to present net transfers for governmental activities and business-type activities. In addition, interfund receivables and payables are eliminated to present a net balance for each type of activity.

#### **H. Inventory**

Inventory consists of fuel located at the airport. The fuel inventory is valued at cost using the first in/first out (FIFO) method. The costs of the fuel inventory are recorded as expenditures when consumed rather than when purchased in both government-wide and fund financial statements.

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**I. Capital Assets**

Capital assets which include property, plant, equipment, historical treasures, and infrastructure assets (consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, lighting systems, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the fund financial statements for proprietary funds. All capital assets, other than land, are depreciated using the straight-line method over their estimated useful lives, ranging from 5 to 50 years depending upon the expected durability of the particular asset. Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities.

All purchased and constructed capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are valued at their estimated fair market value on the date received. The Police Jury has adopted a capitalization threshold of \$100,000 on infrastructure capital assets and \$5,000 on other capital assets for reporting purposes. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives or improve their efficiency or capacity are not capitalized.

Assets reported in the fund financial statements for governmental funds exclude capital assets. The governmental funds financial statements report the acquisition of capital assets as expenditures.

**J. Advances**

Advances arise when potential revenues do not meet both the “measurable” and “available” criteria for recognition in the current period. Advances also arise when the Police Jury receives resources before it has a legal claim to them, as when grant monies are received prior to the occurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria have been met or the Police Jury has a legal claim to the resources, the liability for the advance is removed from the balance sheet and revenue is recognized.

**K. Compensated Absences**

Vested or accumulated vacation leave or compensatory time earned that is expected to be liquidated with expendable available financial resources are reported as expenditures and a fund liability of the governmental fund that will pay it. Amounts of compensated absences not expected to be liquidated with expendable available financial resources are not reported in the fund financial statements. No accrued current expenditures are reported in the governmental funds, as the amounts are considered immaterial. The full liability and related costs are reported in the government-wide financial statements. The non-current portion represents a reconciling item between the fund and government-wide statements.

Employees of the Police Jury earn from 4 to 160 hours of vacation leave each year, depending on length of service. After April 1, 2006, employees may carry forward up to 80 hours of accumulated earned annual leave not taken. Employees with more than 80 hours at April 1, 2006 are limited to that amount. Upon separation from service, the accumulated vacation leave, up to the date of separation, is paid.

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Full-time employees of the Police Jury accrue sick leave benefits which are calculated on the basis of a “benefit year” at the rate of 1 day per month. Unused sick leave is allowed to accumulate without limit. Unused sick leave benefits will not be paid to employees upon termination of employment.

**L. Sales Taxes**

DeSoto Parish has a 1% sales and use tax approved by the voters on May 16, 1981, for an indefinite period of time. The tax, after all necessary costs for collection and administration, is dedicated to constructing, acquiring, extending, improving, and maintaining the parish library (25 percent), parish roads (50 percent), parish jail facilities (10 percent), and solid waste collection and disposal facilities (15 percent).

**M. Hotel-Motel Tax**

The DeSoto Parish Police Jury, by Ordinance No. 2 dated June 13, 1984, levied a tax based on state statute upon the occupancy of hotel and motel rooms and overnight camping facilities within the parish. Current state statute sets this tax at three percent. The tax, after collection costs not to exceed six percent, is restricted for purposes of attracting conventions and tourists to the parish.

**N. Use of Estimates**

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

**O. Long-Term Obligations**

The accounting treatment of long-term debt depends upon whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements. All long-term debt to be repaid from governmental and business-type resources is reported as liabilities in the government-wide financial statements. Bonds payable are reported net of the applicable bond premium or discount. Interest expense on long-term debt is recognized in the government-wide financial statements as the interest accrues, regardless of when it is due.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

The accounting for proprietary fund long-term debt is the same in the fund statements as it is in the government-wide statements.

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**P. Fund Equity**

Net Position

In the government-wide financial statements, equity (the difference between assets and liabilities) is classified as net position and is reported in three components:

- a. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of net position with constraints placed on the use by (1) external groups, such as creditors, grantors, or laws or regulations of other governments, or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – Consists of the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that do not meet the definition of “restricted” or “net investment in capital assets”.

When an expense is incurred for the purposes for which both restricted and unrestricted net position is available, management applies unrestricted resources first, unless a determination is made to use restricted resources. The policy concerning which to apply first varies with the intended use and legal requirements. This decision is typically made by management at the incurrence of the expense.

Fund Balances

In the fund financial statement, governmental fund balance is classified as fund balance. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable—resources which cannot be spent because they are either (a) not in spendable form (such as prepaid items); or (b) legally or contractually required to be maintained intact.
- Restricted—resources with constraints placed on the use of resources that are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
- Committed—resources which are subject to limitations or constraints to specific purposes the government imposes upon itself at its highest level of decision making (the Jury). These amounts cannot be used for any other purpose unless government takes the same highest-level action to remove or change the constraint.



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- Assigned—resources neither restricted nor committed for which the Police Jury has stated an intended use as established by the Jury or a body or official (Parish Treasurer) to which the Police Jury has delegated the authority to assign amounts for specific purposes.
- Unassigned—resources which cannot be properly classified in one of the other four categories. The General Fund is the only fund that reports a positive unassigned fund balance amount.

The Police Jury establishes (and modifies and rescinds) fund balance commitments and assignments by passage of an ordinance or resolution. At December 31, 2021, \$28,382,509 of the Police Jury's fund balance was restricted by enabling legislation, \$32,856 was nonspendable held as inventory, and \$12,388,996 was unassigned. The Police Jury would typically use restricted fund balances first, followed by committed resources and assigned resources as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first and to defer the use of these other classified funds.

#### **Q. Risk Management**

The Police Jury is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Police Jury carries commercial insurance for the risk of loss including automobile liability, general liability, property damage, workers compensation, errors and omissions, and surety bonds. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

#### **R. Pensions**

For purposes of measuring the Net Pension Liability, Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions, and pension expense, information about the fiduciary net positions of the District Attorney's Retirement System of Louisiana, Registrar of Voters Employees' Retirement System of Louisiana and the Parochial Employees' Retirement System of Louisiana and additions to/deductions from the Systems' fiduciary net positions have been determined on the same basis as they are reported by the Systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

#### **S. Deferred Outflows/Inflows of Resources Related to Pensions**

The Statement of Net Position reports a separate section for deferred outflows and (or) deferred inflows of financial resources. Deferred outflows of resources represent a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expense/expenditure) until the applicable period. Deferred inflows of resources represent an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources until that time.

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## 2. Ad Valorem Taxes

The Police Jury levies taxes on real and business personal property located within the boundaries of DeSoto Parish. Property taxes are levied by the Police Jury on property values assessed by the DeSoto Parish Tax Assessor and approved by the State of Louisiana Tax Commission.

The DeSoto Parish Sheriff's Office bills and collects property taxes for the Police Jury. Collections are remitted to the Police Jury monthly. The Police Jury recognizes property tax revenues when levied.

### Property Tax Calendar

Assessment date	January 1
Levy date	June 30
Tax bills mailed	October 15
Total taxes are due	December 31
Penalties & interest added	January 31
Tax sale	May 16

A revaluation of all property is required to be completed not less than every four years. The last revaluation was completed for the roll of January 1, 2021. Total assessed value was \$761,712,574 in 2021. Louisiana state law exempts the first \$75,000 of assessed value of a taxpayer's primary residence from parish property taxes. This homestead exemption was a total of \$44,156,924 of the assessed value in 2021. For the year ended December 31, 2021, the Police Jury authorized ad valorem tax millages of 15.81 mills and levied taxes of 15.81 mills.

The following is a summary of authorized and levied ad valorem taxes for the primary government for the year ended December 31, 2021:

	<u>Maximum Millage</u>	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
Parishwide taxes:				
General Fund	4.54	4.54	4.54	Indefinite
Road Maintenance	6.06	6.06	6.06	2023
Landfill	5.21	5.21	5.21	2025

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The following are the principal taxpayers for the parish and their 2021 assessed valuations:

		2021 Assessed Valuation	2021 Assessed Tax	Percent of Total Assessed Valuation
International Paper Co.	Manufacturer	\$ 84,120,985	\$ 6,663,511	10.44%
Indigo Minerals, LLC	Oil & Gas	64,594,036	6,187,462	8.02%
Comstock Oil & Gas, LP	Oil & Gas	57,200,599	5,479,245	7.10%
Southwestern Electric Power	Utility	48,401,693	4,252,594	6.01%
Exco Operating Company	Oil & Gas	44,451,595	4,258,018	5.52%
Chesapeake Operating LLC	Oil & Gas	43,283,862	4,146,160	5.37%
DTE Louisiana Gas Gathering, LLC	Oil & Gas	24,430,350	2,340,183	3.03%
Louisiana Midstream Gas Service	Oil & Gas	23,403,692	2,241,840	2.90%
Enterprise Gathering, LLC	Oil & Gas	21,642,977	2,073,181	2.69%
Acadian Gas Pipeline System	Oil & Gas	21,610,830	2,070,101	2.68%
Total		<u>\$433,140,619</u>	<u>\$39,712,295</u>	<u>53.75%</u>

### 3. Cash and Cash Equivalents and Investments

#### *Cash and Cash Equivalents*

At December 31, 2021, the Police Jury has cash and cash equivalents (book balances) totaling \$12,026,642, as follows:

Demand deposits	\$12,008,658
U.S. Government Money Market	<u>60,787</u>
Total cash and cash equivalents	<u>\$12,069,445</u>

The Louisiana Department of Environmental Quality requires a permit holder of a solid waste processing or disposal facility to provide assurance that funds will be available when needed for closure and/or post closure care of a facility. In order to provide this assurance for the Mundy Landfill, on March 26, 2009, the Police Jury entered into a trust agreement with a financial institution to establish a trust fund for the benefit of the Louisiana Department of Environmental Quality. The trust holds a certificate of deposit in favor of the Louisiana Department of Environmental Quality in the amount of \$5,568,999.

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*Investments:*

At December 31, 2021, the Police Jury has the following investments and maturities:

Type of Investment	Fair Value	Investment Maturities (in Years)			
		Less Than 1 Year	1-5 Years	6-10 Years	Over 10 Years
U.S. Government Securities	\$11,885,338	\$ 728,104	\$11,157,234	\$ 0	\$ 0
Louisiana Asset Management Pool	1,536,943	1,536,943	0	0	0
Certificates of Deposit	6,838,712	6,838,712	0	0	0
Total Investments	<u>\$20,260,993</u>	<u>\$9,103,759</u>	<u>\$11,157,234</u>	<u>\$ 0</u>	<u>\$ 0</u>

Investment valuation: The U.S. government securities are stated at fair value based on market quotations. Certificates of deposit are stated at cost, which approximates market value. The investments in LAMP are stated at fair value based upon quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares.

The cash and investments of the DeSoto Parish Police Jury are subject to the following risks:

*Custodial Credit Risk:* Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the government will not be able to recover its deposits. 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.

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 deposit funds upon demand. Further, Louisiana Revised Statute 39:1224 states that securities held by a third party shall be deemed to be held in the Police Jury's name.

At year end, the Police Jury had collected bank balances of \$18,558,935, which were fully protected by \$750,000 of federal depository insurance and pledged securities with a market value in excess of \$20,069,581 held by the custodial banks in the name of the Police Jury.

*Interest Rate Risk:* This is the risk that changes in market rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value is to changes in market interest rates. The Police Jury does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, as a means of offsetting exposure to interest rate risk, the Police Jury diversifies its investments by security type and institution.

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*Credit Risk:* Generally, credit risk is the risk that the issuer of a debt type investment will not fulfill its obligation to the holder of the investment. U.S. government securities or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure. The Police Jury's investments comply with Louisiana Statutes (LSA R.S. 33:2955). Under state law, the Police Jury may deposit funds with a fiscal agent organized under the laws of Louisiana, the laws of any other state in the union, or the laws of the United States. The Police Jury may invest in United States bonds, treasury notes and bills, government-backed agency securities, or certificates and time deposits of state banks organized under Louisiana law and national banks organized under Louisiana law and national banks having principal offices in Louisiana.

Investments held at December 31, 2021 include \$1,536,943 invested with the Louisiana Asset Management Pool (LAMP), a local government investment pool. The Louisiana Asset Management Pool is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LSA-R.S. 33:2955.

The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

### **Realized Gains and Losses**

During 2021, the Police Jury realized a net gain of \$159,763 from the sale of investments. The calculation of realized gains is independent of the calculation of the net increase in the fair value of investments. Realized gains and losses on investments that had been held in more than one fiscal year and sold in the current year may have been recognized as an increase or decrease in the fair value of investments reported in the prior year. The net unrealized gain on investments held at year-end was \$376,386.

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#### 4. Receivables

The following is a summary of current receivables at December 31, 2021:

	RECEIVABLES							Business- Type Activities	Total
	Governmental Activities						Eastside Sewer		
	General Fund	Solid Waste Fund	Road Fund	Airport Fund	Jail Fund	Sales Tax Fund			
Ad valorem taxes	\$3,359,241	\$3,854,988	\$4,483,921	\$ 0	\$ 0	\$ 0	\$ 0	\$0	\$11,698,150
Sales & use taxes	0	0	0	0	0	1,093,099	0	0	1,093,099
Tourism tax	11,080	0	0	0	0	0	0	0	11,080
Severance tax	59,216	0	59,216	0	0	0	0	0	118,432
Federal Grants	0	0	0	102,840	0	0	117,818	0	220,658
State Grants:									
Parish Transportation	0	0	29,513	0	0	0	0	0	29,513
Video Poker	19,395	0	0	0	0	0	0	0	19,395
Other	35,974	0	0	0	0	0	0	0	35,974
Fees, charges & commissions	6,432	929,234	209,602	1,908	0	0	551	0	1,147,727
Fines & Forfeitures	0	0	4,250	0	0	0	20,049	0	24,299
Licenses & Permits	105	0	100	0	0	0	0	0	205
Rents & Royalties	147,788	0	0	6,888	0	0	0	0	154,676
Interest	17,598	6,290	0	7,740	0	0	0	0	31,628
Health & Liability Insurance	63,978	0	0	0	0	0	0	0	63,978
Other	11,607	9,335	1,216	0	2,532	0	3,343	0	28,033
	<u>\$3,732,414</u>	<u>\$4,799,847</u>	<u>\$4,787,818</u>	<u>\$119,376</u>	<u>\$2,532</u>	<u>\$1,093,099</u>	<u>\$141,761</u>	<u>\$0</u>	<u>\$14,676,847</u>
Allowance	(21,513)	(94,271)	(24,850)	0	0	0	0	0	(140,634)
Total Receivables	<u>\$3,710,901</u>	<u>\$4,705,576</u>	<u>\$4,762,968</u>	<u>\$119,376</u>	<u>\$2,532</u>	<u>\$1,093,099</u>	<u>\$141,761</u>	<u>\$0</u>	<u>\$14,536,213</u>

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## 5. Interfund Assets, Interfund Liabilities, and Operating Transfers

In the ordinary course of business, the Police Jury routinely transfers resources between its funds. Transfers are used to (1) move revenues from the fund required by statute or budget to collect them to the fund required by statute or budget to spend them, and (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

TRANSFERS IN	TRANSFERS OUT				Total
	General Fund	Witness & Juror	Solid Waste Fund	ARPA Fund	
General Fund	\$ 0	\$57,850	\$ 841,736	\$ 75,857	\$ 975,443
Solid Waste	0	0	0	1,381,289	1,381,289
Road Fund	0	0	862,685	111,575	974,260
Criminal Court	0	0	0	0	0
Airport	0	0	0	4,334	4,334
OCS Fund	157,868	0	0	15,201	173,069
Animal Services	580,774	0	0	8,711	589,485
Total Transfers	\$738,652	\$57,850	\$1,704,421	\$1,596,957	\$4,097,880

Interfund balances on the fund financial statements at December 31, 2021, consisted of the following:

Receivable Fund	Due To	Due From
General Fund	\$ 421,449	\$ 3,807
Road Fund	539,281	400,000
Sales Tax Fund	0	811,921
Jail Fund	107,856	0
Solid Waste Fund	561,784	0
Criminal Court Fund	0	143,449
Airport Fund	3,807	275,000
Total	\$1,634,177	\$1,634,177

## 6. Capital Assets

Capital asset activity for the year ended December 31, 2021, was as follows:

	Balance January 1, 2021	Additions	Deletions/ Reclassifications	Balance December 31, 2021
<b>Governmental activities:</b>				
Capital assets not being depreciated:				
Land	\$ 2,534,642	\$ 0	\$ 0	\$ 2,534,642
Construction in progress	4,303,493	6,498,110	(1,255,476)	9,546,127
Total assets not being depreciated	\$ 6,838,135	\$6,498,110	\$(1,255,476)	\$ 12,080,769
Capital assets being depreciated:				
Buildings and improvements	\$ 29,038,135	\$1,286,561	\$ 0	\$ 30,324,696
Land improvements – structures	9,661,335	1,004,590	0	10,665,925
Furniture and equipment	17,582,802	145,909	(39,448)	17,689,263
Infrastructure	233,996,799	660,668	0	234,657,467
Total assets being depreciated	\$290,279,071	\$3,097,728	\$ (39,448)	\$293,337,351
Less accumulated depreciation for:				
Buildings and improvements	\$ 16,514,524	\$ 812,504	\$ 0	\$ 17,327,028
Land improvements – structures	3,114,231	464,760	0	3,578,991
Furniture and equipment	12,252,330	939,124	(39,448)	13,152,006
Infrastructure	189,393,324	2,350,073	0	191,743,397
Total accumulated depreciation	\$221,274,409	\$4,566,461	\$ (39,448)	\$225,801,422
Total capital assets – net	\$ 75,842,797	\$5,029,377	\$(1,255,476)	\$ 79,616,698

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Depreciation expense of \$4,566,461 for the year ended December 31, 2021, was charged to the following governmental functions:

General government:	
Judicial	\$ 189,186
Finance and administrative	61,492
Other government	14,477
Public safety	231,417
Public works	1,908,256
Sanitation	1,423,118
Cultural and recreation	60,823
Health and welfare	170,188
Economic development	153,161
Transportation	328,141
Animal control	<u>26,202</u>
Total	<u>\$4,566,461</u>

	Balance January 1, 2021	Additions	Deletions	Balance December 31, 2021
<b>Business-type activities:</b>				
Capital assets not being depreciated:				
Land	\$ 10,175	\$ 0	\$0	\$ 10,175
Construction in progress	16,266	0	0	16,266
Total assets not being depreciated	<u>\$ 26,441</u>	<u>\$ 0</u>	<u>\$0</u>	<u>\$ 26,441</u>
Capital assets being depreciated:				
Sewer system	\$579,040	\$ 0	\$0	\$579,040
Treatment plant	101,180	0	0	101,180
Total assets being depreciated	<u>\$680,220</u>	<u>\$ 0</u>	<u>\$0</u>	<u>\$680,220</u>
Less accumulated depreciation for:				
Sewer system	\$414,508	\$ 10,283	\$0	\$424,791
Treatment plant	101,180	0	0	101,180
Total accumulated depreciation	<u>\$515,688</u>	<u>\$ 10,283</u>	<u>\$0</u>	<u>\$525,971</u>
Total capital assets – net	<u>\$190,973</u>	<u>\$(10,283)</u>	<u>\$0</u>	<u>\$180,690</u>

Depreciation expense of \$10,283 for the year ended December 31, 2021, was charged to the proprietary fund.

## 7. Leases

The Police Jury governmental funds entered into numerous land lease agreements from 2010 to 2016 for compactor sites. Leases obtained from 2010 to 2013 have a five-year lease term; while leases obtained from 2015 to 2016 have a ten-year lease term. The interest rates on the compactor site leases range from 4.00% to 5.83%. The three-year Treasury bill yield plus 3% is used if no rate is stated in the lease agreement; the yield date is the last day of the preceding month from the date of the lease.

During the years ending December 31, 2018, 2019, 2020, and 2021, the Police Jury entered into several lease agreements for vehicles. Vehicles were leased for four- or five-year terms from Enterprise FM Trust at the three-year Treasury bill yield plus 3%; the yield date is the last day of the preceding month from the date of the lease.



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Right of use assets and amortization activity as of and for the year ended December 31, 2021, is as follows:

	<u>Balance</u> <u>1/1/2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/2021</u>
Governmental Activities:				
Right of Use Assets-				
Vehicles	\$1,285,758	\$228,756	\$ 0	\$1,514,514
Land	<u>291,942</u>	<u>0</u>	<u>0</u>	<u>291,942</u>
Total Right of Use Assets	<u>\$1,577,700</u>	<u>\$228,756</u>	<u>\$ 0</u>	<u>\$1,806,456</u>
Less, Accumulated Amortization-				
Vehicles	\$ 414,045	\$301,708	\$ 0	\$ 715,753
Land	<u>76,694</u>	<u>20,465</u>	<u>0</u>	<u>97,159</u>
Total Accumulated Amortization	<u>\$ 490,739</u>	<u>\$322,173</u>	<u>\$ 0</u>	<u>\$ 812,912</u>
Right-of-Use Assets, Net	<u>\$1,086,961</u>	<u>\$(93,417)</u>	<u>\$ 0</u>	<u>\$ 993,544</u>

Amortization expense of \$322,173 for the year ended December 31, 2021, was charged to the following governmental functions:

General Fund-	
General Government	\$ 51,475
Public Works	171,304
Sanitation	61,107
Cultural and recreation	5,394
Health & Welfare	4,793
Transportation	14,279
Animal Control	<u>13,821</u>
Total General Fund	<u>\$322,173</u>

The changes in capital lease liabilities for December 31, 2021 are as follows:

Beginning Capital Lease Liabilities	\$1,127,109
Additions	228,756
Deductions	<u>(316,766)</u>
Ending Capital Lease Liabilities	<u>\$1,039,099</u>

The annual debt service requirements to maturity for these loans are as follows:

<u>Year Ending</u> <u>December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 344,060	\$ 45,141	\$ 389,201
2023	336,653	26,536	363,189
2024	185,247	13,103	198,350
2025	41,791	7,572	49,363
2026	27,704	6,051	33,755
2027-2031	98,847	15,203	114,050
2032	<u>4,797</u>	<u>280</u>	<u>5,077</u>
Total	<u>\$1,039,099</u>	<u>\$113,886</u>	<u>\$1,152,985</u>

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## 8. Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses at December 31, 2021, consist of the following:

	Payable to Vendors	Payroll Liabilities	Total Payables
Governmental Activities:			
General Fund	\$ 382,870	\$ 32,825	\$ 415,695
Solid Waste Fund	2,820,493	36,592	2,857,085
Road Fund	483,625	50,707	534,332
Airport Fund	101,009	2,244	103,253
Jail Fund	736,224	0	736,224
Sales Tax Fund	14,538	0	14,538
Other Governmental Funds	53,136	15,144	68,280
Total Governmental Activities	<u>\$4,591,895</u>	<u>\$137,512</u>	<u>\$4,729,407</u>
Business-Type Activities:			
Eastside Sewer Fund	<u>65</u>	<u>0</u>	<u>65</u>
Total Accounts Payable	<u><u>\$4,591,960</u></u>	<u><u>\$137,512</u></u>	<u><u>\$4,729,472</u></u>

## 9. Due to Other Governments

Effective July 1, 2004, the Police Jury transferred the responsibility for the accounting and administration of the DeSoto Parish Library to the DeSoto Parish Library Board of Control. On that date, responsibility for the assets and liabilities of the DeSoto Parish Library was assumed by the DeSoto Parish Library Board of Control.

The DeSoto Parish Police Jury collects sales taxes that are dedicated to the DeSoto Parish Library. As of December 31, 2021, the amount of \$269,640 in sales taxes collected by vendors dedicated to the library is reported in the Sales Tax Fund as “Due to Other Governments.”

## 10. Deferred Inflows of Resources in Fund Financial Statements

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflow of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Police Jury has no other type of item, which arises only under a modified accrual basis of accounting, which qualified for reporting in this category.

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## 11. Employee Retirement Systems

Substantially all employees of the Police Jury are members of the Parochial Employees' Retirement System of Louisiana (PERS), District Attorneys' Retirement System, State of Louisiana (DARS), or the Registrar of Voters Employees' Retirement System of Louisiana (ROVERS). These systems are cost-sharing, multiple-employer defined benefit pension plans administered by separate boards of trustees. Pertinent information relative to each plan follows:

### A. General Information about the Plans

#### *Parochial Employees' Retirement System of Louisiana (PERS)*

##### *Plan Description*

The Police Jury contributes to PERS Plan B which is a cost-sharing multiple, employer defined benefit pension plan established by Act 205 of the 1952 regular session of the Legislature of the State of Louisiana to provide retirement benefits to all employees of any parish in the State of Louisiana or any governing body or a parish which employs and pays persons serving the parish.

Act 765 of the year 1979, established by the Legislature of the State of Louisiana, revised PERS to create Plan A and Plan B to replace the "regular plan" and the "supplemental plan". Plan A was designated for employers out of Social Security. Plan B was designated for those employers that remained in Social Security on the revision date. PERS is governed by Louisiana Revised Statutes, Title 11, Section 1901 through 2025, specifically, and other general laws of the State of Louisiana. PERS issues an annual publicly available financial report that includes financial statements and required supplementary information for the System, which can be obtained at [www.persla.org](http://www.persla.org).

All permanent Police Jury employees who work at least 28 hours a week shall become members on the date of employment. New employees meeting the age and Social Security criteria have up to 90 days from the date of hire to elect to participate. As of January 1997, elected officials, except coroners, justices of the peace, and parish presidents may no longer join PERS.

##### *Benefits Provided*

The following is a description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

#### **Retirement Benefits**

Any member of Plan B can retire providing he/she meets one of the following criteria:

For employees hired prior to January 1, 2007:

1. Age 55 with 30 years of creditable service
2. Age 60 with a minimum of 10 years of creditable service
3. Age 65 with a minimum of 7 years of creditable service

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For employees hired after January 1, 2007:

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

Generally, the monthly amount of the retirement allowance of any member of Plan B shall consist of an amount equal to 2% of the member's final average compensation multiplied by his/her years of creditable service. However, under certain conditions, as outlined in the statutes, the benefits are limited to specified amounts.

#### **Survivor's Benefits**

Plan B members need 10 years of service credit to be eligible for survivor benefits. Upon the death of any member of Plan B with 20 or more years of creditable service who is not eligible for normal retirement, the plan provides for an automatic Option 2 benefit for the surviving spouse when he/she reaches age 50 and until remarriage, if the remarriage occurs before age 55.

A surviving spouse who is not eligible for Social Security survivorship or retirement benefits, and married not less than 12 months immediately preceding death of the member, shall be paid an Option 2 benefit beginning at age 50.

#### **Deferred Retirement Option Plan**

Act 338 of 1990 established the Deferred Retirement Option Plan (DROP) for PERS. DROP is an option for that member who is eligible for normal retirement. In lieu of terminating employment and accepting a service retirement, any member of Plan A or B who is eligible to retire may elect to participate in DROP in which they enrolled for three years and defer the receipt of benefits. During participation in the plan, employer contributions are payable but employee contributions cease. The monthly retirement benefits that would be payable, had the person elected to cease employment and receive a service retirement allowance, are paid into the DROP Fund.

Upon termination of employment prior to or at the end of the specified period of participation, a participant in the DROP may receive, at his/her option, a lump sum from the account equal to the payments into the account, a true annuity based upon his account balance in that fund, or roll over the fund to an Individual Retirement Account.

Interest is accrued on the DROP benefits for the period between the end of DROP participation and the member's retirement date.

For individuals who become eligible to participate in DROP on or after January 1, 2004, all amounts which remain credited to the individual's subaccount after termination in DROP will be placed in liquid asset money market investments at the discretion of the Board of Trustees. These subaccounts may be credited with interest based on money market rates of return or, at the option of PERS, the funds may be credited to self-directed subaccounts. The participant in the self-directed portion of DROP must agree that the benefits payable to the participant are not the obligations of the state or PERS, and that any returns and other rights of DROP are the sole liability and responsibility of the participant and the designated provider to which contributions have been made.

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**Disability Benefits**

For Plan B, a member shall be eligible to retire and receive a disability benefit if he/she was hired prior to January 1, 2007, and have at least five years of creditable service or if hired after January 1, 2007, has seven years of creditable service, and is not eligible for normal retirement, and has been officially certified as disabled by the State Medical Disability Board. Upon retirement caused by disability, if not eligible for normal retirement, a member of Plan B shall be paid a disability benefit equal to the lesser of an amount equal to 2% of the member's final average compensation multiplied by his years of service, to age 60 for those members who are enrolled prior to January 1, 2007 and to age 62 for those members who enrolled January 1, 2007 and later.

**Cost-of-Living Increases**

The Board is authorized to provide a cost-of-living allowance for those retirees who retired prior to July 1973. The adjustment cannot exceed 2% of the retiree's original benefit for each full calendar year since retirement and may only be granted if sufficient funds are available from investment income in excess of normal requirements.

In addition, the Board may provide an additional cost of living increase to all retirees and beneficiaries who are over age 65 equal to 2% of the member's benefit paid on October 1, 1977, (or the member's retirement date, if later). Also, the Board may provide a cost of living increase up to 2.5% for retirees 62 and older. (LA R.S. 11:1937). Lastly, Act 270 of 2009 provided for further reduced actuarial payments to provide an annual 2.5% cost of living adjustment commencing at age 55.

*Contributions*

According to state statute, contributions for all employers are actuarially determined each year. For the year ended December 31, 2020, the actuarially determined contribution rate was 7.39% of member's compensation for Plan B. However, the actual rate for the fiscal year ending December 31, 2019 was 7.50% for Plan B.

According to state statute, PERS also receives  $\frac{1}{4}$  of 1% of ad valorem taxes collected within the respective parishes, except for Orleans and East Baton Rouge parishes. PERS also receives revenue sharing funds each year as appropriated by the Legislature. Tax monies and revenue sharing monies are apportioned between Plan A and Plan B in proportion to the member's compensation. These additional sources of income are used as additional employer contributions and are considered support from non-employer contributing entities, but are not considered special funding situations. The non-employer contribution was \$82,438.

The Police Jury's contractually required composite contribution rate for the year ended December 31, 2021 was 7.50% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any Unfunded Actuarial Accrued Liability.

Contributions to the pension plan from the Police Jury were \$440,592 for the year ended December 31, 2021.

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*District Attorneys' Retirement System, State of Louisiana (DARS)*

*Plan Description*

The Police Jury contributes to the District Attorneys' Retirement System, State of Louisiana, which is a cost-sharing multiple employer defined benefit pension plan. DARS was established on the first day of August 1956 and was placed under the management of the Board of Trustees for the purpose of providing retirement allowances and other benefits as stated under the provisions of R.S. 11, Chapter 3 for district attorneys, assistant district attorneys, and employees of DARS and Louisiana District Attorneys' Association.

All persons who are district attorneys of the State of Louisiana, assistant district attorneys in any parish of the State of Louisiana, or employed by this retirement system and the Louisiana District Attorneys' Association, except for elected or appointed officials who have retired from service under any publicly funded retirement system within the state and who are currently receiving benefits, shall become members as a condition of their employment; provided, however, that in the case of assistant district attorneys, they must be paid an amount not less than the minimum salary specified by the Louisiana District Attorneys' Retirement System's Board of Trustees. The projection of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through DARS in accordance with the benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date.

*Benefits Provided*

The following is a description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

**Retirement**

Members who joined DARS before July 1, 1990, and who have elected not to be covered by the new provisions, are eligible to receive a normal retirement benefit if they have 10 or more years of creditable service and are at least age 62, or if they have 18 or more years of service and are at least age 60, or if they have 23 or more years of service and are at least age 55, or if they have 30 years of service regardless of age. The normal retirement benefit is equal to 3% of the member's average final compensation for each year of creditable service. Members are eligible for early retirement at age 60 if they have at least 10 years of creditable service or at age 55 with at least 18 years of creditable service. Members who retire prior to age 60 with less than 23 years of service credit, receive a retirement benefit reduced 3% for each year of age below 60. Members who retire prior to age 62 who have less than 18 years of service receive a retirement benefit reduced 3% for each year of age below 62. Retirement benefits may not exceed 100% of final average compensation.

Members who joined DARS after July 1, 1990, or who elected to be covered by the new provisions, are eligible to receive normal retirement benefits if they are age 60 and have 10 years of service credit, are age 55 and have 24 years of service credit, or have 30 years of service credit regardless of age. The normal retirement benefit is equal to 3.5% of the member's final average compensation multiplied by years of membership service. A member is eligible for an early retirement benefit if he is age 55 and has 18 years of service credit. The early retirement benefit is equal to the normal retirement benefit reduced 3% for each year the member retires in advance of normal retirement age. Benefits may not exceed 100% of average final compensation.

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**Disability Benefits**

Disability benefits are awarded to active contributing members with at least 10 years of service who are found to be totally disabled as a result of injuries incurred while in active service. The member receives a benefit equal to 3% (3.5% for members covered under the new retirement benefit provisions) of his average final compensation multiplied by the lesser of his actual service (not to be less than 15 years) or projected continued service to age 60.

**Survivor's Benefits**

Upon the death of a member with less than 5 years of creditable service, his accumulated contributions and interest thereon are paid to his surviving spouse, if he is married, or to his designated beneficiary, if he is not married. Upon the death of any active, contributing member with 5 or more years of service or any member with 23 years of service who has not retired, automatic Option 2 benefits are payable to the surviving spouse. These benefits are based on the retirement benefits accrued at the member's date of death with the option factors used as if the member had continued in service to earliest normal retirement age. If a member has no surviving spouse, the surviving minor children under 18 or disabled children are paid 80% of the member's accrued retirement benefit divided into equal shares. If a member has no surviving spouse or children, his accumulated contributions and interest are paid to his designated beneficiary. In lieu of periodic payments, the surviving spouse or children may receive a refund of the member's accumulated contributions with interest.

Upon withdrawal from service, members not entitled to a retirement allowance are paid a refund of accumulated contributions upon request. Receipt of such a refund cancels all accrued rights in DARS.

**Cost-of-Living Increases**

The Board of Trustees is authorized to grant retired members and surviving beneficiaries of members who have retired an annual cost of living increase of 3% of their original benefit, (not to exceed \$60 per month) and all retired members and widows who are 65 years of age and older a 2% increase in their original benefit. In lieu of other cost of living increases the Board may grant an increase to retirees in the form of "Xx(A&B)" where "A" is equal to the number of years of credited service accrued at retirement or death of the member or retiree and "B" is equal to the number of years since death of the member or retiree to June 30 of the initial year of increase and "X" is equal to any amount available for funding such increase up to a maximum of \$1.00. In order for the Board to grant any of these increases, DARS must meet certain criteria detailed in the statute related to funding status and interest earnings.

**Back-Deferred Retirement Option Plan**

In lieu of receiving an actual service retirement allowance, any member who has more years of service than are required for a normal retirement may elect to receive a Back-Deferred Retirement Option Program (Back-DROP) benefit.

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The Back-DROP benefit is based upon the Back-DROP period selected and the final average compensation prior to the period selected. The Back-DROP period is the lesser of 36 months or the service accrued between the time a member first becomes eligible for retirement and his actual date of retirement. At retirement, the member's maximum monthly retirement benefit is based upon his service, final average compensation, and plan provisions in effect on the last day of creditable service immediately prior to the commencement of the Back-DROP period. In addition to a reduced monthly benefit at retirement, the member receives a lump-sum payment equal to the maximum monthly benefit as calculated above multiplied by the number of months in the Back-DROP period. In lieu of receiving the lump-sum payment, the member may leave the funds on deposit with the system in an interest-bearing account.

### **Deferred Retirement Option Plan**

Prior to January 1, 2009, eligible members could elect to participate in the Deferred Retirement Option Program (DROP) for up to 36 months in lieu of terminating employment and accepting a service benefit. During participation in the DROP, employer contributions were payable and employee contributions were reduced to ½ of 1%. The monthly retirement benefits that would have been payable to the member were paid into a DROP account, which did not earn interest while the member was participating in the DROP. Upon termination of participation, the participant in the plan received, at his option, a lump sum from the account equal to the payments into the account or systematic disbursements from his account in any manner approved by the Board of Trustees. The monthly benefits that were being paid into the DROP would then be paid to the retiree. All amounts which remain credited to the individual's sub-account after termination of participation in the plan were invested in liquid money market funds. Interest was credited thereon as actually earned.

### *Contributions*

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ending June 30, 2021, the actual employer contribution rate was 4.0%.

In accordance with state statute, DARS receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities. Non-employer contributions were recognized as revenue during the year ended June 30, 2021, and excluded from pension expense. These additional sources of income are used as additional employer contributions and are considered support from non-employer contributing entities, but are not considered special funding situations. The non-employer contribution was \$3,095.

The Police Jury's contractually required composite contribution rate for the year ended December 31, 2021 was 9.5% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any Unfunded Actuarial Accrued Liability. Contributions to the pension plan from the Police Jury were \$1,765 for the year ended December 31, 2021.



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*Registrar of Voters Employees' Retirement System of Louisiana (ROVERS)*

*Plan Description*

The Police Jury contributes to the Registrar of Voters Employees' Retirement System of Louisiana, which is a cost-sharing, multiple-employer defined benefit pension plan. ROVERS was established in accordance by Act 215 of 1954, under Revised Statute 11:2032 to provide retirement allowances and other benefits for registrars of voters, their deputies, and their permanent employees in each parish of the State of Louisiana.

ROVERS was established on January 1, 1955 for the purpose of providing retirement allowances and other benefits as stated under the provisions of R.S. Title 11:2032, as amended, for registrars of voters, their deputies, and their permanent employees in each parish. The projection of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through ROVERS in accordance with the benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date.

*Benefits Provided*

The following is a description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

**Retirement**

Any member hired prior to January 1, 2013 is eligible for normal retirement after he or she has 20 years of creditable service and is age 55 or has 10 years of creditable service and is age 60. Any member with 30 years of creditable service, regardless of age, may retire. Regular retirement benefits for members hired prior to January 1, 2013 are calculated at 3.33% of the average annual earned compensation for the highest consecutive 60 months multiplied by the number of years of creditable service, not to exceed 100% of average annual compensation.

Any member hired on or after January 1, 2013, is eligible for normal retirement after he or she has attained 30 years of creditable service and is age 55; has attained 20 years of creditable service and is age 60; or has attained 10 years of creditable service and is age 62. Regular retirement benefits for members hired on or after January 1, 2013, are calculated at 3.00% of the average annual earned compensation for the highest consecutive 60 months multiplied by the number of years of creditable service, not to exceed 100% of average annual compensation. Retirement benefits for members hired on or after January 1, 2013, that have attained 30 years of creditable service with at least 20 years of creditable service in ROVERS are calculated at 3.33% of the average annual compensation for the highest consecutive 60 months multiplied by the number of years of creditable service, not to exceed 100% of average annual compensation.

Any member whose withdrawal from service occurs prior to attaining the age of 60 years, who shall have completed 10 or more years of creditable service and shall not have received a refund of his accumulated contributions, shall become eligible for a deferred allowance beginning upon his attaining the age of 60 years.

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**Disability Benefits**

Disability benefits are provided to active contributing members with at least 10 years of service established in ROVERS and who have been officially certified as disabled by the State Medical Disability Board. The disabled member who has attained the age of 60 years shall be entitled to a regular retirement allowance. The disabled member who has not yet attained age 60 shall be entitled to a disability benefit equal to the lesser of 3% of his average final compensation multiplied by the number of creditable years of service (not to be less than 15 years) or 3.33% of average final compensation multiplied by the years of service assuming continued service to age 60. Disability benefits may not exceed two-thirds of earnable compensation.

**Survivor's Benefits**

If a member who has less than five years of credited service dies due to any cause other than injuries sustained in the performance of his official duties, his or her accumulated contributions are paid to his designated beneficiary. If the member has five or more years of credited service and is not eligible to retire, automatic Option 2 benefits are payable to the surviving spouse. These benefits are based on the retirement benefits accrued at the member's date of death with Option 2 factors used as if the member had continued in service to earliest normal retirement age. If a member has no surviving spouse and the member has five or more years of creditable service, the surviving minor children under 18 or disabled children shall be paid 80% of the accrued retirement benefit in equal shares until the age of majority or for the duration of the handicap for a handicapped child. Upon the death of any former member with 10 or more years of service, automatic Option 2 benefits are payable to the surviving spouse. In lieu of periodic payments, the surviving spouse or children may receive a refund of the member's accumulated contributions.

**Deferred Retirement Option Plan**

In lieu of terminating employment and accepting a service retirement allowance, any member with 10 or more years of service at age 60, 20 or more years of service at age 55, or 30 or more years of service at any age may elect to participate in the Deferred Retirement Option Plan (DROP) for up to three years and defer the receipt of benefits. Upon commencement of participation in the plan, membership in ROVERS terminates. During participation in the plan, employer contributions are payable but employee contributions cease. The monthly retirement benefits that would have been payable, had the person elected to cease employment and receive a service retirement allowance, are paid into the DROP fund. This fund does not earn interest. In addition, no cost-of-living increases are payable to participants until employment which made them eligible to become members of ROVERS has been terminated for at least one full year.

Upon termination of employment prior to or at the end of the specified period of participation, a participant in the plan may receive, at his option, a lump sum from the account equal to the payments into the account, a true annuity based upon his account balance in that fund, or any other method of payment if approved by the Board of Trustees. The monthly benefits that were being paid into the DROP fund will begin to be paid to the retiree. If the participant dies during participation in the plan, a lump sum equal to his account balance in the plan fund shall be paid to his named beneficiary or, if none, to his estate. If employment is not terminated at the end of the three years, payments into the plan fund cease, and the person resumes active contributing membership in ROVERS.

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### Cost-of-Living Increases

Cost of living provisions for ROVERS allows the Board of Trustees to provide an annual cost of living increase of 2.0% of the eligible retiree's original benefit if certain funding criteria are met. Members are eligible to receive a cost-of-living adjustment once they have reached the age of 60 and have been retired at least one year. Funding criteria for granting cost of living adjustments is dependent on the funded ratio.

### Contributions

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ending June 30, 2021, the actual employer contribution rate was 18.00%.

In accordance with state statute, ROVERS also receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities, but are not considered special funding situations. Non-employer contributions in the amount of \$5,038 are recognized as revenue and excluded from pension expense for the year ended December 31, 2021.

The Police Jury's contractually required composite contribution rate for the year ended December 31, 2021 was 18.00% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any Unfunded Actuarial Accrued Liability. Contributions to the pension plan from the Police Jury were \$4,169 for the year ended December 31, 2021.

### B. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2021 and 2020, the Police Jury reported a total of \$(1,385,944) and \$(304,690) for its proportionate share of the Net Pension (Asset) Liabilities of the Plans.

Plan	Measurement Date	
	December 31, 2020	December 31, 2019
PERS	\$(1,396,188)	\$(363,950)
	June 30, 2021	June 30, 2020
DARS	5,340	22,446
ROVERS	4,904	36,814
Total	\$(1,385,944)	\$(304,690)

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The Net Pension (Asset) Liabilities were measured as of December 31, 2020 for PERS and June 30, 2021 for DARS and ROVERS, and the total pension liability used to calculate the Net Pension (Asset) Liabilities were determined by an actuarial valuation as of those dates. The Police Jury's proportion of the Net Pension Liabilities was based on a projection of the Police Jury's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. At the measurement dates, the Police Jury's proportions of each were as follows:

Plan	Proportionate Share	
	December 31, 2020	December 31, 2019
PERS	5.43844%	5.030664%
	June 30, 2021	June 30, 2020
DARS	.02999%	.028331%
ROVERS	.15459%	.170887%
Total	5.62302%	5.229882%

For the year ended December 31, 2021 and 2020, the Police Jury recognized pension expense including employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions as follows:

Plan	Measurement Date	
	December 31, 2020	December 31, 2019
PERS	\$177,031	\$468,763
	June 30, 2021	June 30, 2020
DARS	378	2,262
ROVERS	(1,700)	5,207
Total	\$175,709	\$476,232

At December 31, 2021, the Police Jury reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	PERS		DARS		ROVERS		Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 88,562	\$ 40,053	\$ 1,713	\$ 1,640	\$ 2,260	\$ 2,834	\$ 92,535	\$ 44,527
Changes in Assumptions	\$ 239,108	\$ -	\$ 10,077	\$ -	\$ 5,396	\$ -	\$ 254,581	\$ -
Net Difference between projected and actual earnings on pension plan	\$ -	\$ 1,650,062	\$ -	\$ 14,523	\$ -	\$ 24,096	\$ -	\$ 1,688,681
Changes in employer's proportion of beg NPL	\$ 29,781	\$ 251	\$ 931	\$ 4,214	\$ 3,622	\$ 11,027	\$ 34,334	\$ 15,492
Differences between employer and proportionate share of contributions	\$ 152	\$ -	\$ 14	\$ 10	\$ -	\$ 46	\$ 166	\$ 56
Subsequent Measurement Contributions	\$ 440,592	\$ -	\$ 1,253	\$ -	\$ 2,084	\$ -	\$ 443,929	\$ -
Total	\$ 798,195	\$ 1,690,366	\$ 13,988	\$ 20,387	\$ 13,362	\$ 38,003	\$ 825,545	\$ 1,748,756

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The deferred outflows of resources related to pensions resulting from Police Jury contributions subsequent to the measurement date in the amount of \$469,636, will be recognized as a reduction of the Net Pension Liabilities in the year December 31, 2021. Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

<u>Year ended December 31:</u>	
2022	\$ (413,181)
2023	(112,867)
2024	(559,056)
2025	<u>(282,036)</u>
Total	<u>\$<u>(1,367,140)</u></u>

*Actuarial Assumptions*

A summary of the actuarial methods and assumptions used in determining the total pension liabilities for the valuation dates of December 31, 2020 for PERS and June 30, 2021 for DARS and ROVERS are as follows:

<u>Assumptions</u>	<u>PERS</u>	<u>DARS</u>	<u>ROVERS</u>
Actuarial cost method	Entry age normal cost	Entry age normal cost	Entry age normal cost
Expected remaining service lives	4 years	6 years	5 years
Investment rate of return	6.400%	6.100%	6.250%
Inflation rate	2.300%	2.200%	2.300%
Salary increases	4.250%	5.000%	5.250%

Mortality rates for PERS were based on Pub-2010 Public Retirement Plans Mortality Table for Health Retirees multiplied by 130% for males and 125% for females using MP2018 scale for annuitant and beneficiary mortality. For employees, the Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males and 125% for females using MP2018 scale. Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females using MP2018 scale for disabled annuitants. The mortality rate assumptions were based on the results of an experience study, for the period January 1, 2013 through December 31, 2017.

Mortality rates for DARS were based on Pub-2010 Public Retirement Plans Mortality Table for General Above-Median Employees multiplied by 115% for males and females for current employees, each with full generational projection using the MP2019 scale. Pub-2010 Public Retirement Mortality Table for General Above-Median Healthy Retirees multiplied by 115% for males and females for annuitants and beneficiaries, each with full generational projection using the MP2019 scale. Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 115% for males and females for disabled retirees, each with full generational projection using the MP2019 scale. The mortality rate assumptions were set based upon an experience study performed on plan data for the period of July 1, 2014 through June 30, 2019.

Mortality rates for ROVERS were based on RP-2010 Public Retirement Mortality Table for general employees multiplied by 120% for males and females each with full generational projection using the appropriate MP-2019 improvement scale – Employees, Annuitant and Beneficiaries and RP-2010 Public Retirement Plans Mortality Table for general disabled retirees multiplied by 120% for males and females each with full generational projection using the appropriate MP-2019 improvement scale –

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Disabled Annuitants. The mortality rate assumptions were based upon an experience study performed by the prior actuary on plan data for the period of July 1, 2014 through June 30, 2019.

The long-term expected rate of return on PERS pension plan investments was determined using a triangulation method which integrated the capital asset pricing model (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward-looking basis in equilibrium, in which best estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

The long-term expected rate of return on DARS and ROVERS pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class.

These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification.

Best estimates of arithmetic real rates of return for each major asset class included in pensions target asset allocation as of December 31, 2019 for PERS and June 30, 2021 for DARS and ROVERS are summarized in the following table:

Asset Class	PERS		DARS		ROVERS	
	Target Asset Allocation	Long-Term Expected Portfolio Real Rate of Return	Target Asset Allocation	Long-Term Expected Portfolio Real Rate of Return	Target Asset Allocation	Long-Term Expected Portfolio Real Rate of Return
Equity	51%	3.36%	57.11%	6.43%	57.5%	4.51%
Fixed Income	33%	0.86%	30.19%	0.94%	22.5%	0.66%
Alternative	14%	0.67%	12.67%	0.89%	10.0%	0.63%
Other	2%	0.11%	0.03%	0.00%	10.0%	0.45%
Totals	100%	5.00%	100.00%	5.80%	100.0%	6.25%
Inflation		2.00%		2.45%		2.50%
Expected Nominal Return		7.00%		8.25%		8.75%

The discount rate used to measure the total pension liability was 6.40% for PERS, 6.10% for DARS, and 6.25% for ROVERS. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers and non-contributing entities will be made at the actuarially determined contribution rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, PERS, DARS, and ROVERS fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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*Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate*

The following presents the Police Jury's proportionate share of the Net Pension (Asset) Liabilities using the discount rates as shown above, as well as what the Police Jury's proportionate share of the Net Pension Liabilities would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate:

	1.0% Decrease	Current Discount Rate	1.0% Increase
PERS	\$1,305,245	\$(1,396,188)	\$(3,653,598)
DARS	\$ 26,182	\$ 5,340	\$ (12,121)
ROVERS	\$ 27,974	\$ 4,904	\$ (14,732)

*Pension Plan Fiduciary Net Position*

Detailed information about the pension plans' fiduciary net positions is available in the separately issued financial statements of the Plans.

## 12. Postemployment Benefits Other Than Pensions

*Plan description* – The Police Jury provides certain continuing health care insurance benefits for its retired employees. The Police Jury's OPEB Plan (the OPEB Plan) is a single-employer defined benefit OPEB plan administered by the Police Jury. The authority to establish and/or amend the obligation of the employer, employees and retirees rests with the Police Jury. No assets are accumulated in a trust that meets the criteria in Governmental Accounting Standards Board (GASB) Codification Section P52 *Postemployment Benefits Other Than Pensions—Reporting For Benefits Not Provided Through Trusts That Meet Specified Criteria—Defined Benefit*.

*Benefits Provided* – Health insurance benefits are provided to employees upon actual retirement. The Police Jury subsidized 80% of the premium for retirees younger than 65 and 100% for retirees 65 and older. The retiree pays the balance for any contribution above the subsidy. All active employees who retire directly from the Police Jury and meet the eligibility criteria may participate. Eligibility for medical benefits upon retirement for employees hired prior to January 1, 2007 is the earlier of a) age 65 with 7 years of service; b) age 60 with 10 years of service; c) age 55 with 25 years of service or d) 30 years of service without regard to age. Eligibility for medical benefits upon retirement for employees hired on or after January 1, 2007 is the earlier of a) age 67 with 7 years of service; b) age 62 with 10 years of service or c) age 55 with 30 years of service.

*Employees covered by benefit terms* – At December 31, 2021, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	24
Inactive employees entitled to but not yet receiving benefit payments	0
Active employees	<u>94</u>
	<u>118</u>

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### Total OPEB Liability

The Police Jury's total OPEB liability of \$5,245,132 was measured as of December 31, 2021 and was determined by an actuarial valuation as of that date.

*Actuarial Assumptions and other inputs* – The total OPEB liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5%
Salary scale	3.5%
Discount rate	2.12%, (-.038% real rate of return plus 2.50% inflation)
Healthcare cost trend rates	Level 4.5%

The discount rate was based on the average of the Bond Buyer 20 Year General Obligation municipal bond index as of December 31, 2021, the end of the applicable measurement period.

Mortality rates were based on the RPH-2014 Total Table projection MP-2021.

The assumptions are based on the 2017 PERS valuation report, however the plan has not had a formal actuarial experience study performed.

### Changes in the Total OPEB Liability

Balance at January 1, 2021	<u>\$4,958,104</u>
Changes for the year:	
Service cost	298,812
Interest	110,154
Differences between expected and actual experience	0
Assumption Changes	0
Benefit payments and net transfers	<u>(121,938)</u>
Net changes	<u>287,028</u>
Balance at December 31, 2021	<u><u>\$5,245,132</u></u>

*Sensitivity of the total OPEB liability to changes in the discount rate* – The following presents the total OPEB liability of the Police Jury, as well as what the Police Jury's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.12%) or 1-percentage-point higher (3.12%) than the current discount rate:

	1.0% Decrease	Current Discount Rate	1.0% Increase
Total OPEB liability	\$6,291,492	\$5,245,132	\$4,417,797



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*Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates* – The following presents the total OPEB liability of the Police Jury, as well as what the Police Jury’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (3.5%) or 1-percentage-point higher (5.5%) than the current healthcare trend rates:

	1.0% Decrease	Current Trend	1.0% Increase
Total OPEB liability	\$4,279,717	\$5,245,132	\$6,538,668

### OPEB Expense and Related Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended December 31, 2021, the Police Jury recognized OPEB expense of \$491,228. At December 31, 2021, the Police Jury reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 0	\$113,794
Changes in Assumptions	631,217	0
Total	\$631,217	\$113,794

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years ending December 31:	
2022	\$ 82,262
2023	82,262
2024	82,262
2025	82,262
2026	82,262
Thereafter	106,113

### 13. Landfill Closure and Post Closure Costs

The Police Jury utilizes the Solid Waste Fund to account for closure and post closure care costs for the Mundy Landfill. In accordance with state and federal regulations, the Parish is required to place a final cover on all active landfill cells when closed and to perform certain maintenance and monitoring functions for thirty years after closure.

Although closure and post closure care costs will be paid only near or after the date that the landfill stops accepting waste, the Police Jury reports a portion of these closure and post closure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date.

The \$3,434,580 reported as landfill closure and post closure care liability at December 31, 2021, represents the cumulative amount reported to date based on the use of 61.67% of the estimated capacity of the landfill. The Police Jury will recognize the remaining estimated cost of closure and post closure care as the remaining estimated capacity is filled. The estimated final liability for closure and post closure care costs is \$5,568,999 at December 31, 2021, which is an increase of \$625,547 from the prior year. The

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Police Jury expects to close the landfill in 2060. These estimated costs are associated with flood control upgrades, remediation of possible ground water contamination, and control of methane gas. There is the potential for these estimates to change due to inflation, deflation, technology, or change in laws or regulations.

The Police Jury has this liability funded by a dedicated certificate of deposit and other investments in the amount of \$5,580,503.

#### 14. Compensated Absences

Compensated absences represent accumulated and vested employee leave benefits computed in accordance with the accounting principles generally accepted in the United States of America. The liability for compensated absences is computed only at the end of the fiscal year. Compensated absences are paid by the fund that pays the related salaries. As of December 31, 2021, the Police Jury's compensated absences payable in accordance with GASB Statement No. 16 for all funds amounted to 4,339 hours with a resulting liability of \$103,188.

Changes in compensated absences during 2021 are as follows:

Beginning Balance	\$ 279,934
Additions	246,676
Deductions	<u>(425,631)</u>
Available Leave	\$ 100,979
Adjustment	<u>2,209</u>
Net available	<u>\$ 103,188</u>

#### 15. Commitments and Contingencies

##### Grant Audit

The Police Jury receives grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could result in a request for reimbursement for disallowed costs under the terms of the agreements. In the opinion of management, such disallowances, if any, would not be significant.

##### Litigation and Claims for Damages

At December 31, 2021, the Police Jury was involved in one discrimination lawsuit pending in U.S. District Court. The Police Jury has filed a motion to dismiss the claim, which is pending before the Court. Any potential liability accruing to the Police Jury as a result of this action, over and above insurance coverage limits, is expected to be immaterial to its financial position; therefore, no provision has been made in the financial statements.

#### 16. Related Party Transactions

Procedures, observations, and inquiries did not disclose any related party transactions for the fiscal year ended December 31, 2021.

DeSoto Parish Police Jury  
Mansfield, Louisiana  
Notes to the Financial Statements  
December 31, 2021

**17. Tax Abatement**

The Louisiana Industrial Ad Valorem Tax Exemption program (Louisiana Administrative Code, Title 13, Chapter 5) is a state incentive program which abates, up to ten years, local ad valorem taxes on a manufacturer's new investment and annual capitalized additions related to the manufacturing site. Applications to exempt qualified property for five years are approved by the Louisiana Economic Development's Board of Commerce and Industry. The exemption may be renewed for an additional five years. Under agreements entered into by the State of Louisiana, through the Louisiana Industrial Ad Valorem Tax Exemption program, the Police Jury ad valorem tax revenues were abated by \$732,455 for the fiscal year ending December 31, 2021.

**18. Subsequent Events**

Management has evaluated subsequent events through May 26, 2022, which is the date the financial statements were available to be issued. There were no items to be reported as subsequent events.

OTHER REQUIRED SUPPLEMENTARY INFORMATION

DeSoto Parish Police Jury  
General Fund  
Statement of Revenues, Expenditures and Changes in Fund Balance-  
Budget (GAAP Basis) and Actual  
Year Ended December 31, 2021

	Original Budget	Final Budget	Actual Amounts		Variance- Favorable (Unfavorable)	
			Actual	Adjustments to Budgetary Basis		
<b>Revenues:</b>						
Taxes	\$ 3,967,902	\$ 4,133,122	\$ 4,353,960	\$ (183,653)	\$ 4,170,307	\$ 37,185
Licenses & Permits	296,000	321,000	317,123	230	317,353	(3,647)
Intergovernmental-						
Federal Grants	240,000	194,911	218,617	16,807	235,424	40,513
State Grants	340,340	445,353	364,238	33,138	397,376	(47,977)
Fees, Charges & Commissions	121,500	121,500	130,373	(5,375)	124,998	3,498
Investment Earnings	20,000	20,000	167,926	(7,087)	160,839	140,839
Rents & Royalties	264,000	549,479	680,887	(95,044)	585,843	36,364
Other Revenues	97,600	97,600	114,636	12,354	126,990	29,390
<b>Total Revenues</b>	<b>\$ 5,347,342</b>	<b>\$ 5,882,965</b>	<b>\$ 6,347,760</b>	<b>\$ (228,630)</b>	<b>\$ 6,119,130</b>	<b>\$ 236,165</b>
<b>Expenditures:</b>						
<b>Current-</b>						
General Government	\$ 4,592,370	\$ 4,700,241	\$ 4,642,638	\$ (47,479)	\$ 4,595,159	\$ 105,082
Public Safety	128,000	160,013	158,585	(1,607)	156,978	3,035
Culture & Recreation	297,634	359,877	364,366	(480)	363,886	(4,009)
Health & Welfare	319,793	308,483	310,725	14,309	325,034	(16,551)
Economic Development	103,690	195,550	124,552	(69,147)	55,405	140,145
Capital Leases	-	-	63,340	-	63,340	(63,340)
Capital Outlay	24,140	280,366	296,736	19,255	315,991	(35,625)
Debt Service	-	-	70,371	-	70,371	(70,371)
<b>Total Expenditures</b>	<b>\$ 5,465,627</b>	<b>\$ 6,004,530</b>	<b>\$ 6,031,313</b>	<b>\$ (85,149)</b>	<b>\$ 5,946,164</b>	<b>\$ 58,366</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>\$ (118,285)</b>	<b>\$ (121,565)</b>	<b>\$ 316,447</b>	<b>\$ (143,481)</b>	<b>\$ 172,966</b>	<b>\$ 294,531</b>
<b>Other Financing Sources (Uses):</b>						
Operating Transfers In	\$ 841,736	\$ 975,443	\$ 975,443	\$ -	\$ 975,443	\$ -
Proceeds from Capital Leases	-	-	63,340	-	63,340	63,340
Operating Transfers Out	(723,452)	(738,652)	(738,652)	-	(738,652)	-
<b>Total Other Financing</b>	<b>\$ 118,284</b>	<b>\$ 236,791</b>	<b>\$ 300,131</b>	<b>\$ -</b>	<b>\$ 300,131</b>	<b>\$ 63,340</b>
<b>Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses</b>	<b>\$ (1)</b>	<b>\$ 115,226</b>	<b>\$ 616,578</b>	<b>\$ (143,481)</b>	<b>\$ 473,097</b>	<b>\$ 357,871</b>
<b>Fund Balance-Beginning of Year</b>	<b>11,772,418</b>	<b>11,772,418</b>	<b>11,772,418</b>	<b>-</b>	<b>11,772,418</b>	<b>-</b>
<b>Fund Balance-End of Year</b>	<b>\$ 11,772,417</b>	<b>\$ 11,887,644</b>	<b>\$ 12,388,996</b>	<b>\$ (143,481)</b>	<b>\$ 12,245,515</b>	<b>\$ 357,871</b>

DeSoto Parish Police Jury  
Solid Waste Fund  
Statement of Revenues, Expenditures and Changes in Fund Balance-  
Budget (GAAP Basis) and Actual  
Year Ended December 31, 2021

	Original Budget	Final Budget	Actual Amounts		Variance- Favorable (Unfavorable)	
			Actual	Adjustments to Budgetary Basis		
Revenues:						
Taxes	\$ 4,873,415	\$ 5,021,165	\$ 5,353,107	\$ (152,651)	\$ 5,200,456	\$ 179,291
Fees, Charges & Commissions	7,200,000	5,818,971	5,743,021	(33,303)	5,709,718	(109,253)
Investment Earnings	4,000	4,000	18,174	-	18,174	14,174
Other Revenues	10,000	20,100	20,225	(9,334)	10,891	(9,209)
Total Revenues	<u>\$ 12,087,415</u>	<u>\$10,864,236</u>	<u>\$11,134,527</u>	<u>\$ (195,288)</u>	<u>\$10,939,239</u>	<u>\$ 75,003</u>
Expenditures:						
Current-						
General Government	\$ 148,382	\$ 148,382	\$ 163,800	\$ -	\$ 163,800	\$ (15,418)
Sanitation	7,016,764	8,476,099	8,301,159	(107,077)	8,194,082	282,017
Capital Leases	-	-	42,348	-	42,348	(42,348)
Capital Outlay	4,600,000	2,850,000	4,803,640	(2,010,709)	2,792,931	57,069
Debt Service	-	-	71,926	-	71,926	(71,926)
Total Expenditures	<u>\$ 11,765,146</u>	<u>\$11,474,481</u>	<u>\$13,382,873</u>	<u>\$ (2,117,786)</u>	<u>\$11,265,087</u>	<u>\$ 209,394</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$ 322,269</u>	<u>\$ (610,245)</u>	<u>\$ (2,248,346)</u>	<u>\$ 1,922,498</u>	<u>\$ (325,848)</u>	<u>\$ 284,397</u>
Other Financing Sources (Uses):						
Operating Transfers In	\$ -	\$ 1,382,000	\$ 1,381,289	\$ -	\$ 1,381,289	\$ (711)
Proceeds from Capital Leases	-	-	42,348	-	42,348	42,348
Operating Transfers Out	(1,704,422)	(1,704,422)	(1,704,421)	-	(1,704,421)	1
Total Other Financing Sources (Uses)	<u>\$ (1,704,422)</u>	<u>\$ (322,422)</u>	<u>\$ (280,784)</u>	<u>\$ -</u>	<u>\$ (280,784)</u>	<u>\$ 41,638</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	<u>\$ (1,382,153)</u>	<u>\$ (932,667)</u>	<u>\$ (2,529,130)</u>	<u>\$ 1,922,498</u>	<u>\$ (606,632)</u>	<u>\$ 326,035</u>
Fund Balance-Beginning of Year	<u>13,701,869</u>	<u>13,701,869</u>	<u>13,701,869</u>	<u>13,701,869</u>	<u>13,701,869</u>	<u>-</u>
Fund Balance-End of Year	<u>\$ 12,319,716</u>	<u>\$12,769,202</u>	<u>\$11,172,739</u>	<u>\$15,624,367</u>	<u>\$13,095,237</u>	<u>\$ 326,035</u>

See independent auditors' report and notes to financial statements.

DeSoto Parish Police Jury  
Road Fund  
Statement of Revenues, Expenditures and Changes in Fund Balance-  
Budget (GAAP Basis) and Actual  
Year Ended December 31, 2021

	Original Budget	Final Budget	Actual Amounts			Variance- Favorable (Unfavorable)
			Actual	Adjustments to Budgetary Basis	Budgetary Basis	
Revenues:						
Taxes	\$ 9,067,804	\$ 9,690,304	\$ 10,242,053	\$ (240,281)	\$ 10,001,772	\$ 311,468
Licences & Permits	180,000	180,000	182,975	-	182,975	2,975
Intergovernmental-						
Federal Grants	2,900,000	83,454	62,590	-	62,590	(20,864)
State Grants	385,500	385,500	390,673	(3,693)	386,980	1,480
Fees, Charges & Commissions	-	159,603	335,142	(177,885)	157,257	(2,346)
Fines & Forfeitures	25,000	45,000	41,400	-	41,400	(3,600)
Investment Earnings	5,000	5,000	865	-	865	(4,135)
Contributions	300,000	62,500	62,500	-	62,500	-
Other Revenues	-	-	3,562	(1,216)	2,346	2,346
Total Revenues	<u>\$12,863,304</u>	<u>\$10,611,361</u>	<u>\$ 11,321,760</u>	<u>\$ (423,075)</u>	<u>\$ 10,898,685</u>	<u>\$ 287,324</u>
Expenditures:						
Current-						
General Government	\$ 172,483	\$ 178,664	\$ 190,523	\$ -	\$ 190,523	\$ (11,859)
Public Works	8,833,505	8,886,820	8,732,076	106,857	8,838,933	47,887
Capital Leases	-	-	77,623	-	77,623	(77,623)
Capital Outlay	5,900,000	803,621	1,029,069	(195,373)	833,696	(30,075)
Debt Service	-	-	200,502	-	200,502	(200,502)
Total Expenditures	<u>\$14,905,988</u>	<u>\$ 9,869,105</u>	<u>\$ 10,229,793</u>	<u>\$ (88,516)</u>	<u>\$ 10,141,277</u>	<u>\$ (272,172)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$ (2,042,684)</u>	<u>\$ 742,256</u>	<u>\$ 1,091,967</u>	<u>\$ (334,559)</u>	<u>\$ 757,408</u>	<u>\$ 15,152</u>
Other Financing Sources (Uses):						
Operating Transfers In	\$ 2,012,685	\$ 974,260	\$ 974,260	\$ -	\$ 974,260	\$ -
Proceeds from Capital Leases	-	-	77,623	-	77,623	77,623
Sale of Assets	30,000	20,000	19,290	-	19,290	(710)
Total Other Financing Sources (Uses)	<u>\$ 2,042,685</u>	<u>\$ 994,260</u>	<u>\$ 1,071,173</u>	<u>\$ -</u>	<u>\$ 1,071,173</u>	<u>\$ 76,913</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	\$ 1	\$ 1,736,516	\$ 2,163,140	\$ (334,559)	\$ 1,828,581	\$ 92,065
Fund Balance-Beginning of Year	<u>4,638,339</u>	<u>4,638,339</u>	<u>4,638,339</u>	<u>4,638,339</u>	<u>4,638,339</u>	<u>-</u>
Fund Balance-End of Year	<u>\$ 4,638,340</u>	<u>\$ 6,374,855</u>	<u>\$ 6,801,479</u>	<u>\$ 4,303,780</u>	<u>\$ 6,466,920</u>	<u>\$ 92,065</u>

See independent auditors' report and notes to financial statements.

DeSoto Parish Police Jury  
 Airport Fund  
 Statement of Revenues, Expenditures and Changes in Fund Balance-  
 Budget (GAAP Basis) and Actual  
 Year Ended December 31, 2021

	Original Budget	Final Budget	Actual Amounts		Variance- Favorable (Unfavorable)	
			Actual	Adjustments to Budgetary Basis		
<b>Revenues:</b>						
Intergovernmental-						
Federal Grants	\$ 437,604	\$ 629,325	\$ 713,802	\$ (98,953)	\$ 614,849	\$ (14,476)
State Grants	313,000	228,993	188,640	-	188,640	(40,353)
Fees, Charges & Commissions	137,500	137,500	154,386	(848)	153,538	16,038
Investment Earnings	5,000	5,000	101,571	278	101,849	96,849
Rents & Royalties	20,000	20,000	31,144	(4,558)	26,586	6,586
Other Revenues	-	-	464	1,686	2,150	2,150
Total Revenues	<u>\$ 913,104</u>	<u>\$ 1,020,818</u>	<u>\$ 1,190,007</u>	<u>\$ (102,395)</u>	<u>\$1,087,612</u>	<u>\$ 66,794</u>
<b>Expenditures:</b>						
Current-						
Transportation	\$ 482,702	\$ 469,044	\$ 456,060	\$ 87	\$ 456,147	\$ 12,897
Capital Leases	-	-	20,007	-	20,007	(20,007)
Capital Outlay	742,604	742,604	865,645	(86,675)	778,970	(36,366)
Debt Service	-	-	17,539	-	17,539	(17,539)
Total Expenditures	<u>\$ 1,225,306</u>	<u>\$ 1,211,648</u>	<u>\$ 1,359,251</u>	<u>\$ (86,588)</u>	<u>\$1,272,663</u>	<u>\$ (61,015)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$ (312,202)</u>	<u>\$ (190,830)</u>	<u>\$ (169,244)</u>	<u>\$ (15,807)</u>	<u>\$ (185,051)</u>	<u>\$ 5,779</u>
<b>Other Financing Sources (Uses):</b>						
Operating Transfers In	\$ -	\$ 4,334	\$ 4,334	\$ -	\$ 4,334	\$ -
Proceeds from Capital Leases	-	-	20,007	-	20,007	20,007
Total Other Financing Sources (Uses)	<u>\$ -</u>	<u>\$ 4,334</u>	<u>\$ 24,341</u>	<u>\$ -</u>	<u>\$ 24,341</u>	<u>\$ 20,007</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	<u>\$ (312,202)</u>	<u>\$ (186,496)</u>	<u>\$ (144,903)</u>	<u>\$ (15,807)</u>	<u>\$ (160,710)</u>	<u>\$ 25,786</u>
Fund Balance-Beginning of Year	<u>5,311,423</u>	<u>5,311,423</u>	<u>5,311,423</u>	<u>5,311,423</u>	<u>5,311,423</u>	<u>-</u>
Fund Balance-End of Year	<u>\$ 4,999,221</u>	<u>\$ 5,124,927</u>	<u>\$ 5,166,520</u>	<u>\$ 5,295,616</u>	<u>\$5,150,713</u>	<u>\$ 25,786</u>

See independent auditors' report and notes to financial statements.



DeSoto Parish Police Jury  
Jail Fund  
Statement of Revenues, Expenditures and Changes in Fund Balance-  
Budget (GAAP Basis) and Actual  
Year Ended December 31, 2021

	Original Budget	Final Budget	Actual Amounts		Variance- Favorable (Unfavorable)	
			Actual	Adjustments to Budgetary Basis		
Revenues:						
Taxes	\$ 816,920	\$ 915,420	\$ 975,141	\$ -	\$ 975,141	\$ 59,721
Investment Earnings	6,480	3,200	-	(2,532)	(2,532)	(5,732)
Total Revenues	<u>\$ 823,400</u>	<u>\$ 918,620</u>	<u>\$ 975,141</u>	<u>\$ (2,532)</u>	<u>\$ 972,609</u>	<u>\$ 53,989</u>
Expenditures:						
Current-						
Public Safety	\$ 791,400	\$ 764,972	\$ 732,909	\$ (9,644)	\$ 723,265	\$ 41,707
Capital Outlay	400,000	757,500	1,366,964	(626,099)	740,865	16,635
Total Expenditures	<u>\$1,191,400</u>	<u>\$1,522,472</u>	<u>\$ 2,099,873</u>	<u>\$ (635,743)</u>	<u>\$ 1,464,130</u>	<u>\$ 58,342</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$ (368,000)</u>	<u>\$ (603,852)</u>	<u>\$(1,124,732)</u>	<u>\$ 633,211</u>	<u>\$ (491,521)</u>	<u>\$ 112,331</u>
Other Financing Sources (Uses):						
Operating Transfers Out	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	<u>\$ (368,000)</u>	<u>\$ (603,852)</u>	<u>\$(1,124,732)</u>	<u>\$ 633,211</u>	<u>\$ (491,521)</u>	<u>\$ 112,331</u>
Fund Balance-Beginning of Year	<u>5,234,332</u>	<u>5,234,332</u>	<u>5,234,332</u>	<u>5,234,332</u>	<u>5,234,332</u>	<u>-</u>
Fund Balance-End of Year	<u>\$4,866,332</u>	<u>\$4,630,480</u>	<u>\$ 4,109,600</u>	<u>\$ 5,867,543</u>	<u>\$ 4,742,811</u>	<u>\$ 112,331</u>

See independent auditors' report and notes to financial statements.

DeSoto Parish Police Jury  
Sales Tax Fund  
Statement of Revenues, Expenditures and Changes in Fund Balance-  
Budget (GAAP Basis) and Actual  
Year Ended December 31, 2021

	Original <u>Budget</u>	Final <u>Budget</u>	Actual Amounts		Variance- Favorable <u>(Unfavorable)</u>	
			<u>Actual</u>	Adjustments to Budgetary <u>Basis</u>		
Revenues:						
Taxes-						
Sales & Use Tax	\$ 230,800	\$ 245,800	\$ 244,813	\$ -	\$ 244,813	\$ (987)
Investment Earnings	200	200	161	-	161	(39)
Total Revenues	<u>\$ 231,000</u>	<u>\$ 246,000</u>	<u>\$ 244,974</u>	<u>\$ -</u>	<u>\$ 244,974</u>	<u>\$ (1,026)</u>
Expenditures:						
Current-						
General Government	<u>\$ 231,000</u>	<u>\$ 246,000</u>	<u>\$ 244,974</u>	<u>\$ -</u>	<u>\$ 244,974</u>	<u>\$ 1,026</u>
Excess (Deficiency) of Revenues over Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fund Balance-Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance-End of Year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

DeSoto Parish Police Jury  
 ARPA Fund  
 Statement of Revenues, Expenditures and Changes in Fund Balance-  
 Budget (GAAP Basis) and Actual  
 Year Ended December 31, 2021

	Original Budget	Final Budget	Actual Amounts		Variance- Favorable (Unfavorable)
			Actual	Adjustments to Budgetary Basis	
Revenues:					
Intergovernmental-					
Federal Grants	\$ -	\$ 2,667,183	\$ 1,596,957	\$ 1,070,226	\$ -
Investment Earnings	-	500	736	-	236
Total Revenues	<u>\$ -</u>	<u>\$ 2,667,683</u>	<u>\$ 1,597,693</u>	<u>\$ 1,070,226</u>	<u>\$ 236</u>
Expenditures:					
Current-					
Health & Welfare	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Excess (Deficiency) of Revenues over Expenditures	\$ -	\$ 2,667,683	\$ 1,597,693	\$ 1,070,226	\$ 236
Other Financing Sources (Uses):					
Operating Transfers Out	<u>\$ -</u>	<u>\$ (1,596,957)</u>	<u>\$ (1,596,957)</u>	<u>\$ -</u>	<u>\$ -</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	\$ -	\$ 1,070,726	\$ 736	\$ 1,070,226	\$ 236
Fund Balance-Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance-End of Year	<u>\$ -</u>	<u>\$ 1,070,726</u>	<u>\$ 736</u>	<u>\$ 1,070,226</u>	<u>\$ 236</u>

DeSoto Parish Police Jury  
 Schedule of Employer's Share of Net Pension Liability  
 For the Year Ended December 31, 2021

<u>Fiscal Year*</u>	<u>Employer's Proportion of the Net Pension Liability (Asset)</u>	<u>Employer's Proportion of the Net Pension Liability (Asset)</u>	<u>Employer's Covered Employee Payroll</u>	<u>Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Pension as a Percentage of the Total Pension Liability</u>
<i>Parochial Employees' Retirement System</i>					
2015	4.82416%	\$ 13,398	\$ 4,091,073	0.33%	99.89%
2016	4.68931%	\$ 834,910	\$ 4,482,251	18.63%	93.48%
2017	4.49938%	\$ 584,503	\$ 4,887,426	11.96%	95.50%
2018	4.81959%	\$ (606,403)	\$ 4,965,826	-12.21%	104.02%
2019	4.74673%	\$ 1,282,401	\$ 5,213,586	24.60%	91.93%
2020	5.03066%	\$ (363,950)	\$ 6,230,828	-5.84%	102.05%
2021	5.43844%	\$ (1,396,188)	\$ 5,874,567	-23.77%	106.76%
<i>District Attorneys' Retirement System</i>					
2015	0.14746%	\$ 7,943	\$ 17,224	46.12%	98.56%
2016	0.02625%	\$ 5,025	\$ 20,095	25.01%	95.09%
2017	0.03254%	\$ 8,777	\$ 20,095	43.68%	93.57%
2018	0.03760%	\$ 12,098	\$ 21,575	56.07%	92.92%
2019	0.03674%	\$ 11,818	\$ 21,575	54.78%	93.13%
2020	0.02833%	\$ 22,446	\$ 12,775	175.70%	84.86%
2021	0.02999%	\$ 5,340	\$ 25,987	20.55%	96.79%
<i>Registrar of Voters Employees' Retirement System</i>					
2015	0.22599%	\$ 55,345	\$ 30,960	178.76%	76.86%
2016	0.23293%	\$ 66,094	\$ 33,030	200.10%	73.98%
2017	0.24876%	\$ 54,606	\$ 35,110	155.53%	80.51%
2018	0.22492%	\$ 53,090	\$ 22,194	239.21%	80.57%
2019	0.14296%	\$ 26,734	\$ 22,484	118.90%	84.83%
2020	0.17089%	\$ 36,814	\$ 23,159	158.96%	83.32%
2021	0.15459%	\$ 4,904	\$ 23,159	21.18%	97.68%

\*Amounts presented were determined as of the measurement date (previous fiscal year end).

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

DeSoto Parish Police Jury  
 Schedule of Employer Contributions  
 For the Year Ended December 31, 2021

<u>Fiscal Year*</u>	<u>Contractually Required Contributions</u>	<u>Contributions in Relation to Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Payroll</u>	<u>Contributions as a Percentage of Covered Employee Payroll</u>
<i>Parochial Employees' Retirement System</i>					
2015	\$ 405,643	\$ 405,643	\$ -	\$ 4,091,073	9.92%
2016	\$ 358,580	\$ 358,580	\$ -	\$ 4,482,251	8.00%
2017	\$ 390,994	\$ 390,994	\$ -	\$ 4,887,426	8.00%
2018	\$ 372,437	\$ 372,437	\$ -	\$ 4,965,826	7.50%
2019	\$ 419,192	\$ 419,192	\$ -	\$ 5,213,586	8.04%
2020	\$ 467,312	\$ 467,312	\$ -	\$ 6,230,828	7.50%
2021	\$ 440,592	\$ 440,592	\$ -	\$ 5,874,567	7.50%
<i>District Attorneys' Retirement System</i>					
2015	\$ 926	\$ 926	\$ -	\$ 17,224	5.38%
2016	\$ 326	\$ 326	\$ -	\$ 20,095	1.62%
2017	\$ -	\$ -	\$ -	\$ 20,095	0.00%
2018	\$ 135	\$ 135	\$ -	\$ 21,575	0.63%
2019	\$ 566	\$ 566	\$ -	\$ 21,575	2.62%
2020	\$ 511	\$ 511	\$ -	\$ 12,775	4.00%
2021	\$ 1,765	\$ 1,765	\$ -	\$ 25,987	6.79%
<i>Registrar of Voters Employees' Retirement System</i>					
2015	\$ 7,237	\$ 7,237	\$ -	\$ 30,960	23.38%
2016	\$ 7,019	\$ 7,019	\$ -	\$ 33,030	21.25%
2017	\$ 6,495	\$ 6,495	\$ -	\$ 35,110	18.50%
2018	\$ 3,773	\$ 3,773	\$ -	\$ 22,194	17.00%
2019	\$ 3,938	\$ 3,938	\$ -	\$ 22,484	17.51%
2020	\$ 4,169	\$ 4,169	\$ -	\$ 23,159	18.00%
2020	\$ 4,169	\$ 4,169	\$ -	\$ 23,159	18.00%

\*Amounts presented were determined as of the measurement date (previous fiscal year end).

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

DeSoto Parish Police Jury  
 Schedule of Changes in Net OPEB Liability and Related Ratios  
 For the Year Ended December 31, 2021

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability				
Service Cost	\$ 298,812	\$ 213,060	\$ 213,060	\$ 204,669
Interest	110,154	170,819	151,513	149,153
Changes in Benefit Terms	-	-	-	-
Differences between expected and actual experience	-	(149,976)	-	-
Changes of Assumptions	-	831,923	-	-
Benefit Payments	<u>(121,938)</u>	<u>(121,938)</u>	<u>(91,599)</u>	<u>(91,599)</u>
Net Change in Total OPEB Liability	\$ 287,028	\$ 943,888	\$ 272,974	\$ 262,223
 Total OPEB Liability - Beginning	 <u>4,958,104</u>	 <u>4,014,216</u>	 <u>3,741,242</u>	 <u>3,479,019</u>
 Total OPEB Liability - Ending	 <u>\$ 5,245,132</u>	 <u>\$ 4,958,104</u>	 <u>\$ 4,014,216</u>	 <u>\$ 3,741,242</u>
 Covered-employee Payroll	 <u>\$ 5,187,779</u>	 <u>\$ 5,187,779</u>	 <u>\$ 4,153,509</u>	 <u>\$ 4,153,509</u>
 Net OPEB Liability as a percentage of covered employee payroll	 101.11%	 95.57%	 96.65%	 90.07%

## Notes to Schedule:

*Benefit Changes* . There were no changes of benefit terms for the year ended December 31, 2021.

*Changes of Assumptions* . There were no changes in the assumptions for the year ended December 31, 2021.

DeSoto Parish Police Jury  
 Schedule of Compensation, Benefits and Other Payments to  
 Agency Head or Chief Executive Officer  
 For the Year Ended December 31, 2021

<u>Purpose</u>	<u>January 1, 2021 - November 15, 2021</u>	<u>November 15, 2021 - December 31, 2021</u>
	Steven Brown, Parish Administrator <u>Amount</u>	Michael Norton, Parish Administrator <u>Amount</u>
Salary	\$ 142,058	\$ 13,846
Benefits-Insurance	8,389	1,899
Benefits-Retirement	10,243	1,038
Benefits-Other (401A Contributions)	7,033	-
Vehicle Provided by Government	606	78
Per Diem	380	-
Dues	599	-
Registration Fees	1,085	-
Cell Phone (Equipment & Service)	1,839	661
Housing	594	-
Other (Uniforms)	375	794
Total	<u>\$ 173,201</u>	<u>\$ 18,316</u>

DeSoto Parish Police Jury  
Justice System Funding Schedule - Receiving Entity  
As Required by Act 87 of the 2020 Regular Legislative Session  
For the Year Ended December 31, 2021

Identifying Information		
<b>Entity Name</b>	DeSoto Parish Police Jury	
<b>LLA Entity ID #</b> (This is the ID number assigned to the entity by the Legislative Auditor for identification purposes.)	2507	
<b>Date that reporting period ended</b> (mm/dd/yyyy)	Friday, December 31, 2021	
	<b>First Six Month Period Ended 06/30/2021</b>	<b>Second Six Month Period Ended 12/31/2021</b>

**Cash Basis Presentation**

**Receipts From:** (Must include one agency name and one collection type - see below - on each line and may require multiple lines for the same agency. Additional rows may be added as necessary. )

<i>Jayson Richardson, Sheriff - Off Duty Witness Fee</i>	15,173	8,799
<i>Jayson Richardson, Sheriff - Court Fines</i>	48,621	31,736
<i>Jayson Richardson, Sheriff - Bond Fees</i>	50,984	(10,900)
<i>Jayson Richardson, Sheriff - Secretary Salary Reimbursement Court</i>	83,295	83,295
<i>Jayson Richardson, Sheriff - Court Costs &amp; Fines Police Jury Compensation</i>	19,995	9,427
	-	-
<b>Subtotal Receipts</b>	218,069	122,358
<b>Ending Balance of Amounts Assessed but Not Received</b> (only applies to those agencies that assess on behalf of themselves, such as courts)	-	-



DeSoto Parish Police Jury  
Notes to Required Supplementary Information  
Year Ended December 31, 2021

### **Budgetary Information**

The budgets are prepared in accordance with accounting principles generally accepted in the United States of America. Budgets for most governmental funds are adopted annually on the cash basis of accounting. Budgets for some capital project funds are adopted on a project-length basis. Because the budgets adopted on a project-length basis primarily serve as a management control function, no comparison between budgeted and actual amounts for major funds (if any) budgeted on this basis is provided in these financial statements.

The Louisiana Local Government Budget Act provides that “the total of proposed expenditures shall not exceed the total of estimated funds available for the ensuing year”. The “total estimated funds available” is the sum of the respective estimated fund balances at the beginning of the year and the anticipated revenues for the current year.

Preliminary budgets for the ensuing year are prepared by the treasurer during October of each year. During the month of 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 budgets are then advertised in the official journal. Usually during its regular December meeting, the Police Jury holds a public hearing on the proposed budgets in order to receive comments from the public and other interested parties. 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 usually adopted during the regular December meeting and notice is published in the official journal.

Louisiana Revised Statute (LSA-R.S.) 39:1311 requires the chief executive or administrative officer of the Police Jury to advise the Police Jury in writing when:

1. Total revenue and other sources plus projected revenue and other sources for the remainder of the year, within a fund, are failing to meet total budgeted revenues and other sources by five percent or more.
2. Total actual expenditures and other uses plus projected expenditures and other uses for the remainder of the year, within a fund, are exceeding the total budgeted expenditures and other uses by five percent or more.
3. Actual beginning fund balance, within a fund, fails to meet estimated fund balance by five percent or more and fund balance is being used to fund current year expenditures.

The treasurer presents necessary budget amendments to the Police Jury during the year when, in her judgment, actual operations differ materially from those anticipated in the original budgets. During a regular or special meeting, the Police Jury reviews the proposed amendments, makes changes as it feels necessary, and formally adopts the amendments. The adoption of the amendments is included in the Police Jury minutes published in the official journal.

DeSoto Parish Police Jury  
Notes to Required Supplementary Information  
(continued)  
Year Ended December 31, 2021

The Parish Administrator may authorize transfers between line items of expenditures within a program (function) or department, provided that such transfers shall not exceed 10% of the total departmental/program budget. All other budget adjustments must be approved by the Police Jury as a whole.

Appropriations that are not expended lapse at year-end. The budgets were amended throughout the year. The budgetary comparison schedules present the original adopted budgets and the final amended budgets.

OTHER SUPPLEMENTARY INFORMATION

DeSoto Parish Police Jury  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2021

	Special Revenue Funds					Total Nonmajor Governmental Funds
	Witness and Juror Fund	Criminal Court Fund	Community Services Fund	Rental Assistance Fund	Animal Control Fund	
<u>Assets</u>						
Cash & Cash Equivalents	\$ 875,499	\$ 221,346	\$ 61,636	\$ 42,553	\$ 33,225	\$ 1,234,259
Receivables	3,343	20,049	117,818	-	551	141,761
Due from Other Funds	-	-	-	-	-	-
Total Assets	<u>\$ 878,842</u>	<u>\$ 241,395</u>	<u>\$ 179,454</u>	<u>\$ 42,553</u>	<u>\$ 33,776</u>	<u>\$ 1,376,020</u>
<u>Liabilities</u>						
Accounts Payable	\$ 11,916	\$ 22,710	\$ 10,371	\$ 11,204	\$ 12,079	\$ 68,280
Master Bank Overdraft	-	-	-	-	-	-
Advances	-	-	-	-	-	-
Due to Other Funds	-	143,449	-	-	-	143,449
Total Liabilities	<u>\$ 11,916</u>	<u>\$ 166,159</u>	<u>\$ 10,371</u>	<u>\$ 11,204</u>	<u>\$ 12,079</u>	<u>\$ 211,729</u>
<u>Fund Balance</u>						
Restricted to-						
Judicial	\$ -	\$ 75,236	\$ -	\$ -	\$ -	\$ 75,236
Health & Welfare	-	-	169,083	31,349	-	200,432
Witness & Juror Fees	866,926	-	-	-	-	866,926
Animal Control	-	-	-	-	21,697	21,697
Total Fund Balance	<u>\$ 866,926</u>	<u>\$ 75,236</u>	<u>\$ 169,083</u>	<u>\$ 31,349</u>	<u>\$ 21,697</u>	<u>\$ 1,164,291</u>
Total Liabilities & Fund Balance	<u>\$ 878,842</u>	<u>\$ 241,395</u>	<u>\$ 179,454</u>	<u>\$ 42,553</u>	<u>\$ 33,776</u>	<u>\$ 1,376,020</u>

DeSoto Parish Police Jury  
Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
Nonmajor Governmental Funds  
Year Ended December 31, 2021

	Special Revenue Funds					Total Nonmajor Governmental Funds
	Witness and Juror Fund	Criminal Court Fund	Community Services Fund	Rental Assistance Fund	Animal Control Fund	
Revenues:						
Intergovernmental-						
Federal Grants	\$ -	\$ -	\$ 763,958	\$ 1,164,640	\$ -	\$ 1,928,598
Fees, Charges & Commissions	-	-	-	-	12,698	12,698
Fines & Forfeitures	53,395	123,130	-	-	250	176,775
Investment Earnings	162	268	-	89	-	519
Other Revenue	-	166,590	159,040	3,077	-	328,707
Contributions	-	-	2,583	-	14,359	16,942
Total Revenues	<u>\$ 53,557</u>	<u>\$ 289,988</u>	<u>\$ 925,581</u>	<u>\$ 1,167,806</u>	<u>\$ 27,307</u>	<u>\$ 2,464,239</u>
Expenditures:						
Current-						
Judicial	\$ 62,946	\$ 358,201	\$ -	\$ -	\$ -	\$ 421,147
Health & Welfare	-	-	1,045,280	1,152,658	-	2,197,938
Economic Development	-	-	-	-	-	-
Animal Control	-	-	-	-	563,085	563,085
Capital Lease Expenditures	-	-	-	-	25,437	25,437
Capital Outlay	-	-	-	-	-	-
Debt Service-Principal	-	-	-	-	14,581	14,581
Debt Service-Interest	-	-	-	-	2,127	2,127
Total Expenditures	<u>\$ 62,946</u>	<u>\$ 358,201</u>	<u>\$ 1,045,280</u>	<u>\$ 1,152,658</u>	<u>\$ 605,230</u>	<u>\$ 3,224,315</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$ (9,389)</u>	<u>\$ (68,213)</u>	<u>\$ (119,699)</u>	<u>\$ 15,148</u>	<u>\$ (577,923)</u>	<u>\$ (760,076)</u>
Other Financing Sources (Uses):						
Operating Transfers In	\$ -	\$ -	\$ 173,069	\$ -	\$ 589,485	\$ 762,554
Operating Transfers Out	(57,850)	-	-	-	-	(57,850)
Proceeds from Capital Leases	-	-	-	-	25,437	25,437
Total Other Financing	<u>\$ (57,850)</u>	<u>\$ -</u>	<u>\$ 173,069</u>	<u>\$ -</u>	<u>\$ 614,922</u>	<u>\$ 730,141</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	(67,239)	(68,213)	53,370	15,148	36,999	(29,935)
Fund Balances (Deficit)-						
Beginning of Year	<u>934,165</u>	<u>143,449</u>	<u>115,713</u>	<u>16,201</u>	<u>(15,302)</u>	<u>1,194,226</u>
Fund Balances (Deficit)-						
End of Year	<u>\$ 866,926</u>	<u>\$ 75,236</u>	<u>\$ 169,083</u>	<u>\$ 31,349</u>	<u>\$ 21,697</u>	<u>\$ 1,164,291</u>

DeSoto Parish Police Jury  
 Schedule of Compensation Paid to Police Jurors  
 For the Year Ended December 31, 2021

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 elected the monthly payment method of compensation. Under this method of jurors, except of the president, receive \$1,600 per month for performing the duties of their office. The president of the Police Jury receives an additional \$400 each month.

	<u>Salary</u>	<u>Expense</u> <u>Reimbursements</u>
B. Dewayne Mitchell	\$ 19,200	\$ 1,104
Ernel Jones	19,200	109
Garland Keith Parker	19,200	684
Greg Baker	19,200	844
Jeri Burrell	19,200	53
Jimmy Holmes, Jr.	19,200	1,119
Kyle Kennington	12,645	764
Bradley Sepulvado	6,555	229
Reggie Roe	24,000	804
Richard Fuller	19,200	1,125
Rodriguez Ross	19,200	79
Thomas Jones	19,200	1,392
	<u>\$ 216,000</u>	<u>\$ 8,306</u>

DeSoto Parish Police Jury  
 Schedule of Expenditures of Federal Awards  
 For the Year Ended December 31, 2021

Federal Grantor/Pass-through Grantor/Program Title	CFDA NUMBER	Pass-Through Grantor's Number	Federal Revenues	Federal Expenditures	Amount Provided Subrecipients
<b>United States Department of Housing and Urban Development:</b>					
Direct Program - Lower Income Housing Assistance Program	14.871	LA230	\$ 1,130,913	\$ 1,130,913	\$ -
Direct Program - Lower Income Housing Assistance Program CARES ACT	14.HCC	LA230	33,727	33,727	-
Direct Program - Emergency Shelter Grant Program	14.231		<u>7,555</u>	<u>7,555</u>	<u>-</u>
<b>Total United States Department of Housing and Urban Development</b>			<b><u>\$ 1,172,195</u></b>	<b><u>\$ 1,172,195</u></b>	<b><u>\$ -</u></b>
<b>United States Department of Transportation:</b>					
Passed through the Louisiana Department of Transportation and Development:					
Federal Transit Formula Grants (Program 5311) CARES ACT	20.509	LA-18-XO30	\$ 218,617	\$ 218,617	\$ 218,617
Passed through the Federal Aviation Administration and Louisiana Department of Transportation Aviation Division:					
Airport Improvement Program CARES ACT	20.106	LA-18-XO30	31,000	31,000	-
Airport Improvement Program	20.106	LA-18-XO30	<u>682,802</u>	<u>682,802</u>	<u>-</u>
<b>Total Department of Transportation:</b>			<b><u>\$ 932,419</u></b>	<b><u>\$ 932,419</u></b>	<b><u>\$ 218,617</u></b>
<b>United States Department of Homeland Security:</b>					
Passed through the Governor's Office of Homeland Security and Emergency Preparedness:					
Disaster Grants-Public Assistance (Presidentially Declared)	97.036	DEEE0000095	\$ 62,590	\$ 62,590	\$ -
Direct Program - Emergency Food and Shelter National Board CARES ACT	97.024		<u>6,443</u>	<u>6,443</u>	<u>-</u>
<b>Total United States Department of Homeland Security</b>			<b><u>\$ 69,033</u></b>	<b><u>\$ 69,033</u></b>	<b><u>\$ -</u></b>
<b>United States Department of Health and Human Services:</b>					
Passed through Louisiana Department of Social Services:					
Low-Income Energy Assistance Program	93.568	370700338	\$ 84,390	\$ 84,390	\$ -
LIHEAP-Weatherization	93.568	DEEE0000095	368,993	368,993	-
Passed through Department of Labor:					
Community Service Block Grant	93.569	2011/2012 P0080	125,277	125,277	-
Community Service Block Grant CARES ACT	93.569	2011/2012 P0080	<u>56,933</u>	<u>56,933</u>	<u>-</u>
<b>Total United States Department of Health and Human Services</b>			<b><u>\$ 635,593</u></b>	<b><u>\$ 635,593</u></b>	<b><u>\$ -</u></b>
<b>United States Department of Energy:</b>					
Passed through the Louisiana Housing Finance Agency:					
Weatherization Assistance for Low Income Persons	81.042	DEEE0000095	<u>\$ 114,367</u>	<u>\$ 114,367</u>	<u>\$ -</u>
<b>Total United States Department of Energy</b>			<b><u>\$ 114,367</u></b>	<b><u>\$ 114,367</u></b>	<b><u>\$ -</u></b>
<b>United States Department of the Treasury:</b>					
Direct Program - Coronavirus State and Local Fiscal Recovery Funds	21.027	DEEE0000095	<u>\$ 1,596,957</u>	<u>\$ 1,596,957</u>	<u>\$ -</u>
<b>Total United States Department of the Treasury</b>			<b><u>\$ 1,596,957</u></b>	<b><u>\$ 1,596,957</u></b>	<b><u>\$ -</u></b>
<b>Total Federal Financial Assistance</b>			<b><u>\$ 4,520,564</u></b>	<b><u>\$ 4,520,564</u></b>	<b><u>\$ 218,617</u></b>

DeSoto Parish Police Jury  
Notes to the Schedule of Expenditures of Federal Awards  
Year Ended December 31, 2021

NOTE A – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (SEFA) includes the federal grant activity of the Police Jury under programs of the federal government for the year ended December 31, 2021. The information in this SEFA is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the SEFA presents only a selected portion of the operations of the Police Jury, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Police Jury.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the SEFA are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and/or OMB Circular A-122, *Cost Principles for Non-profit Organizations*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE C – INDIRECT COST RATE

The Police Jury has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.



DeSoto Parish Police Jury  
Rental Assistance  
Financial Data Schedule  
For the Year Ended December 31, 2021

<u>Line Item No.</u>	<u>Description</u>	<u>Total Project</u>
111	Cash - Unrestricted	\$ 16,776
113	Cash - Other Restricted	<u>25,777</u>
290	Total Assets	<u>\$ 42,553</u>
312	Accounts Payable	\$ 11,204
300	Total Liabilities	<u>\$ 11,204</u>
511.4	Restricted Net Position	\$ 25,777
512.4	Unrestricted Net Position	<u>5,572</u>
513	Total Net Position	<u>\$ 31,349</u>
600	Total Liabilities & Net Position	<u>\$ 42,553</u>
70600	HUD PHA Operating Grants	\$ 1,164,640
71100	Investment Income - Unrestricted	89
71400	Fraud Recovery	<u>3,077</u>
70000	Total Revenue	<u>\$ 1,167,806</u>
91100	Administrative Salaries	\$ 21,997
91300	Management Fees	124,889
91600	Office Expenses	2,909
91900	Other	7,170
92400	Tenant Services - Other	1,651
96200	Other General Expenses	520
97300	Housing Assistance Payments	<u>993,522</u>
90000	Total Expenses	<u>\$ 1,152,658</u>
10000	Excess of Revenues over Expenses	\$ 15,148
11030	Beginning Net Position	<u>16,201</u>
11180	Ending Net Position	<u>\$ 31,349</u>

See independent auditors' report and notes to financial statements.

OTHER REPORTS/SCHEDULES

**T | C | B | T**  
**THOMAS, CUNNINGHAM, BROADWAY & TODTENBIER**  
*Certified Public Accountants*

Eddie G. Johnson, CPA – A Professional Corporation (1927-1996)

Mark D. Thomas, CPA – A Professional Corporation  
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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT  
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH *GOVERNMENT AUDITING STANDARDS*

To the Jury Members of the  
DeSoto Parish Police Jury

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the *Louisiana Governmental Audit Guide*, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the DeSoto Parish Police Jury's (Police Jury) basic financial statements and have issued our report thereon dated May 26, 2022.

**Report on Internal Control over Financial Reporting**

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

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

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

## Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Police Jury's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited. Under Louisiana Revised Statute 25:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

*Thomas, Cunningham, Broadway & Todtenbier, CPA's*

Thomas, Cunningham, Broadway & Todtenbier, CPA's  
Natchitoches, Louisiana

May 26, 2022

**T | C | B | T**  
**THOMAS, CUNNINGHAM, BROADWAY & TODTENBIER**  
*Certified Public Accountants*

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

To the Jury Members of the  
DeSoto Parish Police Jury

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited DeSoto Parish Police Jury's (Police Jury) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Police Jury's major federal programs for the year ended December 31, 2021. The Police Jury's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Police Jury complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.

***Basis for Opinion on Each Major Federal Program***

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

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

***Responsibilities of Management for Compliance***

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

### ***Auditor's Responsibilities for the Audit of Compliance***

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

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

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

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

### **Report on Internal Control Over Compliance**

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Thomas, Cunningham, Broadway & Todtenbier, CPA's*

Thomas, Cunningham, Broadway & Todtenbier, CPA's  
Natchitoches, Louisiana

May 26, 2022

DeSoto Parish Police Jury  
Schedule of Audit Findings and Questioned Costs  
Year Ended December 31, 2021

## I. SUMMARY OF AUDIT RESULTS

The following summarize the audit results in accordance with the Uniform Guidance:

1. As of and for the year ended December 31, 2021, an unmodified opinion was issued for the Police Jury's primary government which consisted of the Governmental Activities, Business-Type Activities, each major fund and the aggregate remaining fund information. However, since the Police Jury did not present all of its legally separate component units, an adverse opinion was issued for the Police Jury as a reporting entity.
2. The audit did not disclose any material weaknesses in internal control.
3. The audit disclosed no instances of noncompliance required to be reported under *Government Auditing Standards*.
4. The audit did not disclose any instances of material weaknesses in internal control over major programs.
5. An unmodified opinion was issued on compliance for major programs.
6. The audit did not disclose any findings related to federal awards that are required to be reported under the Uniform Guidance.
7. The following programs were major for the year ended December 31, 2021:
  - Coronavirus State and Local Fiscal Recovery Funds (CFDA #21.027)
  - Airport Improvement Program (CFDA #20.106)
8. \$750,000 was the threshold used to distinguish Type A from Type B programs.
9. The DeSoto Parish Police Jury does not qualify as a low-risk auditee.

## II. FINDINGS IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

No findings were identified.

## III. FINDINGS IN ACCORDANCE WITH THE *UNIFORM GUIDANCE*

No findings were identified.



DeSoto Parish Police Jury  
Schedule of Audit Findings and Questioned Costs  
(continued)  
Year Ended December 31, 2021

**IV. PRIOR YEAR AUDIT FINDINGS**

Compliance-

*2020-001 Local Government Budget Act*

*Condition* - For the year ended December 31, 2021, actual revenues and other financing sources were less than budgeted revenues by more than the 5% variance allowed in the Airport Fund, and actual expenses and other financing uses were more than budgeted expenditures by more than the 5% variance allowed in the General Fund.

*Status* - This condition was cleared at December 31, 2021.

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**INDEPENDENT ACCOUNTANT’S REPORT ON APPLYING  
STATEWIDE AGREED-UPON PROCEDURES**

To the DeSoto Parish Police Jury and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor’s (LLA’s) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2021 through December 31, 2021. The DeSoto Parish Police Jury’s (Police Jury) management is responsible for those C/C areas identified in the SAUPs.

The Police Jury has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA’s SAUPs for the fiscal period January 1, 2021 through December 31, 2021. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user for this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

***Written Policies and Procedures***

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1. We obtained and inspected the entity’s written policies and procedures and observed that they address each of the following categories and subcategories (or noted that the entity does not have any written policies and procedures), as applicable:
  - ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
  - ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
  - ***Disbursements***, including processing, reviewing, and approving.
  - ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management’s actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation.)

- **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedule.
- **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

**Procedure Results - We noted two exceptions with regard to Written Policies and Procedures. The Police Jury's written policies and procedures for *Information Technology/Disaster Recovery/Business Continuity* have not been reduced to writing and for *Sexual Harassment* have not addressed the annual reporting requirements.**

#### ***Board or Finance Committee***

---

2. We obtained and inspected the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent documents in effect during the fiscal period, and:
  - Observed that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
  - Observed that the minutes referenced or included monthly budget-to-actual comparisons on the General Fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds.

- Obtained the prior year audit report and observed the unassigned fund balance in the General Fund. If the General Fund had a negative ending unrestricted fund balance in the prior year audit report, observed that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the General Fund.

**Procedure Results – We noted no exceptions with regard to Board or Finance Committee.**

### ***Bank Reconciliations***

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3. We obtained a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Management identified the entity's main operating account. We selected the entity's main operating account and randomly selected 4 additional accounts (or all if less than 5). We randomly selected one month from the fiscal period, and obtained and inspected the corresponding bank statement and reconciliation for the selected accounts, and observed that:
  - Bank reconciliations include evidence that they were prepared within two months of the related statement closing date (e.g. initialed and dated, electronically logged);
  - Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g. initialed and dated, electronically logged); and
  - Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

**Procedure Results – We noted no exceptions with regard to Bank Reconciliations.**

### ***Collections (excluding electronic funds transfers)***

---

4. We obtained a listing of deposit sites for the fiscal period where deposits for cash/check/money order (cash) are prepared and management's representation that the listing is complete. We randomly selected 5 deposit sites (or all deposit sites if less than 5).
5. We obtained a listing of collection locations and management's representation that the listing is complete. We randomly selected one collection location for each deposit site selected. We obtained and inspected written policies and procedures relating to employee job duties (if no written policies or procedures, inquired of employees about their job duties) at each collection location, and observed that job duties were properly segregated at each collection location such that:
  - Employees that are responsible for cash collections do not share cash drawers/registers.
  - Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
  - Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
  - The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.

6. We obtained from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. We observed that the bond or insurance policy for theft was enforced during the fiscal period.
7. We randomly selected two deposit dates for each of the bank accounts selected for procedure #3 under "Bank Reconciliations" above (selected the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly selected a deposit if multiple deposits were made on the same day). We obtained supporting documentation for each of the deposits selected and:
  - We observed that receipts are sequentially pre-numbered.
  - We traced sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
  - We traced the deposit slip total to the actual deposit per the bank statement.
  - We observed that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
  - We traced the actual deposit per the bank statement to the general ledger.

**Procedure Results – We noted no exceptions with regard to Collections.**

***Non-Payroll Disbursements – General (excluding card purchases/payments, travel reimbursements, and petty cash purchases)***

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8. We obtained a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. We randomly selected the required amount of disbursement locations (up to five).
9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. We obtained written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and we observed that job duties are properly segregated such that:
  - At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
  - At least two employees are involved in processing and approving payments to vendors.
  - The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
  - Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
10. For each location selected under #8 above, we obtained the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtained management's representation that the population is complete. We randomly selected 5 disbursements for each location, and obtained supporting documentation for each transaction and:
  - We observed that the disbursement matched the related original itemized invoice and that documentation indicates that deliverables included on the invoice were received by the entity.

- We observed that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

**Procedure Results – We noted no exceptions with regard to Non-Payroll Disbursements.**

***Credit Cards/Debit Cards/Fuel Cards/P-Cards***

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11. We obtained from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. We obtained management's representation that the listing is complete.
12. Using the listing prepared by management, we randomly selected the required amount of cards (up to five) that were used during the fiscal period. We randomly selected one monthly statement or combined statement for each card (for a debit card, randomly selected one monthly bank statement), and obtained supporting documentation, and:
  - We observed that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder.
  - We observed that finance charges and late fees were not assessed on the selected statements.
13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, we randomly selected the required amount transactions (up to ten) from each statement, and obtained supporting documentation for the transactions. For each transaction, we observed that it is supported by (1) an original itemized receipt that identified precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, we described the nature of the transaction and noted whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

**Procedure Results – We noted no exceptions with regard to Credit Cards/Debit Cards/Fuel Cards/P-Cards.**

***Travel and Expense Reimbursement***

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14. We obtained from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. We randomly selected five reimbursements, and obtained the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the five reimbursements selected:
  - If reimbursed using a per diem, we observed that the approved reimbursement rate is no more than those rates established by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).
  - If reimbursed using actual costs, we observed that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
  - We observed that each reimbursement was supported by documentation of the business/public purpose (for meal charges, we observed that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

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

**Procedure Results – We noted no exceptions with regard to Travel and Expense Reimbursement.**

***Contracts***

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15. We obtained from management a listing of all agreements/contracts for professional services, materials, and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. We obtained management's representation that the listing is complete. We randomly selected the required amount of contracts (up to five) from the listing, excluding our contract, and:
- We observed that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
  - We observed that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
  - If the contract was amended (e.g. change order), we observed that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g. if approval is required for any amendment was approval documented).
  - We randomly selected one payment from the fiscal period for each of the selected contracts, obtained the supporting invoice, agreed the invoice to the contract terms, and observed that the invoice and related payment agreed to the terms and conditions of the contract.

**Procedure Results – We noted no exceptions with regard to Contracts.**

***Payroll and Personnel***

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16. We obtained a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. We randomly selected five employees/officials, obtained related paid salaries and personnel files, and agreed paid salaries to authorized salaries/pay rates in the personnel files.
17. We randomly selected one pay period during the fiscal period. For the five employees/officials selected under #16 above, we obtained attendance and leave documentation for the pay period, and:
- We observed that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).
  - We observed that supervisors approved the attendance and leave of the selected employees/officials.
  - We observed that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
  - We observed that the rate paid to the employees or officials agree to the authorized salary/pay rate found with the personnel file.

18. We obtained a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. If applicable, we selected two employees or officials, and obtained related documentation of the hours and pay rates used in management's termination payment calculations and the entity policy on termination payments. If applicable, we agreed the hours to the employees or officials' cumulative leave records, and the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and the termination payment to entity policy.
19. We obtained management's representation that employer and employee portions of third-party payroll related amounts (e.g. payroll taxes, retirement contributions, health insurance premiums, workers' compensation premiums, etc.) have been paid, and associated forms have been filed, by required deadlines.

**Procedure Results – We noted no exceptions with regard to Payroll and Personnel.**

### ***Ethics***

---

20. Using the five randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, we obtained ethics compliance documentation from management, and:
  - We observed that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
  - We observed that the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

**Procedure Results – We noted no exceptions with regard to Ethics.**

### ***Debt Service***

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21. We obtained a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. We selected all debt instruments on the listing, obtained supporting documentation, and observed that State Bond Commission approval was obtained for each bond/note issued.
22. We obtained a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. We randomly selected one bond/note, inspected debt covenants, obtained supporting documentation for the reserve balance and payments, and agreed actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

**Procedure Results – We noted no exceptions with regard to Debt Service.**

### ***Fraud Notice***

---

23. We obtained a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. We selected all misappropriations on the listing, obtained supporting documentation, and observed that the entity reported the misappropriation(s) to the legislative auditor and the Police Jury attorney of the parish in which the entity is domiciled.



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

**Procedure Results – We noted no exceptions with regard to the Fraud Notice.**

### ***Information Technology Disaster Recovery/Business Continuity***

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25. We performed the following procedures:

- We obtained and inspected the entity’s most recent documentation that it has backed up its critical data (if no written documentation, inquired of personnel responsible for backing up critical data) and observed that such backup occurred within the past week. If backups are stored on the physical medium (e.g., tapes, CDs), we observed that backups are encrypted before being transported.
- We obtained and inspected the entity’s most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquired of personnel responsible for testing/verifying backup restoration) and observed evidence that the test/verification was successfully performed within the past 3 months.
- We obtained a listing of the entity’s computers currently in use, and their related locations, and management’s representation that the listing is complete. We randomly selected the required number of computers (at least 5) and observed while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

**Procedure Results – We noted no exceptions with regard to Information Technology Disaster Recovery/Business Continuity.**

### ***Sexual Harassment***

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26. We randomly selected the employees/officials from procedure #16 under “Payroll and Personnel” above, obtained sexual harassment training documentation from management, and observed that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.
27. We observed that the entity has posted its sexual harassment policy and complaint procedures on its website (or in a conspicuous location on the entity’s premises if the entity does not have a website).
28. We obtained the entity’s annual sexual harassment report for the current fiscal period, observed that the report was dated on or before February 1, and observed that it includes the applicable requirements of R.S. 42:344:
- Number and percentage of public servants in the agency who have completed the training requirements;
  - Number of sexual harassment complaints received by the agency;
  - Number of complaints which resulted in a finding that sexual harassment occurred;
  - Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
  - Amount of time it took to resolve each complaint.

**Procedure Results – We noted one exception with regard to Sexual Harassment. The Police Jury failed to submit the annual sexual harassment report as required by R.S. 42:344.**

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

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

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

*Thomas, Cunningham, Broadway & Todtenbier, CPA's*

Thomas, Cunningham, Broadway & Todtenbier, CPA's  
Natchitoches, Louisiana

May 26, 2022

MANAGEMENT'S RESPONSE TO EXCEPTIONS:

Item 1: Exception – The Police Jury's written policies and procedures for *Information Technology/Disaster Recovery/Business Continuity* have not been reduced to writing and for *Sexual Harassment* have not addressed the annual reporting requirements.

Response – The Police Jury will prepare written policies and procedures for *Information Technology/Disaster Recovery/Business Continuity* by the end of the year 2022. The *Sexual Harassment* policy will be modified to include the annual reporting requirements.

Item 28: Exception – The Police Jury failed to submit the annual sexual harassment report as required by R.S. 42:344.

Response – The Police Jury will compile the annual report by February 1<sup>st</sup> of each year containing information from the previous calendar year regarding compliance in accordance with LA R.S. 42:341-345.