

**DESOTO PARISH POLICE JURY
ANNUAL FINANCIAL REPORT**

DECEMBER 31, 2019

DeSoto Parish Police Jury
Annual Financial Report
December 31, 2019

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Treasurer

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Management's Discussion and Analysis

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, 2019. 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 \$111,631,265 (net position). Of this amount, \$33,802,763 (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 \$42,086,123. Of this total amount, \$13,674,973 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 DeSoto Parish Police Jury is an equal opportunity provider and employer.



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).

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 11 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, and sales tax 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 22.

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 23 through 25 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 27 through 64.

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 \$111,631,265 as of December 31, 2019, which is a decrease of \$4,294,544 from December 31, 2018, as restated.

The largest portion of the Police Jury's net position (69.72%) 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, 2019</u>			<u>As of December 31, 2018 (*)</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	\$ 44,787,388	\$ 46,863	\$ 44,834,251	\$ 53,365,996	\$ 50,092	\$ 53,416,088
Capital assets	77,653,076	201,256	77,854,332	73,793,280	211,539	74,004,819
Right of Use assets	1,053,276	0	1,053,276	917,398	0	917,398
Total Assets	<u>\$123,493,470</u>	<u>\$248,119</u>	<u>\$123,741,589</u>	<u>\$128,076,674</u>	<u>\$261,631</u>	<u>\$128,338,305</u>
Deferred Outflows	\$ 1,674,564	\$ 0	\$ 1,674,564	\$ 764,287	\$ 0	\$ 764,287
Long term liabilities	\$ 10,552,983	\$ 0	\$ 10,552,983	\$ 8,492,893	\$ 0	\$ 8,492,893
Other liabilities	2,905,409	373	2,905,782	3,319,740	270	3,320,010
Total Liabilities	<u>\$ 13,458,392</u>	<u>\$ 373</u>	<u>\$ 13,458,765</u>	<u>\$ 11,812,633</u>	<u>\$ 270</u>	<u>\$ 11,812,903</u>
Deferred Inflows	\$ 326,396	\$ 0	\$ 326,396	\$ 1,059,838	\$ 0	\$ 1,059,838
Net Position:						
Net investment						
in capital assets	\$ 77,627,246	\$201,256	\$ 77,828,502	\$ 73,793,280	\$211,539	\$ 74,004,819
Unrestricted net position	33,756,273	46,490	33,802,763	42,175,210	49,822	42,225,032
Total Net Position	<u>\$111,383,519</u>	<u>\$247,746</u>	<u>\$111,631,265</u>	<u>\$115,968,490</u>	<u>\$261,361</u>	<u>\$116,229,851</u>

(*)The amounts shown for 2018 have not been restated in this schedule. As a result, the amounts reported above do not articulate to the amounts reported on page 14, which have been restated.

The balance of unrestricted net position of \$33,802,763 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, 2019 and December 31, 2018. 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, 2019, the Police Jury reports positive fund balances in all of its separate governmental and business-type activities, except for the Community Services Fund.

DeSoto Parish Police Jury's Changes in Net Position

	<u>As of December 31, 2019</u>			<u>As of December 31, 2018</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	\$ 7,103,637	\$ 0	\$ 7,103,637	\$ 6,555,741	\$ 0	\$ 6,555,741
Operating grants and contributions	2,162,801	0	2,162,801	2,133,991	0	2,133,991
Capital grants and contributions	811,399	0	811,399	1,117,052	0	1,117,052
General Revenues:						
Ad valorem taxes	11,132,406	0	11,132,406	10,696,763	0	10,696,763
Sales and use tax	8,284,077	0	8,284,077	8,513,356	0	8,513,356
Severance	1,309,490	0	1,309,490	1,522,997	0	1,522,997
Tourism	145,356	0	145,356	145,522	0	145,522
Video poker	162,752	0	162,752	155,795	0	155,795
Investment Earnings	922,354	0	922,354	631,987	0	631,987
State Revenue Sharing	62,203	0	62,203	61,619	0	61,619
Gain (loss) on sale/retirement of fixed assets	178,457	0	178,457	0	0	0
Rental, leases & royalties	1,065,029	0	1,062,029	723,167	0	723,167
Miscellaneous	571,973	0	571,973	543,677	0	543,677
Total Revenues	\$ 33,911,934	\$ 0	\$ 33,911,934	\$ 32,801,667	\$ 0	\$ 31,801,667
Expenses:						
General government	\$ 6,246,812	\$ 0	\$ 6,246,812	\$ 5,580,256	\$ 0	\$ 5,580,256
Public safety	995,135	0	995,135	1,219,192	0	1,219,192
Public works	16,564,688	0	16,564,688	12,585,543	0	12,585,543
Sanitation	9,556,671	0	9,556,671	7,053,143	0	7,053,143
Culture and recreation	383,828	0	383,828	361,252	0	361,252
Health and welfare	2,673,539	0	2,673,539	2,598,206	0	2,598,206
Economic development	478,338	0	478,338	414,983	0	414,983
Transportation	798,593	0	798,593	797,437	0	797,437
Animal control	495,259	0	495,259	376,328	0	376,328
Eastside sewer	0	13,615	13,615	0	23,591	23,591
Total Expenses	\$ 38,192,863	\$ 13,615	\$ 38,206,478	\$ 30,986,340	\$ 23,591	\$ 31,009,931

DeSoto Parish Police Jury's Changes in Net Position (continued)

	<u>As of December 31, 2019</u>			<u>As of December 31, 2018 (*)</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>
Increases (Decreases) in net position before transfers	\$ (4,280,929)	\$ (13,615)	\$ (4,294,544)	\$ 1,815,327	\$ (23,591)	\$ 1,791,736
Transfers	<u>0</u>	<u>0</u>	<u>0</u>	<u>(20,000)</u>	<u>20,000</u>	<u>0</u>
Change in Net Position	\$ (4,280,929)	\$ (13,615)	\$ (4,294,544)	\$ 1,795,327	\$ (3,591)	\$ 1,791,736
Beginning Net Position- Restated (see Note 11)	<u>115,664,448</u>	<u>261,361</u>	<u>115,925,809</u>	<u>114,173,163</u>	<u>264,952</u>	<u>114,438,115</u>
Ending Net Position	<u>\$111,383,519</u>	<u>\$247,746</u>	<u>\$111,631,265</u>	<u>\$115,968,490</u>	<u>\$261,361</u>	<u>\$116,229,851</u>

(*)The amounts shown for 2018 have not been restated in this schedule. As a result, the amounts reported above do not articulate to the amounts reported on page 14, which have been restated.

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.

At the end of the current fiscal year, the DeSoto Parish Police Jury's governmental funds reported combined ending fund balances of \$42,086,123 (a decrease of 14% from 2018 fiscal year). Of this total amount, \$13,674,973 constitutes unassigned fund balance; \$15,441 is assigned and intended for specific purposes, but may be unassigned at any time; and \$36,691 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, 2019 amounts to \$77,854,332 (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:

- Acquisition of dump trucks and asphalt paver for the Road Department.
- Acquisition of dozer and roll-off trucks for the Landfill.
- New aviation fueling system at the Airport.
- Completion of Cell VIII Stage 5 and Sedimentation Pond No. 3 project in Solid Waste.
- Road improvements at Crow Lane, East Red Bayou Road, Holmes Road, L.B. Bagley Road, Missile Base Road, and Stanley Road.

**Capital Assets at Year-end
 Net of Accumulated Depreciation
 As of December 31, 2019**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Land	\$ 2,539,142	\$ 10,175	\$ 2,549,317
Construction in Progress	2,188,875	16,266	2,205,141
Buildings and improvements	12,646,290	0	12,646,290
Land improvements	7,000,728	174,815	7,175,543
Furniture and equipment	5,548,076	0	5,548,076
Infrastructure	<u>47,729,965</u>	<u>0</u>	<u>47,729,965</u>
Total	<u>\$77,653,076</u>	<u>\$201,256</u>	<u>\$77,854,332</u>

Additional information on the DeSoto Parish Police Jury's capital assets can be found on pages 45 and 46 of this report.

Economic Factors and Next Year's Budgets and Rates

For the fiscal year ending December 31, 2020, the following factors were considered when the original budget was prepared:

- General and program revenues are expected to remain fairly consistent with the prior years.
- Capital outlays are expected to decrease from the prior year due to fewer road improvement projects.

Revenues for the year ending December 31, 2020 are budgeted at a 5.04% increase from the 2019 budget year and expenses are budgeted at a 7.14% decrease from the 2019 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.

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INDEPENDENT AUDITOR’S REPORT

To the Jury Members of the
DeSoto Parish Police Jury

Report on the Financial Statements

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, 2019, 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.

Management’s Responsibility 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; this includes 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.

Auditor’s Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements 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 entity’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on Aggregate Discretely Presented Component Units

The financial statements referred to above 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. Because of this departure from accounting principles generally accepted in the United States of America, the assets, liabilities, net position, revenues and expenses of the aggregate discretely presented component units that would have been reported is unknown.

Adverse Opinion on Aggregate Discretely Presented Component Units – The Reporting Entity

In our opinion, because of the significance of the matter described in the "Basis for Adverse Opinion on Aggregate Discretely Component Units" paragraph, 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, the reporting entity, as of December 31, 2019, or the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions – The Primary Government

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 DeSoto Parish Police Jury, the primary government, as of December 31, 2019, 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.

Other Matters*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 1 through 6 be presented to supplement the basic financial statements. Such information, 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 Management's Discussion and Analysis 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of the Police Jury's primary government. The following items are presented for purposes of additional analysis and are not a required part of the basic financial statements:

- 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
- Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer
- Nonmajor Funds Combining Balance Sheet
- Nonmajor funds Combining Schedule of Revenues, Expenditures and Changes in Fund Balance
- Schedule of Compensation Paid to Police Jurors
- Schedule of Expenditures of Federal Awards
- Financial Data Schedule

The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The items listed above are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the 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 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, the Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer, the Nonmajor Funds Combining Balance Sheet, the Nonmajor Funds Combining Schedule of Revenues, Expenditures and Changes in Fund Balance, the Schedule of Compensation Paid to Police Jurors, the Schedule of Expenditures of Federal Awards, and the Financial Data Schedule 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 issued our report dated June 23, 2020, on our consideration of the DeSoto Parish 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 this report is 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 DeSoto Parish 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 June 23, 2020, on the results of our statewide 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 statewide 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
Certified Public Accountants

June 23, 2020
Natchitoches, Louisiana

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE
FINANCIAL STATEMENTS

DeSoto Parish Police Jury
Government-Wide Statement of Net Position
December 31, 2019

	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash & Cash Equivalents	\$ 10,962,152	\$ 43,781	\$ 11,005,933
Investments	20,174,263	0	20,174,263
Receivables (net of allowances for uncollectibles)	13,614,282	0	13,614,282
Inventory	36,691	0	36,691
Due from Other Funds	0	3,082	3,082
Capital Assets (Net)	77,653,076	201,256	77,854,332
Right of Use Assets (Net)	<u>1,053,276</u>	<u>0</u>	<u>1,053,276</u>
Total Assets	<u>\$123,493,470</u>	<u>\$248,119</u>	<u>\$123,741,859</u>
Deferred Outflows of Resources:	<u>\$ 1,674,564</u>	<u>\$ 0</u>	<u>\$ 1,674,564</u>
Liabilities:			
Accounts Payable	\$ 2,440,196	\$ 103	\$ 2,440,299
Master Bank Overdrafts	47,243	0	47,243
Deposit Balances	900	270	1,170
Due to Other Funds	3,082	0	3,082
Due to Other Governments	209,843	0	209,843
Capital Lease Liability			
Current Portion	204,145	0	204,145
Noncurrent Portion	874,961	0	874,961
Landfill Post Closure Liability	4,108,231	0	4,108,231
Compensated Absences	234,622	0	234,622
Net Pension Liability	1,320,953	0	1,320,953
Other Postemployment Benefit Obligation	<u>4,014,216</u>	<u>0</u>	<u>4,014,216</u>
Total Liabilities	<u>\$ 13,458,392</u>	<u>\$ 373</u>	<u>\$ 13,458,765</u>
Deferred Inflows of Resources:	<u>\$ 326,393</u>	<u>\$ 0</u>	<u>\$ 326,393</u>
Net Position:			
Net Investment in Capital Assets	\$ 77,627,246	\$201,256	\$ 77,828,502
Unrestricted	<u>33,756,273</u>	<u>46,490</u>	<u>33,802,763</u>
Total Net Position	<u>\$111,383,519</u>	<u>\$247,746</u>	<u>\$111,631,265</u>

See independent auditors' report and notes to financial statements.

DeSoto Parish Police Jury
Government-Wide Statement of Activities
For the Year Ended December 31, 2019

Program Activities	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position		
		Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
General Government-							
Legislative	\$ 434,233	\$ 0	\$ 0	\$ 0	\$ (434,233)	\$ 0	\$ (434,233)
Judicial	1,765,802	348,630	0	0	(1,417,172)	0	(1,417,172)
Elections	95,817	0	0	0	(95,817)	0	(95,817)
Finance & Administration	2,605,306	379,148	76,915	0	(2,149,243)	0	(2,149,243)
Other	1,345,654	0	0	0	(1,345,654)	0	(1,345,654)
Public Safety	995,135	0	109,730	0	(885,405)	0	(885,405)
Public Works	16,564,688	382,415	0	811,399	(15,370,874)	0	(15,370,874)
Sanitation	9,556,671	5,850,230	0	0	(3,706,441)	0	(3,706,441)
Culture & Recreation	383,828	0	0	0	(383,828)	0	(383,828)
Health & Welfare	2,673,539	0	1,785,573	0	(887,966)	0	(887,966)
Economic Development	478,338	0	0	0	(478,338)	0	(478,338)
Transportation	798,593	119,831	178,824	0	(499,938)	0	(499,938)
Animal Control	495,259	23,383	11,759	0	(460,117)	0	(460,117)
Total Governmental Activities	\$38,192,863	\$7,103,637	\$2,162,801	\$811,399	\$(28,115,026)	\$ 0	\$(28,115,026)
Business-Type Activities:							
Eastside Sewer	\$ 13,615	\$ 0	\$ 0	\$ 0	\$ 0	\$(13,615)	\$(13,615)
Total Government	\$38,206,478	\$7,103,637	\$2,162,801	\$811,399	\$(28,115,026)	\$(13,615)	\$(28,128,641)
General Revenues:							
Taxes-							
Ad Valorem					\$ 11,132,406	\$ 0	\$ 11,132,406
Sales & Use					8,284,077	0	8,284,077
Severance					1,309,490	0	1,309,490
Tourism					145,356	0	145,356
Video Poker					162,752	0	162,752
Investment Earnings					922,354	0	922,354
State Revenue Sharing					62,203	0	62,203
Gain on Sale of Assets					178,457	0	178,457
Rentals, Leases & Royalties					1,065,029	0	1,065,029
Other Miscellaneous					571,973	0	571,973
Total General Revenues & Transfers					\$ 23,834,097	\$ 0	\$ 23,834,097
Change in Net Position					\$ (4,280,929)	\$ (13,615)	\$ (4,294,544)
Net Position at Beginning of Year-Restated (see Note 11)					115,664,448	261,361	115,925,809
Net Position at End of Year					\$111,383,519	\$247,746	\$111,631,265

See independent auditors' report and notes to financial statements.

FUND FINANCIAL STATEMENTS

DeSoto Parish Police Jury
Balance Sheet-Governmental Funds
December 31, 2019

	Major Funds						Other Governmental Funds	Total Governmental Funds
	General Fund	Solid Waste Fund	Road Fund	Airport Fund	Jail Fund	Sales Tax		
<u>Assets</u>								
Cash & Cash Equivalents	\$ 3,161,175	\$ 19,183	\$ 309,986	\$ 219,709	\$5,661,619	\$ 3,000	\$1,587,479	\$10,962,151
Investments	7,129,874	7,362,222	11,320	5,670,847	0	0	0	20,174,263
Revenue Receivables	3,458,634	4,908,866	4,288,863	25,124	0	801,671	80,775	13,563,933
Inventory	0	0	0	36,691	0	0	0	36,691
Due from Other Governments	0	0	0	0	0	0	0	0
Due from Other Funds	471,758	528,779	465,064	575	89,204	0	0	1,555,380
Noncurrent Receivable	12,374	0	37,975	0	0	0	0	50,349
Total Assets	<u>\$14,233,815</u>	<u>\$12,819,050</u>	<u>\$5,113,208</u>	<u>\$5,952,946</u>	<u>\$5,750,823</u>	<u>\$804,671</u>	<u>\$1,668,254</u>	<u>\$46,342,767</u>
<u>Liabilities</u>								
Accounts Payable	\$ 484,978	\$ 716,394	\$1,013,324	\$ 63,474	\$ 70,944	\$ 10,181	\$ 80,901	\$ 2,440,196
Due to Other Funds	60,994	32,093	400,000	275,000	0	596,617	193,758	1,558,462
Master Bank Overdrafts	0	0	0	0	0	0	47,243	47,243
Due to Other Governments	11,970	0	0	0	0	197,873	0	209,843
Deposits	900	0	0	0	0	0	0	900
Total Liabilities	<u>\$ 558,842</u>	<u>\$ 748,487</u>	<u>\$1,413,324</u>	<u>\$ 338,474</u>	<u>\$ 70,944</u>	<u>\$804,671</u>	<u>\$ 321,902</u>	<u>\$ 4,256,644</u>

Continued next page.

See independent auditors' report and notes to financial statements.

DeSoto Parish Police Jury
Balance Sheet-Governmental Funds
December 31, 2019

	Major Funds						Other Governmental Funds	Total Governmental Funds
	General Fund	Solid Waste Fund	Road Fund	Airport Fund	Jail Fund	Sales Tax		
<u>Fund Balance</u>								
Nonspendable-								
Inventory	\$ 0	\$ 0	\$ 0	\$ 36,691	\$ 0	\$ 0	\$ 0	\$ 36,691
Restricted for-								
Airport	0	0	0	5,577,781	0	0	0	5,577,781
Judicial	0	0	0	0	0	0	387,329	387,329
Public Safety	0	0	0	0	5,679,879	0	0	5,679,879
Roads	0	0	3,699,884	0	0	0	0	3,699,884
Sanitation	0	12,070,563	0	0	0	0	0	12,070,563
Health & Welfare	0	0	0	0	0	0	38,690	38,690
Witness & Juror Fees	0	0	0	0	0	0	904,892	904,892
Assigned to-								
Animal Control	0	0	0	0	0	0	15,441	15,441
Unassigned	<u>13,674,973</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>13,674,973</u>
Total Fund Balances	<u>\$13,674,973</u>	<u>\$12,070,563</u>	<u>\$3,699,884</u>	<u>\$5,614,472</u>	<u>\$5,679,879</u>	<u>\$ 0</u>	<u>\$1,346,352</u>	<u>\$42,086,123</u>
Total Liabilities, Deferred Inflows of Resources & Fund Balances	<u>\$14,233,815</u>	<u>\$12,819,050</u>	<u>\$5,113,208</u>	<u>\$5,952,946</u>	<u>\$5,750,823</u>	<u>\$804,671</u>	<u>\$1,668,254</u>	<u>\$46,342,767</u>

See independent auditors' report and notes to financial statements.

DeSoto Parish Police Jury
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
December 31, 2019

Total Fund Balances of the Governmental Funds \$ 42,086,123

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

Capital Assets and Right of Use Assets used in Governmental
Activities are not current financial resources and, therefore,
are not reported in this fund financial statement but are reported
in the governmental activities of the Statement of Net Position-

Capital Assets	292,898,773
Less, Accumulated Depreciation	(215,245,697)
Right of Use Assets	1,294,679
Less, Accumulated Amortization	(241,403)

Deferred Outflows of Resources used in Governmental Activities
are not financial resources and, therefore, are not reported in the
Governmental Fund Balance Sheet- 1,674,564

Long-term Liabilities are not due and payable in the current period
and are not included in the fund financial statements but are included
in the Governmental Activities of the Statement of Net Position-

Landfill Post Closure Liability	(4,108,230)
Capital Lease Liabilities	(1,079,106)
Net Pension Liability	(1,320,953)
Other Post Employment Benefit Obligation	(4,014,216)
Compensated Absences	(234,622)

Deferred Inflows of Resources are not due and payable in in
the current period and, therefore, are not reported in the
Governmental Fund Balance Sheet- (326,393)

Total Net Position of Governmental Activities \$ 111,383,519

See independent auditors' report and notes to financial statements.

DeSoto Parish Police Jury
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
Year Ended December 31, 2019

	Major Funds						Other Governmental Funds	Total Governmental Funds
	General Fund	Solid Waste Fund	Road Fund	Airport Fund	Jail Fund	Sales Tax		
REVENUES:								
Taxes-								
Ad Valorem	\$ 3,206,953	\$ 3,665,074	\$ 4,260,379	\$ 0	\$ 0	\$ 0	\$ 0	\$11,132,406
Sales and Use	0	1,608,671	5,362,237	0	1,072,447	240,722	0	8,284,077
Severance	604,745	0	704,745	0	0	0	0	1,309,490
Tourism	145,356	0	0	0	0	0	0	145,356
Licenses & Permits	301,963	0	219,860	0	0	0	0	521,823
Intergovernmental Revenues-								
Federal Grants	125,404	0	0	0	0	0	1,785,573	1,910,977
State Funds-								
Parish Transportation Funds	0	0	388,838	0	0	0	0	388,838
Grants	16,908	0	0	52,261	0	0	0	69,169
State Revenue Sharing (net)	26,641	0	35,562	0	0	0	0	62,203
Video Poker	162,752	0	0	0	0	0	0	162,752
Fire Insurance Rebate	109,730	0	0	0	0	0	0	109,730
Fees, Charges, & Commissions	123,754	5,850,230	99,630	119,831	0	0	23,283	6,216,728
Fines & Forfeits	0	0	62,925	0	0	0	348,731	411,656
Investment Earnings	310,436	168,554	109,356	187,387	120,553	214	25,854	922,354
Rents & Royalties	1,049,901	0	0	15,128	0	0	0	1,065,029
Contributions	60,007	0	422,561	1,160	0	0	11,759	495,487
Other Revenues	136,999	6,730	11,329	1,050	136	0	299,159	455,403
Total Revenues	<u>\$ 6,381,549</u>	<u>\$11,299,259</u>	<u>\$11,677,422</u>	<u>\$ 376,817</u>	<u>\$1,193,136</u>	<u>\$240,936</u>	<u>\$2,494,359</u>	<u>\$33,663,478</u>

Continued next page.

See independent auditors' report and notes to financial statements.

DeSoto Parish Police Jury
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
Year Ended December 31, 2019

	Major Funds						Other Governmental Funds	Total Governmental Funds
	General Fund	Solid Waste Fund	Road Fund	Airport Fund	Jail Fund	Sales Tax		
EXPENDITURES:								
Current-								
General Government-								
Legislative	\$ 434,233	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 434,233
Judicial	1,197,038	0	0	0	0	0	391,227	1,588,265
Elections	95,818	0	0	0	0	0	0	95,818
Finance & Administrative	1,605,068	150,887	175,395	0	0	0	0	1,931,350
Other	909,859	0	0	0	0	240,936	0	1,150,795
Public Safety	130,443	0	0	0	669,635	0	0	800,078
Public Works	0	0	14,800,365	0	0	0	0	14,800,365
Sanitation	0	6,428,702	0	0	0	0	0	6,428,702
Cultural & Recreation	326,749	0	0	0	0	0	0	326,749
Health & Welfare	269,080	0	0	0	0	0	2,258,353	2,527,433
Economic Development	334,608	0	0	0	0	0	0	334,608
Transportation	0	0	0	501,046	0	0	0	501,046
Animal Control	0	0	0	0	0	0	462,402	462,402
Capital Lease Expenditures	22,072	0	299,667	0	0	0	24,466	346,205
Capital Outlay	840,858	3,555,260	4,315,466	525,484	114,752	0	24,000	9,375,820
Debt Service-								
Principal Retirement	24,658	35,627	81,716	9,361	0	0	8,723	160,085
Interest & Other Charges	6,944	17,826	23,002	2,604	0	0	2,388	52,764
Total Expenditures	<u>\$ 6,197,428</u>	<u>\$10,188,302</u>	<u>\$19,695,611</u>	<u>\$1,038,495</u>	<u>\$ 784,387</u>	<u>\$240,936</u>	<u>\$3,171,559</u>	<u>\$41,316,718</u>
Excess (Deficiency) of Revenues over Expenditures	\$ <u>184,121</u>	\$ <u>1,110,957</u>	\$ <u>(8,018,189)</u>	\$ <u>(661,678)</u>	\$ <u>408,749</u>	\$ <u>0</u>	\$ <u>(677,200)</u>	\$ <u>(7,653,240)</u>

Continued next page.

See independent auditors' report and notes to financial statements.

DeSoto Parish Police Jury
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
Year Ended December 31, 2019

	Major Funds						Other Governmental Funds	Total Governmental Funds
	General Fund	Solid Waste Fund	Road Fund	Airport Fund	Jail Fund	Sales Tax		
OTHER FINANCING SOURCES (USES):								
Operating Transfers In	\$ 1,701,888	\$ 0	\$ 4,500,000	\$ 0	\$ 15,000	\$ 0	\$ 697,701	\$ 6,914,589
Sale of Assets	7,650	67,330	103,075	9,700	0	0	4,405	192,160
Proceeds of Capital Leases	22,072	0	299,667	0	0	0	24,466	346,205
Operating Transfers Out	<u>(2,212,701)</u>	<u>(4,700,000)</u>	<u>(1,888)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(6,914,589)</u>
Total Other Financing	<u>\$ (481,091)</u>	<u>\$ (4,632,670)</u>	<u>\$ 4,900,854</u>	<u>\$ 9,700</u>	<u>\$ 15,000</u>	<u>\$ 0</u>	<u>\$ 726,572</u>	<u>\$ 538,365</u>
Net Change in Fund Balance	\$ (296,970)	\$ (3,521,713)	\$ (3,117,335)	\$ (651,978)	\$ 423,749	\$ 0	\$ 49,372	\$ (7,114,875)
Fund Balances- Beginning of Year – Restated (See Note 11)	<u>13,971,943</u>	<u>15,592,276</u>	<u>6,817,219</u>	<u>6,266,450</u>	<u>5,256,130</u>	<u>0</u>	<u>1,296,980</u>	<u>49,200,998</u>
Fund Balances- End of Year	<u>\$13,674,973</u>	<u>\$12,070,563</u>	<u>\$ 3,699,884</u>	<u>\$5,614,472</u>	<u>\$5,679,879</u>	<u>\$ 0</u>	<u>\$1,346,352</u>	<u>\$42,086,123</u>

See independent auditors' report and notes to financial statements.

DeSoto Parish Police Jury
Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balance of the Governmental Funds
to the Statement of Activities
Year Ended December 31, 2019

Net Change in Fund Balance - Governmental Funds \$(7,114,875)

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 cost of capital assets recorded in the current period is 9,375,820

Depreciation expense on capital assets is reported in the Government-
wide financial statements, but does not require the use of current
financial resources and is not reported in the Fund Financial Statements.

Current year depreciation expense is (5,505,856)

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 cost of capital lease acquisitions recorded in the current period is 346,205

Amortization expense on right of use assets is reported in the

Government-wide financial statements, but does not require the use of
current financial resources and is not reported in the Fund Financial
Statements. Current year amortization expense is

(181,275)

Payments made on long-term debt (leases) are shown as expenditures in the
Governmental Funds, but the payments reduce long-term liabilities in
the Statement of Net Position. Principal payment on long-term debt are

160,085

Proceeds of long-term debt (leases) are shown as revenues in the
Governmental Funds, but the debt increases long-term liabilities
in the Statement of Net Position. Proceeds of long-term debt are

(346,205)

Some revenues reported in the Statement of Activities do not provide current
financial resources and these are not reported as revenues in 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	70,002
Sale of Assets	(13,703)
Pension Expense	(288,448)
Net OPEB Obligation	(272,974)
Landfill Post Closure	(629,274)
Accrued Compensated Absences	<u>119,569</u>

Change in Net Position of Governmental Activities \$(4,280,929)

See independent auditors' report and notes to financial statements.

DeSoto Parish Police Jury
Statement of Net Position
Proprietary Fund
Year Ended December 31, 2019

	<u>Business-Type Activities</u>
	<u>Enterprise Fund</u>
	<u>Eastside Sewer Fund</u>
Assets-	
Current Assets-	
Cash & Cash Equivalents	\$ 43,781
Due to Other Funds	<u>3,082</u>
Total Current Assets	\$ 46,863
Noncurrent Assets-	
Capital Assets	<u>201,256</u>
Total Assets	<u>\$248,119</u>
Liabilities-	
Current Liabilities-	
Accounts Payable	\$ 103
Noncurrent Liabilities-	
Customer's Deposits	<u>270</u>
Total Liabilities	<u>\$ 373</u>
Net Position-	
Net Investment in Capital Assets	\$201,256
Unrestricted	<u>46,490</u>
Total Net Position	<u>\$247,746</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, 2019

	<u>Business-Type Activities</u>
	<u>Enterprise Fund</u>
	<u>Eastside Sewer Fund</u>
Operating Revenues:	
Charges for Services-	
Reimbursement of Fees	\$ <u> 0</u>
Operating Expenses:	
Professional Fees	\$ 1,527
Utilities & Communications	1,805
Depreciation	<u>10,283</u>
Total Operating Expenses	\$ <u>13,615</u>
Loss from Operations	\$ (13,615)
Other Financing Sources:	
Transfers In	<u> 0</u>
Change in Net Position	\$ (13,615)
Net Position at Beginning of Year	<u>261,361</u>
Net Position at End of Year	<u>\$247,746</u>

See independent auditors' report and notes to financial statements.

DeSoto Parish Police Jury
Statement of Cash Flows
Proprietary Fund
Year Ended December 31, 2019

	<u>Business-Type Activities</u> <u>Enterprise Fund</u> <u>Eastside Sewer Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash Received from Customers	\$ 0
Cash Payments to Suppliers for Goods and Services	<u>(3,229)</u>
Net Cash Used by Operating Activities	\$ <u>(3,229)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:	
Transfers from Other Funds	\$ <u>0</u>
Net Decrease in Cash & Cash Equivalents	\$ (3,229)
CASH & CASH EQUIVALENTS:	
Beginning of Year	<u>47,010</u>
End of Year	\$ <u>43,781</u>
RECONCILIATION OF LOSS FROM OPERATIONS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Loss from Operations	\$(13,615)
Adjustments-	
Depreciation	10,283
(Increase)/Decrease in Due to Other Funds	0
(Increase)/Decrease in Accounts Receivable	0
Increase/(Decrease) in Accounts Payable	<u>103</u>
Net Cash Used by Operations	\$ <u>(3,229)</u>

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, 2019

Introduction

DeSoto Parish, located in Northwest Louisiana, was established by Act 88 of 1843. The Parish has a population of approximately 27,142. 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 in January 12, 2020.

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.

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

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.

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 fund’s ongoing operation. Financing of the Enterprise Fund is provided by user fees and transfers from the General Fund.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. 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.

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, principle 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 customer's 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 240 hours of accumulated earned annual leave not taken. Employees with more than 240 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, 2019, \$28,359,018 of the Police Jury's fund balance was restricted by enabling legislation, \$36,691 was nonspendable held as inventory, \$15,441 was assigned, and \$13,674,973 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 or 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 2016. Total assessed value was \$759,392,057 in 2019. 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 \$42,270,001 of the assessed value in 2019. For the year ended December 31, 2019, the Police Jury authorized ad valorem tax millages of 15.5 mills and levied taxes of 15.5 mills. The courthouse maintenance millage expired in 2017.

The following is a summary of authorized and levied ad valorem taxes for the primary government for the year ended December 31, 2019:

	Maximum Millage	Authorized Millage	Levied Millage	Expiration Date
Parishwide taxes:				
General Fund	4.45	4.45	4.45	Indefinite
Road Maintenance	5.94	5.94	5.94	2023
Landfill	5.11	5.11	5.11	2025

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The following are the principal taxpayers for the parish and their 2019 assessed valuations:

		2019 Assessed Valuation	2019 Assessed Tax	Percent of Total Assessed Valuation
International Paper Co.	Manufacturer	\$ 77,133,695	\$ 5,762,772	10.66%
Indigo Minerals, LLC	Oil & Gas	56,415,821	5,367,966	7.43%
Exco Operating Company	Oil & Gas	53,079,798	5,050,543	6.99%
Chesapeake Operating LLC	Oil & Gas	42,479,539	4,041,928	5.59%
Southwestern Electric Power	Utility	38,671,512	2,902,522	5.09%
Covey Park Operating LLC	Oil & Gas	27,966,303	2,660,994	3.68%
Louisiana Midstream Gas Service	Oil & Gas	26,580,513	2,529,136	3.50%
Acadian Gas Pipeline	Oil & Gas	25,575,440	2,433,503	3.37%
Enterprise Gathering, LLC	Oil & Gas	23,583,925	2,244,010	3.11%
Cleco Power, LLC	Utility	31,683,080	2,134,303	4.17%
Total		<u>\$403,169,626</u>	<u>\$35,127,677</u>	<u>53.09%</u>

3. Cash and Cash Equivalents and Investments

Cash and Cash Equivalents

At December 31, 2019, the Police Jury has cash and cash equivalents (book balances) totaling \$10,962,151 as follows:

Demand deposits	\$10,494,196
U.S. Government Money Market	<u>467,955</u>
Total cash and cash equivalents	<u>\$10,962,151</u>

The Police Jury uses a master bank account for cash management purposes. At December 31, 2019, the OCS Fund reported a negative balance in the master bank account of \$47,243.

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 \$5,042,312.

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Investments:

At December 31, 2019, 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	\$11,794,378	\$ 4,769,112	\$7,025,266	\$ 0	\$ 0
Louisiana Asset Management Pool	2,085,189	2,085,189	0	0	0
Certificates of Deposit	6,294,696	6,294,696	0	0	0
Total Investments	\$20,174,263	\$13,148,997	\$7,025,266	\$ 0	\$ 0

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 \$18,403,213, which were fully protected by \$750,000 of federal depository insurance and pledged securities with a market value in excess of \$17,653,213 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, 2019 include \$2,085,189 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 2019, the Police Jury realized a net gain of \$163,682 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 \$7,251.

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4. Receivables

The following is a summary of current receivables at December 31, 2019:

	RECEIVABLES							Business- Type Activities	Total	
	Governmental Activities						Other Governmental Funds			Eastside Sewer
	General Fund	Solid Waste Fund	Road Fund	Airport Fund	Jail Fund	Sales Tax Fund				
Ad valorem taxes	\$3,111,719	\$3,573,232	\$4,153,620	\$ 0	\$ 0	\$ 0	\$ 0	\$0	\$10,838,571	
Sales & use taxes	0	0	0	0	0	801,671	0	0	801,671	
Tourism tax	9,641	0	0	0	0	0	0	0	9,641	
Severance tax	42,064	0	42,064	0	0	0	0	0	84,128	
Federal Grants	10,564	0	0	0	0	0	52,165	0	62,729	
State Grants:										
Video poker	15,186	0	0	0	0	0	0	0	15,186	
Fees, charges & commissions	5,742	1,373,809	72,492	3,132	0	0	270	0	1,455,445	
Fines & Forfeitures	0	0	1,350	0	0	0	4,327	0	5,677	
Licenses & Permits	1,161	0	5,950	0	0	0	0	0	7,111	
Rents & Royalties	99,403	0	31,170	0	0	0	0	0	130,573	
Interest	24,171	6,290	0	20,342	0	0	0	0	50,803	
Health & Liability Insurance	141,114	0	0	0	0	0	0	0	141,114	
Other	14,151	0	85	1,650	0	0	24,013	0	39,899	
	<u>\$3,474,916</u>	<u>\$4,953,351</u>	<u>\$4,306,731</u>	<u>\$25,124</u>	<u>\$0</u>	<u>\$801,671</u>	<u>\$80,775</u>	<u>\$0</u>	<u>\$13,642,548</u>	
Allowance	(16,282)	(44,465)	(17,868)	0	0	0	0	0	(78,615)	
Total Receivables	<u>\$3,458,634</u>	<u>\$4,908,866</u>	<u>\$4,288,863</u>	<u>\$25,124</u>	<u>\$0</u>	<u>\$801,671</u>	<u>\$80,775</u>	<u>\$0</u>	<u>\$13,563,933</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			
	General Fund	Road Fund	Solid Waste Fund	Total
General Fund	\$ 0	\$1,888	\$1,700,000	\$1,701,888
Road Fund	1,500,000	0	3,000,000	4,500,000
Jail Fund	15,000	0	0	15,000
OCS Fund	191,583	0	0	191,583
Animal Services Fund	506,118	0	0	506,118
Total Transfers	<u>\$2,212,701</u>	<u>\$1,888</u>	<u>\$4,700,000</u>	<u>\$6,914,589</u>

Interfund balances on the fund financial statements at December 31, 2019, consisted of the following:

Receivable Fund	Due To	Due From
General Fund	\$ 61,394	\$ 471,758
Road Fund	400,000	465,064
Sales Tax Fund	596,617	0
Jail Fund	0	89,204
Solid Waste Fund	32,093	528,779
Criminal Court Fund	193,758	0
Airport Fund	275,000	575
Eastside Sewer Fund	0	3,082
Total	<u>\$1,558,862</u>	<u>\$1,558,462</u>

6. Capital Assets

Capital asset activity for the year ended December 31, 2019, was as follows:

	Balance January 1, 2019	Additions	Deletions/ Reclassifications	Balance December 31, 2019
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 2,256,949	\$ 282,193	\$ 0	\$ 2,539,142
Construction in progress	5,196,586	1,597,007	(4,604,718)	2,188,875
Total assets not being depreciated	<u>\$ 7,453,535</u>	<u>\$ 1,879,200</u>	<u>\$(4,604,718)</u>	<u>\$ 4,728,017</u>
Capital assets being depreciated:				
Buildings and improvements	\$ 28,256,508	\$ 183,569	\$ 0	\$ 28,440,077
Land improvements – structures	9,084,843	551,152	0	9,635,995
Furniture and equipment	15,827,105	1,936,873	(1,002,655)	16,761,323
Infrastructure	223,903,617	9,429,744	0	233,333,361
Total assets being depreciated	<u>\$277,072,073</u>	<u>\$12,101,338</u>	<u>\$(1,002,655)</u>	<u>\$288,170,756</u>
Less accumulated depreciation for:				
Buildings and improvements	\$ 15,057,757	\$ 736,030	\$ 0	\$ 15,793,787
Land improvements – structures	2,202,544	432,723	0	2,635,267
Furniture and equipment	11,148,054	1,057,680	(992,487)	11,213,247
Infrastructure	182,323,973	3,279,423	0	185,603,396
Total accumulated depreciation	<u>\$210,732,328</u>	<u>\$ 5,505,856</u>	<u>\$ (992,487)</u>	<u>\$215,245,697</u>
Total capital assets – net	<u>\$ 73,793,280</u>	<u>\$ 8,474,682</u>	<u>\$(4,614,886)</u>	<u>\$ 77,653,076</u>

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Depreciation expense of \$5,505,856 for the year ended December 31, 2019, was charged to the following governmental functions:

General government:	
Judicial	\$ 177,537
Finance and administrative	57,706
Other government	13,585
Public safety	195,058
Public works	1,912,076
Sanitation	2,478,155
Cultural and recreation	57,078
Health and welfare	145,772
Economic development	143,730
Transportation	294,860
Animal control	<u>30,299</u>
Total	<u>\$5,505,856</u>

	Balance January 1, 2019	Additions	Deletions	Balance December 31, 2019
Business-type activities:				
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	\$393,942	\$ 10,283	\$0	\$404,225
Treatment plant	101,180	0	0	101,180
Total accumulated depreciation	<u>\$495,122</u>	<u>\$ 10,283</u>	<u>\$0</u>	<u>\$505,405</u>
Total capital assets – net	<u>\$211,539</u>	<u>\$(10,283)</u>	<u>\$0</u>	<u>\$201,256</u>

Depreciation expense of \$10,283 for the year ended December 31, 2019, 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 and 2019, the Police Jury entered into several lease agreements for vehicles. Vehicles were leased for a five year term 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, 2019, is as follows:

	Balance 1/1/2019	Additions	Deletions	Balance 12/31/2019
Governmental Activities:				
Right of Use Assets-				
Vehicles	\$686,077	\$346,205	\$29,545	\$1,002,737
Land	<u>291,942</u>	<u>0</u>	<u>0</u>	<u>291,942</u>
Total Right of Use Assets	<u>\$978,019</u>	<u>\$346,205</u>	<u>\$29,545</u>	<u>\$1,294,679</u>
Less, Accumulated Amortization-				
Vehicles	\$ 24,856	\$160,810	\$ 492	\$ 185,174
Land	<u>35,765</u>	<u>20,464</u>	<u>0</u>	<u>56,229</u>
Total Accumulated Amortization	<u>\$ 60,621</u>	<u>\$181,274</u>	<u>\$ 492</u>	<u>\$ 241,403</u>
Right-of-Use Assets, Net	<u>\$917,398</u>	<u>\$164,931</u>	<u>\$29,053</u>	<u>\$1,053,276</u>

Amortization expense of \$181,274 for the year ended December 31, 2019, was charged to the following governmental functions:

General Fund-	
General Government	\$ 18,825
Public Works	88,389
Sanitation	47,601
Cultural and recreation	5,394
Transportation	11,362
Animal Control	<u>9,703</u>
Total General Fund	<u>\$181,274</u>

The changes in capital lease liabilities for December 31, 2019 are as follows:

Beginning Capital Lease Liabilities	\$ 918,503
Additions	346,205
Deductions	<u>(185,602)</u>
Ending Capital Lease Liabilities	<u>\$1,079,106</u>

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

Year Ending <u>December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 204,145	\$ 53,477	\$ 257,622
2021	215,141	42,481	257,622
2022	227,726	30,071	257,797
2023	214,737	17,048	231,785
2024	69,810	9,391	79,201
2025-2029	105,509	24,940	130,449
2030-2032	<u>42,038</u>	<u>3,538</u>	<u>45,576</u>
Total	<u>\$1,079,106</u>	<u>\$180,946</u>	<u>\$1,260,052</u>

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8. Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses at December 31, 2019, consist of the following:

	Payable to Vendors	Payroll Liabilities	Total Payables
Governmental Activities:			
General Fund	\$ 345,939	\$139,039	\$ 484,978
Road Fund	891,531	121,793	1,013,324
Sales Tax Fund	10,181	0	10,181
Jail Fund	70,944	0	70,944
Solid Waste Fund	644,307	72,087	716,394
Airport Fund	58,756	4,718	63,474
Other Governmental Funds	46,606	34,295	80,901
Total Governmental Activities	<u>\$2,068,264</u>	<u>\$371,932</u>	<u>\$2,440,196</u>
Business-Type Activities:			
Eastside Sewer Fund	103	0	103
Total accounts payable	<u>\$2,068,367</u>	<u>\$371,932</u>	<u>\$2,440,299</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, 2019, the amount of \$197,872 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.

11. Restatement of Net Position and Fund Balance

For the year ended December 31, 2018, deferred ad valorem taxes and deferred revenue in the Rental Assistance Fund were misstated. As a result, both net position and fund balances were restated as follows:

	<u>Government-Wide</u>	<u>Governmental Funds</u>
December 31, 2018, as previously reported	\$115,968,490	\$48,937,466
Prior Period Adjustment	<u>(304,042)</u>	<u>263,532</u>
December 31, 2018, as restated	<u>\$115,664,448</u>	<u>\$49,200,998</u>

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12. 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.

All permanent Police Jury employees (except those employed by Orleans, Lafourche and East Baton Rouge Parishes) 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

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, 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, not to be less than 15, or an amount equal to what the member's normal benefit would be based on the member's current final compensation but assuming the member remained in continuous service until his earliest retirement age.

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, 2018, the actuarially determined contribution rate was 7.01% of member's compensation for Plan B. However, the actual rate for the fiscal year ending December 31, 2018 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 \$62,274.

The Police Jury's contractually required composite contribution rate for the year ended December 31, 2019 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 \$419,192 for the year ended December 31, 2019.

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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 and their assistants in each parish.

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.

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.

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, 2019, the actual employer contribution rate was 1.25%.

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, 2019, 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 \$3,450.

The Police Jury's contractually required composite contribution rate for the year ended December 31, 2019 was 4% 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 \$566 for the year ended December 31, 2019.

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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 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 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 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, 2019, the actual employer contribution rate was 17.00%.

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 \$6,594 are recognized as revenue and excluded from pension expense for the year ended December 31, 2018.

The Police Jury's contractually required composite contribution rate for the year ended December 31, 2018 was 17.00% 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 \$4,278 for the year ended December 31, 2019.

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

At December 31, 2019 and 2018, the Police Jury reported a total of \$1,320,953 for its proportionate shares of the Net Pension (Asset) Liabilities of the Plans.

Plan	Measurement Date	
	December 31, 2018	December 31, 2017
PERS	\$1,282,401	\$(606,403)
	June 30, 2019	June 30, 2018
DARS	11,818	12,098
ROVERS	26,734	53,090
Total	\$1,320,953	\$(541,215)

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The Net Pension (Asset) Liabilities were measured as of December 31, 2018 for PERS and June 30, 2019 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, 2018	December 31, 2017
PERS	4.746734%	4.819592%
	June 30, 2019	June 30, 2018
DARS	.036736%	.037596%
ROVERS	.142961%	.224917%
Total	4.926431%	5.082105%

For the year ended December 31, 2019 and 2018, 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, 2018	December 31, 2017
PERS	\$705,642	\$417,924
	June 30, 2019	June 30, 2018
DARS	3,746	1,456
ROVERS	2,756	11,889
Total	\$712,144	\$431,269

At December 31, 2019, 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	\$ -	\$ 285,729	\$ 51	\$ 3,689	\$ -	\$ 6,595	\$ 51	\$ 296,013
Changes in Assumptions	\$ 356,334	\$ -	\$ 5,383	\$ 390	\$ 3,957	\$ -	\$ 365,674	\$ 390
Net Difference between projected and actual earnings on pension plan	\$ 878,140	\$ -	\$ 1,657	\$ -	\$ -	\$ 1,526	\$ 879,797	\$ 1,526
Changes in employer's proportion of beg NPL	\$ 3,859	\$ 752	\$ 943	\$ 9,468	\$ 1,832	\$ 17,779	\$ 6,634	\$ 27,999
Differences between employer and proportionate share of contributions	\$ 674	\$ -	\$ 27	\$ 400	\$ -	\$ 65	\$ 701	\$ 465
Subsequent Measurement Contributions	\$ 419,192	\$ -	\$ 432	\$ -	\$ 2,083	\$ -	\$ 421,707	\$ -
Total	\$ 1,658,199	\$ 286,481	\$ 8,493	\$ 13,947	\$ 7,872	\$ 25,965	\$ 1,674,564	\$ 326,393

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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 \$421,707, will be recognized as a reduction of the Net Pension Liabilities in the year December 31, 2019. Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year ended <u>December 31:</u>	
2020	\$297,351
2021	130,258
2022	118,315
2023	381,131
2024	<u>(591)</u>
Total	<u>\$926,464</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, 2018 for PERS and June 30, 2019 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	6.500%	6.500%	6.500%
Inflation rate	2.400%	2.400%	2.400%
Salary increases	4.250%	5.500%	6.000%

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 RP-2000 Combined Healthy with White Collar Adjustment Sex Distinct Mortality Tables (setback 1 year for females) projected to 2032 using scale Assistance with were selected for employees, annuitants and beneficiaries. RP-2000 Disabled Lives Table (setback 5 years for males and set back 3 years for females) for disabled annuitants. The mortality rate assumptions were set based upon an experience study performed on plan data for the period of July 1, 2009 through June 30, 2014.

Mortality rates for ROVERS were based on RP-2000 Combined Healthy Table for active members, healthy annuitants and beneficiaries. RP-2000 Disabled Lives Table for 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, 2009 through June 30, 2014.

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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, 2018 for PERS and June 30, 2019 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	52%	3.45%	48.42%	5.13%	60.0%	4.70%
Fixed Income	35%	1.22%	40.10%	1.65%	22.5%	0.66%
Alternative	11%	0.65%	10.99%	0.78%	10.0%	0.63%
Other	2%	0.11%	0.49%	0.00%	7.5%	0.34%
Totals	100%	5.43%	100.00%	5.07%	100.0%	6.33%
Inflation		2.00%		2.49%		2.50%
Expected Nominal Return		7.43%		7.56%		8.83%

The discount rate used to measure the total pension liability was 6.50% for PERS, 6.50% for DARS, and 6.50% 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	\$3,37,3889	\$1,282,401	\$(464,926)
DARS	\$ 32,191	\$ 11,818	\$ (5,530)
ROVERS	\$ 45,099	\$ 26,734	\$ 10,971

Pension Plan Fiduciary Net Position

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

13. Postemployment Benefits

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, 2019, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	19
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	94
	<hr/>
	113
	<hr/>

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Total OPEB Liability

The Police Jury's total OPEB liability of \$4,014,216 was measured as of December 31, 2019 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and other inputs – The total OPEB liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.0%
Salary scale	3.5%
Discount rate	4.1%, (1.1% real rate of return plus inflation)
Healthcare cost trend rates	Level 5.0%

The discount rate was based on the average of the Bond Buyer 20 Year General Obligation municipal bond index as of December 31, 2019, the end of the applicable measurement period.

Mortality rates were based on the RPH-2014 Total Table projection MP-2018.

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, 2019	\$3,741,242
Changes for the year:	
Service cost	213,060
Interest	151,513
Differences between expected and actual experience	0
Benefit payments and net transfers	(91,599)
Net changes	272,974
Balance at December 31, 2019	\$4,014,216

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 (3.1%) or 1-percentage-point higher (5.1%) than the current discount rate:

	1.0% Decrease	Current Discount Rate	1.0% Increase
Total OPEB liability	\$3,415,857	\$4,014,216	\$4,769,496

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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 (4.0%) or 1-percentage-point higher (6.0%) than the current healthcare trend rates:

	1.0% Decrease	Current Trend	1.0% Increase
Total OPEB liability	\$3,328,265	\$4,014,216	\$4,920,016

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

For the year ended December 31, 2019, the Police Jury recognized OPEB expense of \$364,573. At December 31, 2019, the Police Jury reported no deferred outflows of resources and no deferred inflows of resources related to OPEB.

14. 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 \$4,108,231 reported as landfill closure and post closure care liability at December 31, 2019, represents the cumulative amount reported to date based on the use of 84.62% 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 \$4,854,968 at December 31, 2019, which is an increase of \$92,683 from the prior year. The 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 \$5,042,312.

15. 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, 2019, the Police Jury’s compensated absences payable in accordance with GASB Statement No. 16 for all funds amounted to 9,890 hours with a resulting liability of \$234,622.

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Changes in compensated absences during 2019 are as follows:

Beginning Balance	\$ 354,191
Additions	259,028
Deductions	<u>(377,473)</u>
Available Leave	\$ 235,746
Adjustment	<u>(1,124)</u>
Net available	<u>\$ 234,622</u>

16. 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, 2019, the Police Jury was involved in one lawsuit seeking damages from the Police Jury, which case is still in discovery and is set for trial. The Police Jury intends to vigorously defend its position in this lawsuit. The Police Jury has also been notified of two threatened claims made by former employees of the DeSoto Parish Communications District (a component unit of the Police Jury) for alleged breach of employment contracts. Any potential liability accruing to the Police Jury as a result of these claims, 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.

17. Related Party Transactions

Procedures, observations, and inquiries did not disclose any related party transactions for the fiscal year ended December 31, 2019.

18. Subsequent Events

Management has evaluated subsequent events through June 23, 2020, which is the date the financial statements were available to be issued.

On March 13, 2020, President Trump declared a national public health emergency relating to the coronavirus outbreak, which is ongoing as of the date of this report. The coronavirus and actions taken to mitigate it have had and are expected to have an adverse impact on the economies and financial markets of many countries, including the geographical area in which the Police Jury operates. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration. Therefore, the Police Jury anticipates this could negatively affect its operating results. The related financial impact and duration of the pandemic cannot be reasonably estimated at this time.

OTHER REQUIRED SUPPLEMENTARY INFORMATION

DeSoto Parish Police Jury
Major Funds

General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance-
Budget (GAAP Basis) and Actual
Year Ended December 31, 2019

	Budgeted Amounts		2019 Actual	Variance- Favorable (Unfavorable)
	Original	Final		
REVENUES:				
Taxes	\$ 3,984,619	\$ 3,875,000	\$ 3,957,054	\$ 82,054
Licenses and Permits	274,250	301,500	301,963	463
Intergovernmental Revenues-				
Federal	217,000	145,000	125,404	(19,596)
State	307,000	324,000	316,031	(7,969)
Fees, Charges & Commissions	122,000	122,000	123,754	1,754
Investment Earnings	75,000	520,000	310,436	(209,564)
Rents & Royalties	426,000	1,150,000	1,049,901	(100,099)
Other Revenues	<u>131,100</u>	<u>141,100</u>	<u>197,006</u>	<u>55,906</u>
Total Revenues	\$ <u>5,536,969</u>	\$ <u>6,578,600</u>	\$ <u>6,381,549</u>	\$ <u>(197,051)</u>
EXPENDITURES:				
Current-				
General Government	\$ 4,307,129	\$ 4,248,947	\$ 4,242,016	\$ 6,931
Public Safety	132,500	132,500	130,443	2,057
Culture & Recreation	303,326	327,826	326,749	1,077
Health & Welfare	379,473	297,973	269,080	28,893
Economic Development	344,424	337,200	334,608	2,592
Capital Lease Expense	0	0	22,072	(22,072)
Capital Outlay	1,765,000	750,000	840,858	(90,858)
Debt Service	<u>0</u>	<u>0</u>	<u>31,602</u>	<u>(31,602)</u>
Total Expenditures	\$ <u>7,231,852</u>	\$ <u>6,094,446</u>	\$ <u>6,197,428</u>	\$ <u>(102,982)</u>
Excess (Deficiency) of Revenues over Expenditures	\$ <u>(1,694,883)</u>	\$ <u>484,154</u>	\$ <u>184,121</u>	\$ <u>(300,033)</u>
OTHER FINANCING SOURCES (USES):				
Sale of Assets	\$ 1,000	\$ 7,650	\$ 7,650	\$ 0
Proceeds of Capital Leases	0	0	22,072	22,072
Operating Transfers In	1,750,000	1,750,000	1,701,888	(48,112)
Operating Transfers Out	<u>(606,118)</u>	<u>(2,197,701)</u>	<u>(2,212,701)</u>	<u>(15,000)</u>
Total Other Financing Sources (Uses)	\$ <u>1,144,882</u>	\$ <u>(440,051)</u>	\$ <u>(481,091)</u>	\$ <u>(41,040)</u>
Net Change in Fund Balance	\$ (550,001)	\$ 44,103	\$ (296,970)	\$ (341,073)
Fund Balance-Beginning of Year (Restated)	<u>13,971,943</u>	<u>13,971,943</u>	<u>13,971,943</u>	<u>0</u>
Fund Balance-End of Year	\$ <u>13,421,942</u>	\$ <u>14,016,046</u>	\$ <u>13,674,973</u>	\$ <u>(341,073)</u>

See independent auditors' report and notes to financial statements.

DeSoto Parish Police Jury
Major Funds

Solid Waste Fund
Statement of Revenues, Expenditures and Changes in Fund Balance-
Budget (GAAP Basis) and Actual
Year Ended December 31, 2019

	Budgeted Amounts		2019 Actual	Variance- Favorable (Unfavorable)
	Original	Final		
REVENUES:				
Taxes	\$ 5,106,682	\$ 5,106,682	\$ 5,273,745	\$ 167,063
Fees, Charges & Commissions	6,000,000	5,500,000	5,850,230	350,230
Investment Earnings	100,000	168,000	168,554	554
Other Revenues	<u>4,000</u>	<u>7,000</u>	<u>6,730</u>	<u>(270)</u>
Total Revenues	<u>\$11,210,682</u>	<u>\$10,781,682</u>	<u>\$11,299,259</u>	<u>\$ 517,577</u>
EXPENDITURES:				
Current-				
General Government	\$ 143,722	\$ 143,722	\$ 150,887	\$ (7,165)
Sanitation	5,163,778	6,386,366	6,428,702	(42,336)
Capital Lease Expense	35,000	35,000	0	35,000
Capital Outlay	4,084,000	4,350,000	3,555,260	794,740
Debt Service	<u>0</u>	<u>0</u>	<u>53,453</u>	<u>(53,453)</u>
Total Expenditures	<u>\$ 9,426,500</u>	<u>\$10,915,088</u>	<u>\$10,188,302</u>	<u>\$ 726,786</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$ 1,784,182</u>	<u>\$ (133,406)</u>	<u>\$ 1,110,957</u>	<u>\$1,244,363</u>
OTHER FINANCING SOURCES (USES):				
Sale of Assets	\$ 0	\$ 67,330	\$ 67,330	\$ 0
Operating Transfers In	0	0	0	0
Operating Transfers Out	<u>(4,750,000)</u>	<u>(4,750,000)</u>	<u>(4,700,000)</u>	<u>50,000</u>
Total Other Financing Sources (Uses)	<u>\$ (4,750,000)</u>	<u>\$ (4,682,670)</u>	<u>\$ (4,632,670)</u>	<u>\$ 50,000</u>
Net Change in Fund Balance	\$ (2,965,818)	\$ (4,816,076)	\$ (3,521,713)	\$1,294,363
Fund Balance-Beginning of Year (Restated)	<u>15,592,276</u>	<u>15,592,276</u>	<u>15,592,276</u>	<u>0</u>
Fund Balance-End of Year	<u>\$12,626,458</u>	<u>\$10,776,200</u>	<u>\$12,070,563</u>	<u>\$1,294,363</u>

See independent auditors' report and notes to financial statements.

DeSoto Parish Police Jury
Major Funds

Road Fund
Statement of Revenues, Expenditures and Changes in Fund Balance-
Budget (GAAP Basis) and Actual
Year Ended December 31, 2019

	Budgeted Amounts		2019 Actual	Variance- Favorable (Unfavorable)
	Original	Final		
REVENUES:				
Taxes	\$10,453,681	\$10,313,681	\$10,327,361	\$ 13,680
Licenses & Permits	400,000	220,000	219,860	(140)
Intergovernmental Revenues-				
Federal	2,500,000	0	0	0
State	400,000	420,000	424,400	4,400
Fees, Charges & Commissions	0	40,000	99,630	59,630
Fines & Forfeitures	30,000	70,000	62,925	(7,075)
Investment Earnings	100,000	110,000	109,356	(644)
Contributions	200,000	800,000	422,561	(377,439)
Other Revenues	0	13,000	11,329	(1,671)
Total Revenues	<u>\$14,083,681</u>	<u>\$11,986,681</u>	<u>\$11,677,422</u>	<u>\$ (309,259)</u>
EXPENDITURES:				
Current-				
General Government	\$ 167,066	\$ 167,066	\$ 175,395	\$ (8,329)
Public Works	14,176,615	14,823,417	14,800,365	23,052
Capital Lease Expense	0	0	299,667	(299,667)
Capital Outlay	5,260,000	4,600,000	4,315,466	284,534
Debt Service	0	0	104,718	(104,718)
Total Expenditures	<u>\$19,603,681</u>	<u>\$19,590,483</u>	<u>\$19,695,611</u>	<u>\$ (105,128)</u>
Excess (Deficiency) of Revenues over Expenditures	\$ (5,520,000)	\$ (7,603,802)	\$ (8,018,189)	\$ (414,387)
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	\$ 3,000,000	\$ 4,500,000	\$ 4,500,000	\$ 0
Sale of Assets	20,000	103,075	103,075	0
Proceeds of Capital Leases	0	0	299,667	299,667
Operating Transfers Out	0	0	(1,888)	(1,888)
Total Other Financing Sources (Uses)	<u>\$ 3,020,000</u>	<u>\$ 4,603,075</u>	<u>\$ 4,900,854</u>	<u>\$ 297,779</u>
Net Change in Fund Balance	\$ (2,500,000)	\$ (3,000,727)	\$ (3,117,335)	\$ (116,608)
Fund Balance-Beginning of Year (Restated)	<u>6,817,219</u>	<u>6,817,219</u>	<u>6,817,219</u>	<u>0</u>
Fund Balance-End of Year	<u>\$ 4,317,219</u>	<u>\$ 3,816,492</u>	<u>\$ 3,699,884</u>	<u>\$ (116,608)</u>

See independent auditors' report and notes to financial statements.

DeSoto Parish Police Jury
Major Funds

Airport Fund
Statement of Revenues, Expenditures and Changes in Fund Balance-
Budget (GAAP Basis) and Actual
Year Ended December 31, 2019

	Budgeted Amounts		2019 Actual	Variance- Favorable (Unfavorable)
	Original	Final		
REVENUES:				
Intergovernmental Revenues-				
State	\$ 43,440	\$ 52,440	\$ 52,261	\$ (179)
Fees, Charges & Commissions	140,000	120,000	119,831	(169)
Investment Earnings	0	(92,000)	187,387	279,387
Rents & Royalties	20,000	24,000	15,128	(8,872)
Other Revenues	<u>100</u>	<u>1,100</u>	<u>2,210</u>	<u>1,110</u>
Total Revenues	\$ <u>203,540</u>	\$ <u>105,540</u>	\$ <u>376,817</u>	\$ <u>271,277</u>
EXPENDITURES:				
Current-				
Transportation	\$ 602,961	\$ 541,961	\$ 501,046	\$ 40,915
Capital Outlay	739,000	489,000	525,484	(36,484)
Debt Service	<u>0</u>	<u>0</u>	<u>11,965</u>	<u>(11,965)</u>
Total Expenditures	\$ <u>1,341,961</u>	\$ <u>1,030,961</u>	\$ <u>1,038,495</u>	\$ <u>(7,534)</u>
Excess (Deficiency) of Revenues over Expenditures	\$ <u>(1,138,421)</u>	\$ <u>(925,421)</u>	\$ <u>(661,678)</u>	\$ <u>263,743</u>
OTHER FINANCING SOURCES (USES):				
Sale of Assets	\$ <u>0</u>	\$ <u>9,700</u>	\$ <u>9,700</u>	\$ <u>0</u>
Total Other Financing Sources (Uses)	\$ <u>0</u>	\$ <u>9,700</u>	\$ <u>9,700</u>	\$ <u>0</u>
Net Change in Fund Balance	\$ <u>(1,138,421)</u>	\$ <u>(915,721)</u>	\$ <u>(651,978)</u>	\$ <u>263,743</u>
Fund Balance-Beginning of Year	<u>6,266,450</u>	<u>6,266,450</u>	<u>6,266,450</u>	<u>0</u>
Fund Balance-End of Year	\$ <u>5,128,029</u>	\$ <u>5,350,729</u>	\$ <u>5,614,472</u>	\$ <u>263,743</u>

See independent auditors' report and notes to financial statements.

DeSoto Parish Police Jury
Major Funds

Jail Fund
Statement of Revenues, Expenditures and Changes in Fund Balance-
Budget (GAAP Basis) and Actual
Year Ended December 31, 2019

	Budgeted Amounts		2019 Actual	Variance- Favorable (Unfavorable)
	Original	Final		
REVENUES:				
Taxes	\$1,100,025	\$1,100,025	\$1,072,447	\$ (27,578)
Investment Earnings	75,000	120,000	120,553	553
Other Revenues	0	137	136	(1)
Total Revenues	<u>\$1,175,025</u>	<u>\$1,220,162</u>	<u>\$1,193,136</u>	<u>\$ (27,026)</u>
EXPENDITURES:				
Current-				
Public Safety	\$1,326,400	\$ 788,900	\$ 669,635	\$119,265
Capital Outlay	<u>250,000</u>	<u>95,000</u>	<u>114,752</u>	<u>(19,752)</u>
Total Expenditures	<u>\$1,576,400</u>	<u>\$ 883,900</u>	<u>\$ 784,387</u>	<u>\$ 99,513</u>
Excess (Deficiency) of Revenues over Expenditures	\$ (401,375)	\$ 336,262	\$ 408,749	\$ 72,487
OTHER FINANCING SOURCES (USES):				
Transfers In	\$ 0	\$ 0	\$ 15,000	\$ 15,000
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ 15,000	\$ 15,000
Net Change in Fund Balance	\$ (401,375)	\$ 336,262	\$ 423,749	\$ 87,487
Fund Balance-Beginning of Year	<u>5,256,130</u>	<u>5,256,130</u>	<u>5,256,130</u>	<u>0</u>
Fund Balance-End of Year	<u>\$4,854,755</u>	<u>\$5,592,392</u>	<u>\$5,679,879</u>	<u>\$ 87,487</u>

See independent auditors' report and notes to financial statements.

DeSoto Parish Police Jury
Major Funds

Sales Tax Fund
Statement of Revenues, Expenditures and Changes in Fund Balance-
Budget (GAAP Basis) and Actual
Year Ended December 31, 2019

	<u>Budgeted Amounts</u>		2019 <u>Actual</u>	Variance- Favorable <u>(Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Taxes	\$249,750	\$249,750	\$240,722	\$(9,028)
Investment Earnings	<u>250</u>	<u>250</u>	<u>214</u>	<u>(36)</u>
Total Revenues	\$250,000	\$250,000	\$240,936	\$(9,064)
EXPENDITURES:				
Current-				
General Government	<u>250,000</u>	<u>250,000</u>	<u>240,936</u>	<u>9,064</u>
Excess (Deficiency) of Revenues over Expenditures	\$ 0	\$ 0	\$ 0	\$ 0
Fund Balance-Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance-End of Year	\$ 0	\$ 0	\$ 0	\$ 0

See independent auditors' report and notes to financial statements.

DeSoto Parish Police Jury
Schedule of Employer's Share of Net Pension Liability
For the Year Ended December 31, 2019

<u>Year</u>	<u>Employer's Proportion of the Net Pension Liability (Asset)</u>	<u>Employer's Proportionate Share 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 its Covered Payroll</u>	<u>Plan Fiduciary Net Pension as a Percentage of the Total Pension Liability</u>
Parochial Employees Retirement System (PERS)					
2015	4.82416%	\$ 13,388	\$4,091,073	0.33%	98.89%
2016	4.68931%	\$ 834,910	\$4,482,251	18.63%	95.52%
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%
District Attorney Retirement System (DARS)					
2015	0.14746%	\$ 7,943	\$ 17,224	46%	98.56%
2016	0.02625%	\$ 5,025	\$ 20,095	25%	95.09%
2017	0.03254%	\$ 8,777	\$ 20,095	44%	93.57%
2018	0.03760%	\$ 12,098	\$ 21,575	56%	92.92%
2019	0.03674%	\$ 11,818	\$ 21,575	55%	93.13%
Registrar of Voter's Employees' Retirement System (ROVERS)					
2015	0.22599%	\$ 55,345	\$ 30,960	179%	76.86%
2016	0.23293%	\$ 66,094	\$ 33,030	200%	73.98%
2017	0.24876%	\$ 54,606	\$ 35,110	156%	80.51%
2018	0.22492%	\$ 53,090	\$ 22,194	239%	80.57%
2019	0.14296%	\$ 26,734	\$ 22,484	119%	84.83%

This 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's Contributions
For the Year Ended December 31, 2019

<u>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>
Parochial Employees' Retirement System (PERS)					
2015	\$405,643	\$405,643	\$0	\$4,091,073	9.92%
2016	\$358,580	\$358,580	\$0	\$4,482,251	8.00%
2017	\$390,994	\$390,994	\$0	\$4,887,426	8.00%
2018	\$372,437	\$372,437	\$0	\$4,965,826	7.50%
2019	\$419,192	\$419,192	\$0	\$5,213,586	8.04%
District Attorney's Retirement System (DARS)					
2015	\$ 926	\$ 926	\$0	\$ 17,224	5.38%
2016	\$ 326	\$ 326	\$0	\$ 20,095	1.62%
2017	\$ 0	\$ 0	\$0	\$ 20,095	0.00%
2018	\$ 135	\$ 135	\$0	\$ 21,575	0.62%
2019	\$ 566	\$ 566	\$0	\$ 21,575	2.62%
Registrar of Voter's Employees' Retirement System (ROVERS)					
2015	\$ 7,237	\$ 7,237	\$0	\$ 30,960	23.38%
2016	\$ 7,019	\$ 7,019	\$0	\$ 33,030	21.25%
2017	\$ 6,495	\$ 6,495	\$0	\$ 35,110	18.50%
2018	\$ 3,773	\$ 3,773	\$0	\$ 22,194	17.00%
2019	\$ 3,938	\$ 3,938	\$0	\$ 22,484	17.51%

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

DeSoto Parish Police Jury
Mansfield, Louisiana
Required Supplemental Information
Schedule of Changes in Net OPEB Liability and Related Ratios
For the Year Ended December 31, 2019

Total OPEB liability	<u>2018</u>	<u>2019</u>
Service cost	\$ 204,669	\$ 213,060
Interest	149,153	151,513
Changes of benefit terms	-	-
Differences between expected and actual experience	-	-
Changes of assumptions	-	-
Benefit Payments	<u>(91,599)</u>	<u>(91,599)</u>
Net Change in total OPEB liability	\$ 262,223	\$ 272,974
 Total OPEB liability - beginning	 <u>3,479,019</u>	 <u>3,741,242</u>
 Total OPEB liability - ending	 <u>\$ 3,741,242</u>	 <u>\$ 4,014,216</u>
 Covered-employee payroll	 <u>\$ 4,153,509</u>	 <u>\$ 4,153,509</u>
 Net OPEB liability as a percentage of covered-employee payroll	 90.07%	 96.65%

Notes to Schedule:

Benefit Changes. There were no changes of benefit terms for the year ended December 31, 2019.

Changes of Assumptions. There were no changes of assumptions for the year ended December 31, 2019.

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

See independent auditor's report and notes to the financial statements.

DeSoto Parish Police Jury
Schedule of Compensation, Benefits and Other Payments
to Agency Head or Chief Executive Officer
Year Ended December 31, 2019

Agency Head Name: Steven W. Brown, Parish Administrator/Engineer

<u>Purpose</u>	<u>Amount</u>
Salary	\$131,260
Benefits-Insurance	8,773
Benefits-Retirement	9,845
Benefits-Other (401A Contributions)	6,632
Vehicle provided by government	1,380
Per Diem	828
Dues	649
Reimbursements	336
Registration fees	734
Cell Phone (equipment and service)	2,414
Continuing Education fees	122
Housing	1,821
Uniforms	114

See independent auditor's report.

DeSoto Parish Police Jury
Notes to Required Supplementary Information
Year Ended December 31, 2019

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, 2019

The Police Jury exercises budgetary control at the functional level. Within functional levels, the treasurer has the authority to make amendments as necessary.

Expenditures may not legally exceed appropriations at the fund level. 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
Other Governmental Funds
Year Ended December 31, 2019

Witness and Juror Fund

The Witness and Juror Fund maintains the court costs assessed and collected from criminal defendants who are convicted or plead guilty or no contest in district court. From these costs the police jury pays the compensation and mileage for jurors as required by R. S. 3049. The fund also accounts for fees collected in court proceedings to reimburse other governmental entities for the expense of off-duty law enforcement personnel to be witnesses in court.

Criminal Court Fund

The Criminal Court Fund is a special revenue fund established by state statute to report fines and forfeitures imposed by the Forty-Second Judicial District Criminal Court and District Attorney conviction fees in criminal cases. These fees are used for expenses of the criminal court of the parish.

Community Services Fund

The Community Services Fund accounts for the distribution of surplus food commodities provided by the United States Department of Agriculture, cash grants in lieu of commodities, community services block grants, low income home energy assistance programs, weatherization assistance programs, and other federal grants. Assistance is provided in the areas of employment, education, better use of income, adequate housing and environment, and assistance for emergency needs.

Rental Assistance Fund

The Rental Assistance Fund increases affordable housing choices for very low income households in the parish by allowing families to choose privately owned rental housing in high demand markets. Financing is provided by grants from the United States Department of Housing and Urban Development (Section 8).

Animal Control

The Animal Control Fund accounts for the construction, improvement, maintenance and operation of the parish animal control facility.

DeSoto Parish Police Jury
Combining Balance Sheets
Nonmajor Governmental Funds
For the Year Ended December 31, 2019

	Special Revenue Funds					
	Witness and Juror Fund	Criminal Court Fund	Community Services Fund	Rental Assistance Fund	Animal Control Fund	Total
<u>Assets</u>						
Cash & Cash Equivalents	\$903,333	\$585,600	\$ 0	\$60,605	\$37,941	\$1,587,479
Receivables	4,327	23,963	52,165	0	320	80,775
Total Assets	<u>\$907,660</u>	<u>\$609,563</u>	<u>\$ 52,165</u>	<u>\$60,605</u>	<u>\$38,261</u>	<u>\$1,668,254</u>
<u>Liabilities & Fund Balance</u>						
Liabilities-						
Accounts Payable	\$ 2,768	\$ 28,476	\$ 22,364	\$ 4,473	\$22,820	\$ 80,901
Cash Overdraft	0	0	47,243	0	0	47,243
Due to Other Funds	0	193,758	0	0	0	193,758
Total Liabilities	<u>\$ 2,768</u>	<u>\$222,234</u>	<u>\$ 69,607</u>	<u>\$ 4,473</u>	<u>\$22,820</u>	<u>\$ 321,902</u>
Fund Balances-						
Restricted to-						
Judicial	\$ 0	\$387,329	\$ 0	\$ 0	\$ 0	\$ 387,329
Health & Welfare	0	0	(17,442)	56,132	0	38,690
Witness & Juror Fees	904,892	0	0	0	0	904,892
Assigned for-						
Animal Control	0	0	0	0	15,441	15,441
Total Fund Balances	<u>\$904,892</u>	<u>\$387,329</u>	<u>\$(17,442)</u>	<u>\$56,132</u>	<u>\$15,441</u>	<u>\$1,346,352</u>
Total Liabilities & Fund Balances	<u>\$907,660</u>	<u>\$609,563</u>	<u>\$ 52,165</u>	<u>\$60,605</u>	<u>\$38,261</u>	<u>\$1,668,254</u>

See independent auditor's report and notes to financial statements.

DeSoto Parish Police Jury
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2019

	Special Revenue Funds					Total
	Witness and Juror Fund	Criminal Court Fund	Community Services Fund	Rental Assistance Fund	Animal Control Fund	
REVENUES:						
Intergovernmental- Federal Grant	\$ 0	\$ 0	\$ 701,034	\$1,084,539	\$ 0	\$1,785,573
Fees, Charges & Commissions	0	0	0	0	23,283	23,283
Fines & Forfeitures	74,195	274,436	0	0	100	348,731
Investment Earnings	12,652	12,702	0	500	0	25,854
Other Revenue	0	168,908	124,920	5,331	0	299,159
Contributions	0	0	0	0	11,759	11,759
Total Revenues	<u>\$ 86,847</u>	<u>\$456,046</u>	<u>\$ 825,954</u>	<u>\$1,090,370</u>	<u>\$ 35,142</u>	<u>\$2,494,359</u>
EXPENDITURES:						
Current-						
Judicial	\$ 38,679	\$352,548	\$ 0	\$ 0	\$ 0	\$ 391,227
Health & Welfare	0	0	1,071,568	1,059,763	127,022	2,258,353
Economic Development	0	0	0	0	0	0
Animal Control	0	0	0	0	462,402	462,402
Capital Lease Expenditures	0	0	0	0	24,466	24,466
Capital Outlay	0	0	24,000	0	0	24,000
Debt Service	0	0	0	0	11,111	11,111
Total Expenditures	<u>\$ 38,679</u>	<u>\$352,548</u>	<u>\$1,095,568</u>	<u>\$1,059,763</u>	<u>\$ 625,001</u>	<u>\$3,171,559</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$ 48,168</u>	<u>\$103,498</u>	<u>\$ (269,614)</u>	<u>\$ 30,607</u>	<u>\$(589,859)</u>	<u>\$ (677,200)</u>
OTHER FINANCING SOURCES(USES):						
Operating Transfers In	\$ 0	\$ 0	\$ 191,583	\$ 0	\$ 506,118	\$ 697,701
Sale of Assets	0	0	0	0	4,405	4,405
Proceeds of Capital Leases	0	0	0	0	24,466	24,466
Total Other Financing	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 191,583</u>	<u>\$ 0</u>	<u>\$ 534,989</u>	<u>\$ 726,572</u>
Net Change in Fund Balance	\$ 48,168	\$103,498	\$ (78,031)	\$ 30,607	\$ (54,870)	\$ 49,372
Fund Balances-Beginning of Year (Restated)	<u>856,724</u>	<u>283,831</u>	<u>60,589</u>	<u>25,525</u>	<u>70,311</u>	<u>1,296,980</u>
Fund Balances-End of Year	<u>\$904,892</u>	<u>\$387,329</u>	<u>\$ (17,442)</u>	<u>\$ 56,132</u>	<u>\$ 15,441</u>	<u>\$1,346,352</u>

See independent auditor's report and notes to financial statements.

DeSoto Parish Police Jury
Schedule of Compensation Paid to Police Jurors
For the Year Ended December 31, 2019

The Schedule of Compensation Paid to Police Jurors is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Compensation of the police jurors is included in the legislative expenditures of the General Fund. In accordance with Louisiana Revised Statute 33:1233, the Police Jury has elected the monthly payment method of compensation. Under the method of jurors, except for 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 Reimbursements</u>
B. Dewayne Mitchell	\$ 19,200	\$ 915
Charlie Roberts	19,200	660
Ernel Jones	19,200	1,708
Garland K. Parker	19,200	735
Greg Baker	19,200	666
Jeri Burrell	19,200	264
Jim Davlin	19,200	774
Reggie Roe	24,000	919
Richard Fuller	19,200	2,117
Rodriguez Ross	19,200	289
Thomas Jones	<u>19,200</u>	<u>2,330</u>
Total	<u>\$216,000</u>	<u>\$11,377</u>

DeSoto Parish Police Jury
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2019

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Federal Revenues</u>	<u>Federal Expenditures</u>	<u>Amount Provided Subrecipients</u>
US Department of Housing and Urban Development:				
Direct Program – Lower Income Housing Assistance Program	14.871	\$1,084,539	\$1,084,539	\$ 0
Emergency Shelter Grant Program	14.231	<u>8,060</u>	<u>8,060</u>	<u>0</u>
Total US Department of Housing and Urban Development		<u>\$1,092,599</u>	<u>\$1,092,599</u>	<u>\$ 0</u>
US Department of Transportation:				
Passed through the LA Department of Transportation and Development:				
Federal Transit Formula Grants (Program 5311)	20.509	<u>\$ 125,404</u>	<u>\$ 125,404</u>	<u>\$125,404</u>
US Department of Health and Human Services:				
Passed through LA Department of Social Services:				
Low-Income Energy Assistance Program	93.568	\$ 35,995	\$ 35,995	\$ 0
LIHEAP - Weatherization	93.568	400,246	400,246	0
Passed through Department of Labor:				
Community Service Block Grant	93.569	<u>122,202</u>	<u>122,202</u>	<u>0</u>
Total US Department of Health and Human Services		<u>\$ 558,443</u>	<u>\$ 558,443</u>	<u>\$ 0</u>
US Department of Energy:				
Passed through the LA Housing Finance Agency:				
Weatherization Assistance for Low Income Persons	81.042	<u>\$ 134,530</u>	<u>\$ 134,530</u>	<u>\$ 0</u>
Total Federal Financial Assistance		<u>\$1,910,976</u>	<u>\$1,910,976</u>	<u>\$125,404</u>

See independent auditor's report and notes to the financial statements.

DeSoto Parish Police Jury
Notes to the Schedule of Expenditures of Federal Awards
Year Ended December 31, 2019

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, 2019. 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, 2019

<u>Line Item No.</u>	<u>Description</u>	<u>Total Project</u>
111	Cash-Unrestricted	\$ 8,493
113	Cash-Other Restricted	<u>52,112</u>
290	Total Assets	<u>\$ 60,605</u>
312	Accounts Payable	<u>\$ 4,473</u>
310	Total Current Liabilities	<u>\$ 4,473</u>
511.4	Restricted Net Position	\$ 52,112
512.4	Unrestricted Net Position	<u>4,020</u>
513	Total Net Position	<u>\$ 56,132</u>
600	Total Liabilities & Equity/Net Assets	<u>\$ 60,605</u>
70600	HUD PHA Operating Grants	\$1,084,539
71100	Investment Income - Unrestricted	500
71400	Fraud Recovery	<u>5,331</u>
70000	Total Revenue	<u>\$1,090,370</u>
91300	Management Fee	\$ 124,524
97300	Housing Assistance Payments	<u>935,239</u>
90000	Total Expenses	<u>\$1,059,763</u>
10000	Excess of Total Revenue over Expenses	\$ 30,607
11030	Beginning Net Position	<u>25,525</u>
11180	Ending Net Position	<u>\$ 56,132</u>

See independent auditor's report and notes to the financial statements.

OTHER REPORTS/SCHEDULES

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INDEPENDENT AUDITOR'S 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 of DeSoto Parish Police Jury as of and for the year ended December 31, 2019, 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 June 23, 2020.

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) to determine the 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the DeSoto Parish 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 statement amounts. 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, CPAs

Thomas, Cunningham, Broadway, & Todtenbier
Certified Public Accountants

June 23, 2020
Natchitoches, Louisiana

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INDEPENDENT AUDITOR'S 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

We have audited the DeSoto Parish Police Jury's (Police Jury) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the DeSoto Parish Police Jury's major federal programs for the year ended December 31, 2019. The DeSoto Parish Police Jury's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the DeSoto Parish Police Jury's major federal programs based on our audit of the types of compliance requirements referred to above. 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 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the DeSoto Parish Police Jury's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the DeSoto Parish Police Jury's compliance.

Opinion on Each Major Federal Program

In our opinion, the DeSoto Parish 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, 2019.

Report on Internal Control over Compliance

Management of the DeSoto Parish Police Jury is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the DeSoto Parish Police Jury's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the DeSoto Parish Police Jury's 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We identified one deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as *Item 2019-001* that we consider to be a material weakness.

DeSoto Parish Police Jury's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. DeSoto Parish Police Jury's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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, CPAs

Thomas, Cunningham, Broadway, & Todtenbier
Certified Public Accountants

June 23, 2020
Natchitoches, Louisiana

DeSoto Parish Police Jury
Schedule of Audit Findings and Questioned Costs
Year Ended December 31, 2019

I. SUMMARY OF AUDIT RESULTS

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

1. Since the Jury did not present all of its component units, an adverse opinion was issued for the DeSoto Parish Police Jury as a reporting entity; however, an unmodified opinion was issued on the primary government financial statements of the DeSoto Parish Police Jury as of and for the year ended December 31, 2019.
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 disclosed one material weakness in internal control over a major program (2019-001).
5. An unmodified opinion was issued on compliance for major programs.
6. The audit disclosed one finding related to federal awards that is required to be reported under the Uniform Guidance (2019-001).
7. The following program was major for the year ended December 31, 2019:
 - o Low-Income Housing Assistance Program (CFDA #14.871)
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

There were no findings related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*.

DeSoto Parish Police Jury
Schedule of Audit Findings and Questioned Costs
(continued)
Year Ended December 31, 2019

III. FINDINGS IN ACCORDANCE WITH THE *UNIFORM GUIDANCE*

The following finding relates to the major federal programs and is required to be reported in accordance with *Uniform Guidance*.

Compliance-

2019-001 Financial Reporting

Criteria - The Uniform Financial Reporting Standards require Section 8 Housing Choice Vouchers to submit timely GAAP-based audited financial information electronically to HUD.

Condition - For the year ended December 31, 2018, the Police Jury failed to submit timely GAAP-based audited financial information electronically to HUD.

Effect - The Police Jury is not in compliance with the Uniform Financial Reporting standards concerning financial reporting.

Cause – The previous reports submitted to HUD included deferred revenue, which was not allowed by HUD. A fee accountant has corrected the financial statements to no longer reflect a deferred revenue. Therefore, the audited submission for December 31, 2018 was completed on February 24, 2020.

Recommendation - The Police Jury should adhere to the standards required by the Office of Management and Budget.

Management's Response - The Police Jury has retained the services of a fee accountant who is familiar with all aspects of the HUD financial reporting for the Section 8 Housing Choice Voucher Program. This accountant has provided monthly and annual services to ensure HUD financial reporting is in compliance.

DeSoto Parish Police Jury
Schedule of Audit Findings and Questioned Costs
(continued)
Year Ended December 31, 2019

IV. PRIOR YEAR AUDIT FINDINGS

Compliance-

2018-001 Local Government Budget Act

Condition - For the year ended December 31, 2018, in the Airport Fund actual revenues were less than budgeted revenues by more than the 5% variance allowed.

Status - At December 31, 2019, this condition was cleared.

Compliance-

2018-002 Financial Reporting

Condition - For the year ended December 31, 2018, the Police Jury's submission of GAAP-based audited financial information electronically to HUD was not accurate compared to the general ledger.

Status - At December 31, 2019, this condition was not cleared. See Finding 2019-001.

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

To the Jury Members of
DeSoto Parish Police Jury

We have performed the procedures enumerated below, which were specified and agreed to by the Jury Members of DeSoto Parish Police Jury and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA’s Statewide Agreed-Upon Procedures (SAUPs) for the fiscal year ended December 31, 2019. The Police Jury is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accounts and the applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of DeSoto Parish Police Jury. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and associated findings are enumerated below.

Written Policies and Procedures

1. Obtain and inspect the entity’s written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity’s operations):
 - ***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.

EXCEPTION – We noted that the Police Jury has no written policy and procedures that specifically address the disaster recovery/business continuity functions listed above; however, the Police Jury does have data backup procedures in place.

MANAGEMENT’S RESPONSE: The Police Jury will take steps necessary to update and implement the Continuation of Operations Policy that was originally drafted in 2014 but never adopted. The new policy will be adapted to include the functions listed above.

Ethics (excluding nonprofits)

2. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:
- Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
 - Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

EXCEPTION - We noted that one of the 5 employees selected did not complete the required ethics training during 2019, although the training was completed during the first week of 2020. We also noted that there was no annual signature verification for two of the selected employees.

MANAGEMENT'S RESPONSE: The Police Jury will implement monitoring into their Human Resource procedures to ensure that all employees have completed the required annual ethics training prior to the year end.

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively on the Statewide Agreed-Upon Procedures. 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.

This report is intended solely for the information and use of DeSoto Parish Police Jury and the Louisiana Legislative Auditor, and is not intended to be, and should not be, used by anyone other than the specified parties.

Respectfully,

Thomas, Cunningham, Broadway & Todtenbier, CPA's

Thomas, Cunningham, Broadway, & Todtenbier
Certified Public Accountants

June 23, 2020
Natchitoches, Louisiana