

**DESOTO PARISH POLICE JURY  
ANNUAL FINANCIAL REPORT**

**DECEMBER 31, 2017**

DeSoto Parish Police Jury  
Annual Financial Report  
December 31, 2017

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# DeSoto Parish Police Jury

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Jim "Jimbo" Davlin  
Vice-President

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Parish Administrator

Jodi Zeigler  
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Rodriguez Ross  
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District 6

## 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, 2017. 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 \$113,987,994 (net position). Of this amount, \$41,245,529 (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 \$46,562,235. Of this total amount, \$12,822,659 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 sales tax, and criminal court 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 65.

### 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 \$113,987,994 as of December 31, 2017, which is an increase of \$2,709,439 from December 31, 2016.

The largest portion of the Police Jury's net position (64%) 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, 2017</u>			<u>As of December 31, 2016</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	\$ 50,177,665	\$ 44,287	\$ 50,221,952	\$ 44,207,464	\$ 45,627	\$ 44,253,091
Capital assets	<u>72,520,642</u>	<u>221,823</u>	<u>72,742,465</u>	<u>75,154,292</u>	<u>215,840</u>	<u>75,370,132</u>
Total Assets	<u>\$122,698,307</u>	<u>\$266,110</u>	<u>\$122,964,417</u>	<u>\$119,361,756</u>	<u>\$261,467</u>	<u>\$119,623,223</u>
Deferred Outflows	\$ <u>1,056,734</u>	\$ <u>0</u>	\$ <u>1,056,734</u>	\$ <u>1,403,377</u>	\$ <u>0</u>	\$ <u>1,403,377</u>
Long term liabilities	\$ 8,273,085	\$ 0	\$ 8,273,085	\$ 7,694,600	\$ 0	\$ 7,694,600
Other liabilities	<u>1,559,391</u>	<u>1,158</u>	<u>1,560,549</u>	<u>1,848,968</u>	<u>13,128</u>	<u>1,862,096</u>
Total Liabilities	<u>\$ 9,832,476</u>	<u>\$ 1,158</u>	<u>\$ 9,833,634</u>	<u>\$ 9,543,568</u>	<u>\$ 13,128</u>	<u>\$ 9,556,696</u>
Deferred Inflows	\$ <u>199,523</u>	\$ <u>0</u>	\$ <u>199,523</u>	\$ <u>191,349</u>	\$ <u>0</u>	\$ <u>191,349</u>
Net Position:						
Net investment						
in capital assets	\$ 72,520,642	\$ 221,823	\$ 72,742,465	\$ 75,154,292	\$ 215,840	\$ 75,370,132
Restricted	0	0	0	0	0	0
Unrestricted net position	<u>41,202,400</u>	<u>43,129</u>	<u>41,245,529</u>	<u>35,875,924</u>	<u>32,499</u>	<u>35,908,423</u>
Total Net Position	<u>\$113,723,042</u>	<u>\$264,952</u>	<u>\$113,987,994</u>	<u>\$111,030,216</u>	<u>\$248,339</u>	<u>\$111,278,555</u>

The balance of unrestricted net position of \$41,245,529 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, 2016 and December 31, 2017. For both years, the Police Jury is able to report positive balances in all three categories of net position, both for the government, as a whole, as well as for its separate governmental and business-type activities.

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

	<u>As of December 31, 2017</u>			<u>As of December 31, 2016</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	\$ 4,376,923	\$ 0	\$ 4,376,923	\$ 3,822,778	\$ 10,122	\$ 3,832,900
Operating grants and contributions	2,084,936	0	2,084,936	2,024,548	0	2,024,548
Capital grants and contributions	367,885	0	367,885	1,349,965	123,576	1,473,541
General Revenues:						
Ad valorem taxes	11,440,171	0	11,440,171	11,682,670	0	11,682,670
Sales and use tax	8,286,780	0	8,286,780	4,986,486	0	4,986,486
Severance	1,491,720	0	1,491,720	1,491,813	0	1,491,813
Tourism	131,212	0	131,212	97,767	0	97,767
Video poker	147,248	0	147,248	136,230	0	136,230
Investment Earnings	392,068	0	392,068	248,505	0	248,505
State Revenue Sharing	82,136	0	82,136	36,934	0	36,934
Gain (loss) on sale/retirement of fixed assets	98,703	0	98,703	74,448	0	74,448
Rental, leases & royalties	462,328	0	462,328	239,877	0	239,877
Miscellaneous	<u>576,328</u>	<u>0</u>	<u>576,328</u>	<u>450,189</u>	<u>0</u>	<u>450,189</u>
Total Revenues	<u>\$ 29,938,438</u>	<u>\$ 0</u>	<u>\$ 29,938,438</u>	<u>\$ 26,642,210</u>	<u>\$133,698</u>	<u>\$ 26,775,908</u>
Expenses:						
General government	\$ 5,783,079	\$ 0	\$ 5,783,079	\$ 6,227,510	\$ 0	\$ 6,227,510
Public safety	1,056,152	0	1,056,152	1,080,289	0	1,080,289
Public works	10,107,804	0	10,107,804	10,130,672	0	10,130,672
Sanitation	5,776,677	0	5,776,677	5,493,691	0	5,493,691
Culture and recreation	337,197	0	337,197	356,772	0	356,772
Health and welfare	2,261,596	0	2,261,596	2,277,690	0	2,277,690
Economic development	718,690	0	718,690	382,443	0	382,443
Transportation	781,411	0	781,411	750,831	0	750,831
Animal control	373,006	0	373,006	362,398	0	362,398
Interest on long-term debt	0	0	0	1	0	1
Eastside sewer	<u>0</u>	<u>33,387</u>	<u>33,387</u>	<u>0</u>	<u>37,941</u>	<u>37,941</u>
Total Expenses	<u>\$ 27,195,612</u>	<u>\$ 33,387</u>	<u>\$ 27,228,999</u>	<u>\$ 27,062,297</u>	<u>\$ 37,941</u>	<u>\$ 27,100,238</u>

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

	<u>As of December 31, 2017</u>			<u>As of December 31, 2016</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	\$ 2,742,826	\$ (33,387)	\$ 2,709,439	\$ (420,087)	\$ 95,757	\$ (324,330)
Transfers	<u>(50,000)</u>	<u>50,000</u>	<u>0</u>	<u>(94,140)</u>	<u>94,140</u>	<u>0</u>
Change in Net Position	\$ 2,692,826	\$ 16,613	\$ 2,709,439	\$ (514,227)	\$ 189,897	\$ (324,330)
Beginning Net Position	<u>111,030,216</u>	<u>248,339</u>	<u>111,278,555</u>	<u>111,544,443</u>	<u>58,442</u>	<u>111,602,885</u>
Ending Net Position	<u>\$113,723,042</u>	<u>\$264,952</u>	<u>\$113,987,994</u>	<u>\$111,030,216</u>	<u>\$248,339</u>	<u>\$111,278,555</u>

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

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

At the end of the current fiscal year, the DeSoto Parish Police Jury's governmental funds reported combined ending fund balances of \$46,562,235 (an increase of 12.8% from 2016 fiscal year). Of this total amount, \$12,822,659 constitutes unassigned fund balance. \$122,508 is assigned and intended for specific purposes, but may be unassigned at any time. \$20,960 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 four revisions 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, 2017 amounts to \$72,742,465 (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:

- Motor grader for the Road Department.
- Land acquisition for Solid Waste.
- ADA Modifications to Police Jury facilities.
- Improvements to Alumni Park.
- Middleton Road project.

**Capital Assets at Year-end  
 Net of Accumulated Depreciation  
 As of December 31, 2017**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Land	\$ 2,256,949	\$ 10,175	\$ 2,267,124
Construction in Progress	1,619,751	16,266	1,636,017
Buildings and improvements	13,489,698	0	13,489,698
Land improvements	7,265,323	195,382	7,460,705
Furniture and equipment	5,034,644	0	5,034,644
Infrastructure	<u>42,854,277</u>	<u>0</u>	<u>42,854,277</u>
Total	<u>\$72,520,642</u>	<u>\$221,823</u>	<u>\$72,742,465</u>

Additional information on the DeSoto Parish Police Jury's capital assets can be found on pages 46 and 47 of this report.

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

In the fiscal year 2018 budget, revenues are budgeted at a 5% decrease from the 2017 budget year and expenses are budgeted at a 7% increase from the 2017 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.

# Johnson, Thomas & Cunningham

## Certified Public Accountants

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

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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, 2017, 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, 2017, 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, 2017, 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, the Budgetary Comparison Schedules, Schedule of Employer's Share of Net Pension Liability, and Schedule of Employer Contributions as listed in the Table of Contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is presented for purposes of additional analysis and 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.

The Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer listed as required supplementary information in the Table of Contents is presented for purposes of additional analysis and is required by Louisiana Revised Statute R.S. 245:513 A.(3). This schedule is not a required part of the basic financial statements.

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 it because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Police Jury's basic financial statements. The Budgetary Comparison Schedules, Schedule of Employer's Share of Net Pension Liability, Schedule of Employer Contributions, and Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer 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 information is fairly stated in all material respects in relation to the financial statements as a whole.

#### *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 DeSoto Parish Police Jury's primary government. The combining nonmajor fund financial statements, schedule of compensation paid to police jurors, schedule of expenditures of federal awards, and the financial data schedule are presented for purposes of additional analysis and are not a required part of the basic financial statements. 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 not a required part of the basic financial statements.

The combining nonmajor fund financial statements, schedule of compensation paid to police jurors, schedule of expenditures of federal awards, and the financial data schedule are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements, schedule of compensation paid to police jurors, schedule of expenditures of federal awards, and the financial data schedule are fairly stated in all material respects in relation to the basic 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 12, 2018, 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 not to provide an opinion on internal control over financial reporting or on compliance. This 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 12, 2018, 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.

*Johnson, Thomas + Cunningham, CPA's*  
Johnson, Thomas & Cunningham, CPA's  
June 12, 2018  
Natchitoches, Louisiana

## BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE  
FINANCIAL STATEMENTS

DeSoto Parish Police Jury  
Government-Wide Statement of Net Position  
December 31, 2017

	Governmental <u>Activities</u>	Business-Type <u>Activities</u>	<u>Total</u>
Assets:			
Cash & Cash Equivalents	\$ 15,573,383	\$ 41,205	\$ 15,614,588
Investments	20,627,052	0	20,627,052
Receivables (net of allowances for uncollectibles)	13,956,270	0	13,956,270
Inventory	20,960	0	20,960
Due from Other Funds	0	3,082	3,082
Capital Assets (net)	<u>72,520,642</u>	<u>221,823</u>	<u>72,742,465</u>
Total Assets	<u>\$122,698,307</u>	<u>\$266,110</u>	<u>\$122,964,417</u>
Deferred Outflows of Resources:	<u>\$ 1,056,734</u>	<u>\$ 0</u>	<u>\$ 1,056,734</u>
Liabilities:			
Accounts Payable	\$ 1,373,396	\$ 888	\$ 1,374,284
Master Bank Overdrafts	185,995	0	185,995
Deposit Balances	900	270	1,170
Advance from Grantors	22,202	0	22,202
Due to Other Funds	3,082	0	3,082
Due to Other Governments	242,790	0	242,790
Landfill Post Closure Liability	3,108,232	0	3,108,232
Compensated Absences	320,681	0	320,681
Other Postemployment Benefit Obligation	3,927,311	0	3,927,311
Net Pension Liability	<u>647,887</u>	<u>0</u>	<u>647,887</u>
Total Liabilities	<u>\$ 9,832,476</u>	<u>\$ 1,158</u>	<u>\$ 9,833,634</u>
Deferred Inflows of Resources:	<u>\$ 199,523</u>	<u>\$ 0</u>	<u>\$ 199,523</u>
Net Position:			
Net Investment in Capital Assets	\$ 72,520,642	\$221,823	\$ 72,742,465
Unrestricted	<u>41,202,400</u>	<u>43,129</u>	<u>41,245,529</u>
Total Net Position	<u>\$113,723,042</u>	<u>\$264,952</u>	<u>\$113,987,994</u>

See notes to financial statements.

DeSoto Parish Police Jury  
Government-Wide Statement of Activities  
For the Year Ended December 31, 2017

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	\$ 431,824	\$ 0	\$ 0	\$ 0	\$ (431,824)	\$ 0	\$ (431,824)
Judicial	1,975,423	1,095,515	0	0	(879,908)	0	(879,908)
Elections	64,953	0	0	0	(64,953)	0	(64,953)
Finance & Administration	2,262,657	347,616	317,361	0	(1,597,680)	0	(1,597,680)
Other	1,048,222	0	0	0	(1,048,222)	0	(1,048,222)
Public Safety	1,056,152	0	118,380	0	(937,772)	0	(937,772)
Public Works	10,107,804	350,292	0	367,885	(9,389,627)	0	(9,389,627)
Sanitation	5,776,677	2,463,645	0	0	(3,313,032)	0	(3,313,032)
Culture & Recreation	337,197	0	0	0	(337,197)	0	(337,197)
Health & Welfare	2,261,596	0	1,470,124	0	(791,472)	0	(791,472)
Economic Development	718,690	0	0	0	(718,690)	0	(718,690)
Transportation	781,411	87,061	163,125	0	(531,225)	0	(531,225)
Animal Control	<u>373,006</u>	<u>32,794</u>	<u>15,946</u>	<u>0</u>	<u>(324,266)</u>	<u>0</u>	<u>(324,266)</u>
Total Governmental Activities	<u>\$27,195,612</u>	<u>\$4,376,923</u>	<u>\$2,084,936</u>	<u>\$367,885</u>	<u>\$(20,365,868)</u>	<u>\$ 0</u>	<u>\$(20,365,868)</u>
Business-Type Activities:							
Eastside Sewer	<u>\$ 33,387</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$(33,387)</u>	<u>\$(33,387)</u>
Total Government	<u>\$27,228,999</u>	<u>\$4,376,923</u>	<u>\$2,084,936</u>	<u>\$367,885</u>	<u>\$(20,365,868)</u>	<u>\$(33,387)</u>	<u>\$(20,399,255)</u>
General Revenues:							
Taxes-							
Ad Valorem					\$ 11,440,171	\$ 0	\$ 11,440,171
Sales & Use					8,286,780	0	8,286,780
Severance					1,491,720	0	1,491,720
Tourism					131,212	0	131,212
Video Poker					147,248	0	147,248
Investment Earnings					392,068	0	392,068
State Revenue Sharing					82,136	0	82,136
Gain on Sale of Assets					98,703	0	98,703
Rentals, Leases & Royalties					462,328	0	462,328
Other Miscellaneous					576,328	0	576,328
Transfers					<u>(50,000)</u>	<u>50,000</u>	<u>0</u>
Total General Revenues & Transfers					<u>\$ 23,058,694</u>	<u>\$ 50,000</u>	<u>\$ 23,108,694</u>
Change in Net Position					\$ 2,692,826	\$ 16,613	\$ 2,709,439
Net Position at Beginning of Year					<u>111,030,216</u>	<u>248,339</u>	<u>111,278,555</u>
Net Position at End of Year					<u>\$113,723,042</u>	<u>\$264,952</u>	<u>\$113,987,994</u>

See notes to financial statements.

## FUND FINANCIAL STATEMENTS

DeSoto Parish Police Jury  
Balance Sheet-Governmental Funds  
December 31, 2017

	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	\$ 2,406,410	\$ 2,481,452	\$3,830,872	\$ 192,491	\$4,969,371	\$ 3,000	\$1,689,785	\$15,573,381
Investments	7,002,260	7,252,927	10,859	6,361,008	0	0	0	20,627,054
Revenue Receivables	4,313,136	4,129,219	4,090,352	33,419	0	961,605	360,050	13,887,781
Inventory	0	0	0	20,960	0	0	0	20,960
Due from Other Governments	0	0	0	0	0	0	0	0
Due from Other Funds	103,000	551,830	541,900	575	104,571	0	0	1,301,876
Noncurrent Receivable	0	0	68,489	0	0	0	0	68,489
Total Assets	<u>\$13,824,806</u>	<u>\$14,415,428</u>	<u>\$8,542,472</u>	<u>\$6,608,453</u>	<u>\$5,073,942</u>	<u>\$964,605</u>	<u>\$2,049,835</u>	<u>\$51,479,541</u>
<u>Liabilities</u>								
Accounts Payable	\$ 289,620	\$ 421,116	\$ 386,815	\$ 14,368	\$ 21,432	\$ 16,444	\$ 223,601	\$ 1,373,396
Due to Other Funds	60,994	32,093	400,000	0	0	711,871	100,000	1,304,958
Master Bank Overdrafts	0	0	0	0	0	0	185,995	185,995
Due to Other Governments	6,500	0	0	0	0	236,290	0	242,790
Advance from Grantors	0	0	0	0	0	0	22,202	22,202
Deposits	900	0	0	0	0	0	0	900
Total Liabilities	<u>\$ 358,014</u>	<u>\$ 453,209</u>	<u>\$ 786,815</u>	<u>\$ 14,368</u>	<u>\$ 21,432</u>	<u>\$964,605</u>	<u>\$ 531,798</u>	<u>\$ 3,130,241</u>
<u>Deferred Inflows of Resources</u>								
Unavailable Property Taxes	\$ 644,133	\$ 543,227	\$ 599,705	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,787,065

See notes to financial statements.

Continued next page.

DeSoto Parish Police Jury  
Balance Sheet-Governmental Funds  
December 31, 2017

	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	\$ 20,960	\$ 0	\$ 0	\$ 0	\$ 20,960
Restricted for-								
Airport	0	0	0	6,573,125	0	0	0	6,573,125
Judicial	0	0	0	0	0	0	548,696	548,696
Public Safety	0	0	0	0	5,052,510	0	0	5,052,510
Roads	0	0	7,155,952	0	0	0	0	7,155,952
Sanitation	0	13,418,992	0	0	0	0	0	13,418,992
Health & Welfare	0	0	0	0	0	0	56,713	56,713
Witness & Juror Fees	0	0	0	0	0	0	790,120	790,120
Assigned to-								
Animal Control	0	0	0	0	0	0	122,508	122,508
Unassigned	<u>12,822,659</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>12,822,659</u>
Total Fund Balances	<u>\$12,822,659</u>	<u>\$13,418,992</u>	<u>\$7,155,952</u>	<u>\$6,594,085</u>	<u>\$5,052,510</u>	<u>\$ 0</u>	<u>\$1,518,037</u>	<u>\$46,562,235</u>
Total Liabilities, Deferred Inflows of Resources & Fund Balances	<u>\$13,824,806</u>	<u>\$14,415,428</u>	<u>\$8,542,472</u>	<u>\$6,608,453</u>	<u>\$5,073,942</u>	<u>\$964,605</u>	<u>\$2,049,835</u>	<u>\$51,479,541</u>

See notes to financial statements.

DeSoto Parish Police Jury  
Reconciliation of the Governmental Funds Balance Sheet  
to the Statement of Net Position  
December 31, 2017

Total Fund Balances of the Governmental Funds \$ 46,562,235

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

Capital 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	278,822,094
Less, Accumulated Depreciation	(206,301,452)

Deferred Outflows of Resources used in Governmental Activities are not financial resources and, therefore, are not reported in the Governmental Fund Balance Sheet-	1,056,734
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Property taxes receivable will be collected but are not available soon enough to pay for the current year expenditures, and therefore the underlying revenues are not currently recognized in the fund.	1,787,065
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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	(3,108,232)
Other Post Employment Benefit Obligation	(3,927,311)
Compensated Absences	(320,681)
Net Pension Liability	(647,887)

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-	<u>(199,523)</u>
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Total Net Position of Governmental Activities \$ 113,723,042

See notes to financial statements.

DeSoto Parish Police Jury  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Governmental Funds  
Year Ended December 31, 2017

	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	\$ 3,636,657	\$ 3,296,439	\$ 3,812,915	\$ 0	\$ 0	\$ 0	\$ 0	\$10,746,011
Sales and Use	0	1,608,289	5,360,964	0	1,072,193	245,334	0	8,286,780
Severance	695,860	0	795,860	0	0	0	0	1,491,720
Tourism	131,212	0	0	0	0	0	0	131,212
Licenses & Permits	263,661	0	0	0	0	0	0	263,661
Intergovernmental Revenues-								
Federal Grants	154,291	0	0	0	0	0	1,462,645	1,616,936
State Funds-								
Parish Transportation Funds	0	0	355,981	0	0	0	0	355,981
Grants	108,324	0	8,904	8,834	0	0	0	126,062
State Revenue Sharing (net)	35,179	0	46,957	0	0	0	0	82,136
Video Poker	147,248	0	0	0	0	0	0	147,248
Fire Insurance Rebate	118,380	0	0	0	0	0	0	118,380
Fees, Charges, & Commissions	122,066	2,463,645	311,742	87,061	0	0	32,250	3,016,764
Fines & Forfeits	0	0	38,550	0	0	0	1,096,061	1,134,611
Investment Earnings	125,180	66,856	29,194	94,356	59,425	317	16,741	392,069
Rents & Royalties	416,869	0	0	45,459	0	0	0	462,328
Contributions	209,037	0	3,000	0	0	0	23,425	235,462
Other Revenues	161,368	14,904	44,484	975	10,055	0	242,306	474,092
Total Revenues	\$ 6,325,332	\$ 7,450,133	\$10,808,551	\$ 236,685	\$1,141,673	\$245,651	\$2,873,428	\$29,081,453

Continued next page.

See notes to financial statements.

DeSoto Parish Police Jury  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Governmental Funds  
Year Ended December 31, 2017

	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	\$ 431,824	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 431,824
Judicial	1,201,553	0	0	0	0	0	598,418	1,799,971
Elections	64,953	0	0	0	0	0	0	64,953
Finance & Administrative	1,460,438	140,824	163,698	0	0	0	0	1,764,960
Other	789,146	0	0	0	0	245,651	0	1,034,797
Public Safety	140,243	0	0	0	717,580	0	0	857,823
Public Works	0	0	8,347,850	0	0	0	0	8,347,850
Sanitation	0	3,673,551	0	0	0	0	0	3,673,551
Cultural & Recreation	280,788	0	0	0	0	0	0	280,788
Health & Welfare	257,129	0	0	0	0	0	1,855,431	2,112,560
Economic Development	576,646	0	0	0	0	0	0	576,646
Transportation	0	0	0	499,268	0	0	0	499,268
Animal Control	0	0	0	0	0	0	335,461	335,461
Capital Outlay	732,829	593,168	730,458	29,336	38,700	0	9,535	2,134,026
Debt Service-								
Principal Retirement	0	0	0	0	0	0	0	0
Interest & Other Charges	0	0	0	0	0	0	0	0
Total Expenditures	<u>\$ 5,935,549</u>	<u>\$ 4,407,543</u>	<u>\$9,242,006</u>	<u>\$ 528,604</u>	<u>\$ 756,280</u>	<u>\$245,651</u>	<u>\$2,798,845</u>	<u>\$23,914,478</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$ 389,783</u>	<u>\$ 3,042,590</u>	<u>\$1,566,545</u>	<u>\$ (291,919)</u>	<u>\$ 385,393</u>	<u>\$ 0</u>	<u>\$ 74,583</u>	<u>\$ 5,166,975</u>

Continued next page.

See notes to financial statements.

DeSoto Parish Police Jury  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Governmental Funds  
Year Ended December 31, 2017

	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	\$ 0	\$ 500,000	\$1,000,000	\$ 0	\$ 0	\$ 0	\$ 663,978	\$ 2,163,978
Sale of Assets	30,000	3,575	145,620	0	0	0	475	179,670
Operating Transfers Out	<u>(713,978)</u>	<u>(1,000,000)</u>	<u>(500,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(2,213,978)</u>
Total Other Financing	<u>\$ (683,978)</u>	<u>\$ (496,425)</u>	<u>\$ 645,620</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 664,453</u>	<u>\$ 129,670</u>
Net Change in Fund Balance	\$ (294,195)	\$ 2,546,165	\$2,212,165	\$ (291,919)	\$ 385,393	\$ 0	\$ 739,036	\$ 5,296,645
Fund Balances- Beginning of Year	<u>13,116,854</u>	<u>10,872,827</u>	<u>4,943,787</u>	<u>6,886,004</u>	<u>4,667,117</u>	<u>0</u>	<u>779,001</u>	<u>41,265,590</u>
Fund Balances- End of Year	<u>\$12,822,659</u>	<u>\$13,418,992</u>	<u>\$7,155,952</u>	<u>\$6,594,085</u>	<u>\$5,052,510</u>	<u>\$ 0</u>	<u>\$1,518,037</u>	<u>\$46,562,235</u>

See 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, 2017

Net Change in Fund Balance - Governmental Funds \$ 5,296,645

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 2,134,026

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 (4,685,480)

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:

Unavailable Property Taxes	694,159
Non-Employer Pension Revenue	64,124
Pension Expense	(160,798)
Net Proceeds from Sale of Assets	(82,196)
Net OPEB Obligation	(274,690)
Landfill Post Closure	(292,833)
Accrued Compensated Absences	<u>(131)</u>

Change in Net Position of Governmental Activities \$ 2,692,826

See notes to financial statements.

DeSoto Parish Police Jury  
Statement of Net Position  
Proprietary Fund  
Year Ended December 31, 2017

	<u>Business-Type Activities</u>
	<u>Enterprise Fund</u>
	<u>Eastside Sewer Fund</u>
Assets-	
Current Assets-	
Cash & Cash Equivalents	\$ 41,205
Due to Other Funds	<u>3,082</u>
Total Current Assets	\$ 44,287
Noncurrent Assets-	
Capital Assets	<u>221,823</u>
Total Assets	<u>\$266,110</u>
Liabilities-	
Current Liabilities-	
Accounts Payable	\$ 888
Noncurrent Liabilities-	
Customer's Deposits	<u>270</u>
Total Liabilities	<u>\$ 1,158</u>
Net Position-	
Net Investment in Capital Assets	\$221,823
Unrestricted	<u>43,129</u>
Total Net Position	<u>\$264,952</u>

See notes to financial statements.

DeSoto Parish Police Jury  
Statement of Revenues, Expenses and Changes in Net Position  
Proprietary Fund  
Year Ended December 31, 2017

	<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:	
Official Fees	\$ 2,209
Professional Fees	2,080
Materials, Supplies, & Repairs	3,980
Utilities & Communications	14,835
Depreciation	<u>10,283</u>
Total Operating Expenses	\$ <u>33,387</u>
Loss from Operations	\$ (33,387)
Other Financing Sources:	
Transfers In	<u>50,000</u>
Change in Net Position	\$ 16,613
Net Position at Beginning of Year	<u>248,339</u>
Net Position at End of Year	<u>\$264,952</u>

See notes to financial statements.

DeSoto Parish Police Jury  
Statement of Cash Flows  
Proprietary Fund  
Year Ended December 31, 2017

	<u>Business-Type Activities</u> <u>Enterprise Fund</u> <u>Eastside Sewer Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash Received from Customers	\$ 1,629
Cash Payments to Suppliers for Goods and Services	<u>(25,798)</u>
Net Cash Used by Operating Activities	<u>\$(24,169)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:	
Transfers from Other Funds	\$ <u>50,000</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Acquisition and Construction of Capital Assets	\$(28,624)
Capital Grant Received	<u>12,358</u>
Net Cash Used by Capital and Related Financing Activities	<u>\$(16,266)</u>
Net Increase in Cash & Cash Equivalents	\$ 9,565
CASH & CASH EQUIVALENTS:	
Beginning of Year	<u>31,640</u>
End of Year	<u>\$ 41,205</u>
RECONCILIATION OF LOSS FROM OPERATIONS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Loss from Operations	\$(33,387)
Adjustments-	
Depreciation	10,283
(Increase)/Decrease in Due to Other Funds	(3,082)
(Increase)/Decrease in Accounts Receivable	1,629
Increase/(Decrease) in Accounts Payable	<u>388</u>
Net Cash Used by Operations	<u>\$(24,169)</u>

See notes to financial statements.

## NOTES TO FINANCIAL STATEMENTS

DeSoto Parish Police Jury  
Mansfield, Louisiana  
Notes to the Financial Statements  
December 31, 2017

## 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

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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.

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.

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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 solid waste collection and disposal facilities. Financing is provided by ad valorem tax, a sales and use tax, and fees for services.

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 Funds:**

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.

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**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 an other 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.

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). Measureable 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.

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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.

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,

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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.
- 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.

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### **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.

### **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.

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**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.

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.

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**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.

**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.

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- 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

As required by GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, this statement provides clearly defined fund balance categories to make the nature and extent of the constraints placed on a government’s fund balance more transparent. The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the Police Jury is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent.

In the fund financial statement, governmental fund balance is presented in five possible categories:

- 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.
- 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.

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At December 31, 2017, \$33,596,108 of the Police Jury's fund balance was restricted by enabling legislation, \$20,960 was nonspendable held as inventory, \$122,508 was assigned, and \$12,822,659 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.

**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.

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The property tax calendar:

Assessment date	January 1, 2017
Levy date	June 30, 2017
Tax bills mailed	October 15, 2017
Total taxes are due	December 31, 2017
Penalties & interest added	January 31, 2017
Tax sale	May 16, 2017

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 \$719,797,208 in 2017. 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 \$41,700,737 of the assessed value in 2017. For the year ended December 31, 2017, the Police Jury authorized ad valorem tax millages of 16.76 mills and levied taxes of 16.76 mills.

The following is a summary of authorized and levied ad valorem taxes for the primary government for the year ended December 31, 2017:

	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
Courthouse Maintenance	1.26	1.26	1.26	2017

The following are the principal taxpayers for the parish and their 2017 assessed valuations:

		2017 Assessed Valuation	2017 Assessed Tax	Percent of Total Assessed Valuation
International Paper Co.	Manufacturer	\$ 56,210,543	\$ 5,432,749	7.81%
EXCO Partners Operating Partnership	Oil & Gas	55,330,279	5,347,672	7.69%
Chesapeake Operating, LLC	Oil & Gas	46,153,310	4,460,717	6.41%
Southwestern Electric Power	Utility	28,890,964	2,792,312	4.01%
Louisiana Midstream Gas	Oil & Gas	28,565,208	2,760,827	3.97%
Acadian Gas Pipeline	Oil & Gas	25,764,030	2,490,094	3.58%
Indigo Minerals, LLC	Oil & Gas	25,101,290	2,426,040	3.49%
Enterprise Gathering, LLC	Oil & Gas	24,978,080	2,414,131	3.47%
Covey Park Operating, LLC	Oil & Gas	24,381,077	2,356,431	3.39%
Cleco Power LLC	Utility	24,161,160	2,335,176	3.36%
Total		<u>\$339,535,941</u>	<u>\$32,816,149</u>	<u>47.18%</u>

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### 3. Cash and Cash Equivalents and Investments

#### *Cash and Cash Equivalents*

At December 31, 2017, the Police Jury has cash and cash equivalents (book balances) totaling \$15,428,593 as follows:

Demand deposits	\$14,893,528
U.S. Government Money Market	<u>535,065</u>
Total cash and cash equivalents	<u>\$15,428,593</u>

The Police Jury uses a master bank account for cash management purposes. At December 31, 2017, the Criminal Court Fund and the OCS Fund report negative balances in the master bank account of \$5,494 and \$180,501, respectively.

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 \$4,985,182.

#### *Investments:*

At December 31, 2017, 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	\$12,397,860	\$ 2,030,607	\$4,700,960	\$3,394,335	\$2,271,958
Louisiana Asset Management Pool	2,000,363	2,000,363	0	0	0
Certificates of Deposit	<u>6,228,829</u>	<u>6,228,829</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Investments	<u>\$20,627,052</u>	<u>\$10,259,799</u>	<u>\$4,700,960</u>	<u>\$3,394,335</u>	<u>\$2,271,958</u>

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

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

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*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 \$22,947,674, which were fully protected by \$850,000 of federal depository insurance and pledged securities with a market value of \$22,097,674 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.

*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, 2017 include \$2,000,363 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.

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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 2017, the Police Jury realized a net loss of \$24,117 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 unrealized loss on investments held at year-end was \$127,374.

**4. Receivables**

The following is a summary of receivables at December 31, 2017:

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RECEIVABLES

	Governmental Activities						Business- Type Activities	Total
	General Fund	Solid Waste Fund	Road Fund	Airport Fund	Sales Tax Fund	Other Governmenta l Funds	Eastside Sewer	
Ad valorem taxes	\$3,915,023	\$3,470,432	\$4,002,347	\$ 0	\$ 0	\$ 0	\$0	\$11,387,802
Sales & use taxes	0	0	0	0	961,605	0	0	961,605
Tourism tax	10,223	0	0	0	0	0	0	10,223
Severance tax	67,626	0	67,626	0	0	0	0	135,252
Federal Grants	29,091	0	68,489	0	0	318,313	0	415,893
State Grants:								
Parish transportation fund	8,403	0	29,254	0	0	0	0	37,657
Video poker	26,945	0	0	0	0	0	0	26,945
Other state grants	15,159	0	0	0	0	0	0	15,159
Fees, charges & commissions	5,456	693,024	0	0	0	500	0	698,980
Fines & Forfeitures	0	0	2,500	0	0	41,235	0	43,735
Licenses & Permits	548	0	0	0	0	0	0	548
Rents & royalties	89,712	0	0	4,622	0	0	0	94,334
Interest	26,233	6,290	0	27,148	0	0	0	59,671
Health & Liability Insurance	105,655	0	0	0	0	0	0	105,655
Other	24,212	225	225	1,650	0	0	0	26,312
	\$4,324,286	\$4,169,971	\$4,170,441	\$33,420	\$961,605	360,048	\$0	\$14,019,771
Allowance	(11,148)	(40,753)	(11,600)	0	0	0	0	(63,501)
Total Receivables	\$4,313,138	\$4,129,218	\$4,158,841	\$33,420	\$961,605	\$360,048	\$0	\$13,956,270

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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.

Transfer In	Transfer Out	Amount
Solid Waste Fund	Road Fund	\$ 500,000
Community Services Fund	General Fund	182,842
Road Fund	Solid Waste Fund	1,000,000
Animal Services Fund	General Fund	481,136
Eastside Sewer	General Fund	50,000
		<u>\$2,213,978</u>

Interfund balances on the fund financial statements at December 31, 2017, consisted of the following:

Receivable Fund	Due From	Due To
General Fund	\$ 60,994	\$ 103,000
Road Fund	400,000	541,900
Sales Tax Fund	711,871	0
Jail Fund	0	104,571
Solid Waste Fund	32,093	551,830
Rental Assistance Fund	100,000	0
Animal Services Fund	0	575
Eastside Sewer Fund	0	3082
Total	<u>\$1,304,958</u>	<u>\$1,304,958</u>

## 6. Capital Assets

Capital asset activity for the year ended December 31, 2017, was as follows:

	Balance January 1, 2017	Additions	Deletions/ Reclassifications	Balance December 31, 2017
<b>Governmental activities:</b>				
Capital assets not being depreciated:				
Land	\$ 1,979,943	\$ 277,006	\$ 0	\$ 2,256,949
Construction in progress	1,075,335	1,014,458	(470,042)	1,619,751
Total assets not being depreciated	<u>\$ 3,055,278</u>	<u>\$ 1,291,464</u>	<u>\$(470,042)</u>	<u>\$ 3,876,700</u>
Capital assets being depreciated:				
Buildings and improvements	\$ 27,586,467	\$ 252,031	\$ 0	\$ 27,838,498
Land improvements – structures	8,605,672	415,992	0	9,021,664
Furniture and equipment	15,594,651	411,964	(819,503)	15,187,112
Infrastructure	222,665,504	232,616	0	222,898,120
Total assets being depreciated	<u>\$274,452,294</u>	<u>\$ 1,312,603</u>	<u>\$(819,503)</u>	<u>\$274,945,394</u>
Less accumulated depreciation for:				
Buildings and improvements	\$ 13,619,328	\$ 729,472	\$ 0	\$ 14,348,800
Land improvements – structures	1,334,707	421,634	0	1,756,341
Furniture and equipment	9,864,831	1,026,174	(738,537)	10,152,468
Infrastructure	177,535,643	2,508,200	0	180,043,843
Total accumulated depreciation	<u>\$202,354,509</u>	<u>\$ 4,685,480</u>	<u>\$(738,537)</u>	<u>\$206,301,452</u>
Total capital assets – net	<u>\$ 75,153,063</u>	<u>\$(2,081,413)</u>	<u>\$(551,008)</u>	<u>\$ 72,520,642</u>

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Depreciation expense of \$4,685,480 for the year ended December 31, 2017, was charged to the following governmental functions:

General government:	
Judicial	\$ 175,454
Finance and administrative	57,029
Other government	13,426
Public safety	199,287
Public works	1,762,569
Sanitation	1,812,501
Cultural and recreation	56,408
Health and welfare	147,009
Economic development	142,044
Transportation	283,425
Animal control	36,328
Total	<u>\$4,685,480</u>

	Balance January 1, 2017	Additions	Deletions	Balance December 31, 2017
<b>Business-type activities:</b>				
Capital assets not being depreciated:				
Land	\$ 10,175	\$ 0	\$ 0	\$ 10,175
Construction in progress	205,665	16,266	\$(205,665)	16,266
Total assets not being depreciated	<u>\$215,840</u>	<u>\$ 16,266</u>	<u>\$(205,665)</u>	<u>\$ 26,441</u>
Capital assets being depreciated:				
Sewer system	\$373,375	\$205,665	\$ 0	\$579,040
Treatment plant	101,180	0	0	101,180
Total assets being depreciated	<u>\$474,555</u>	<u>\$205,665</u>	<u>\$ 0</u>	<u>\$680,220</u>
Less accumulated depreciation for:				
Sewer system	\$373,375	\$ 10,283	\$ 0	\$383,658
Treatment plant	101,180	0	0	101,180
Total accumulated depreciation	<u>\$474,555</u>	<u>\$ 10,283</u>	<u>\$ 0</u>	<u>\$484,838</u>
Total capital assets – net	<u>\$215,840</u>	<u>\$211,648</u>	<u>\$(205,665)</u>	<u>\$221,823</u>

## 7. Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses at December 31, 2017, consist of the following:

	Payable to Vendors	Payroll Liabilities	Total Payables
Governmental Activities:			
General Fund	\$ 245,541	\$ 44,079	\$ 289,620
Road Fund	294,934	91,881	386,815
Sales Tax Fund	16,443	0	16,443
Jail Fund	21,432	0	21,432
Solid Waste Fund	362,937	58,178	421,115
Airport Fund	12,679	1,689	14,368
Other Governmental Funds	201,603	22,000	223,603
Total Governmental Activities	<u>\$1,155,569</u>	<u>\$217,827</u>	<u>\$1,373,396</u>
Business-Type Activities:			
Eastside Sewer Fund	888	0	888
Total accounts payable	<u>\$1,156,457</u>	<u>\$217,827</u>	<u>\$1,374,284</u>

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## 8. 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, 2017, \$236,290 of sales taxes collected by vendors dedicated to the library is reported in the Sales Tax Fund as "Due to Other Governments."

## 9. 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 only one type of item, which arises only under a modified accrual basis of accounting, which qualified for reporting in this category. Accordingly, this item, unavailable property taxes, is reported only in the government funds balance sheet.

## 10. Employee Retirement Systems

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

### A. General Information about the Plans

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

##### *Plan Description*

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

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

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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. At age 55 after 30 years of creditable service
2. At age 60 after 10 years of creditable service
3. At age 65 after 7 years of creditable service

For employees hired after January 1, 2007:

1. At age 55 after 30 years of creditable service
2. At age 62 after 10 years of creditable service
3. At age 67 after 7 years of creditable 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.

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### **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.

### **Disability Benefits**

For Plan B, a member shall be eligible to retire and receive a disability benefit if they were hired prior to January 1, 2007, and have at least five years of creditable service or if hired after January 1, 2007, have seven years of creditable service, and are not eligible for normal retirement and have 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.

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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, 2016, the actuarially determined contribution rate was 7.20% of member's compensation for Plan B. However, the actual rate for the fiscal year ending December 31, 2016 was 8.00% 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 \$54,413.

The Police Jury's contractually required composite contribution rate for the year ended December 31, 2017 was 8.00% 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 \$390,994 for the year ended December 31, 2017.

*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

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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.

#### **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.

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### **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 \$600 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, DARRS 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.

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.

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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, 2017, the actual employer contribution rate was 0%.

In accordance with state statute, DARS receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities. Non-employer contributions were recognized as revenue during the year ended June 30, 2017 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 \$2,675.

The Police Jury's contractually required composite contribution rate for the year ended December 31, 2017 was 0% 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 \$0 for the year ended December 31, 2017.

#### *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.

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### *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.

#### **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

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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.

### **Cost-of-Living Increases**

Cost of living provisions for the System allows the Board of Trustees to provide an annual cost of living increase of 2.5% 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, 2017, the actual employer contribution rate was 20.00%.

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In accordance with state statute, the System 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 \$7,036 are recognized as revenue and excluded from pension expense for the year ended December 31, 2017.

The Police Jury's contractually required composite contribution rate for the year ended December 31, 2017 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 \$6,495 for the year ended December 31, 2017.

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

At December 31, 2017 and 2016, the Police Jury reported a total of \$647,887 for its proportionate shares of the Net Pension Liabilities of the Plans.

Plan	Measurement Date	
	December 31, 2016	December 31, 2015
PERS	\$584,503	\$834,910
	June 30, 2017	June 30, 2016
DARS	8,778	5,024
ROVERS	54,606	66,096
Total	\$647,887	\$906,030

The Net Pension Liabilities were measured as of December 31, 2016 for PERS and June 30, 2017 for DARS and ROVERS, and the total pension liability used to calculate the Net Pension 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, 2016	December 31, 2015
PERS	4.499388%	4.689312%
	June 30, 2017	June 30, 2016
DARS	.032541%	.026251%
ROVERS	.248762%	.232928%
Total	4.780691%	4.948491%

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For the year ended December 31, 2017 and 2016, 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, 2016	December 31, 2015
PERS	\$546,008	\$503,365
	June 30, 2017	June 30, 2016
DARS	864	(62)
ROVERS	11,413	7,516
Total	\$558,285	\$510,819

At December 31, 2017, 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	\$ -	\$ 166,835	\$ -	\$ 2,307	\$ -	\$ 10,152	\$ -	\$ 179,294
Changes in Assumptions	69,714	-	3,935	1,036	5,246	1,765	78,895	2,801
Net Difference between projected and actual earnings on pension plan	583,547	-	3,523	-	6,142	-	593,212	-
Changes in employer's proportion of beg NPL	2,207	22	3,358	16,856	4,005	550	9,570	17,428
Differences between employer and proportionate share of contributions	(16,242)	-	(2,433)	-	(246)	-	(18,921)	-
Subsequent Measurement Contributions	390,994	-	-	-	2,984	-	393,978	-
Total	\$ 1,030,220	\$ 166,857	\$ 8,383	\$ 20,199	\$ 18,131	\$ 12,467	\$ 1,056,734	\$ 199,523

The deferred outflows of resources related to pensions resulting from Police Jury contributions subsequent to the measurement date in the amount of \$393,978, will be recognized as a reduction of the Net Pension Liabilities in the year December 31, 2018. 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>	
2018	\$157,241
2019	200,060
2020	134,116
2021	(25,315)
2022	(2,730)
2023	209
2024	(348)
Total	<u>\$463,233</u>

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*Actuarial Assumptions*

A summary of the actuarial methods and assumptions used in determining the total pension liabilities for the valuation dates of December 31, 2016 for PERS and June 30, 2017 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	7 years	5 years
Investment rate of return	7.000%	6.750%	6.750%
Inflation rate	2.500%	2.500%	2.500%
Salary increases	5.250%	5.500%	6.000%

Mortality rates for PERS were based on RP-2000 Employee Sex Distinct Mortality Table was selected for employees. RP-2000 Healthy Annuitant Sex Distinct Tables were selected for annuitants and beneficiaries. RP-2000 Disabled Lives Mortality Table was selected for disabled annuitants. The mortality rate assumptions were based on the results of an experience study, for the period January 1, 2010 through December 31, 2014.

Mortality rates for DARS were based on RP-2000 Combined Healthy with White Collar Adjustment Sex Distinct Mortality Tables (setback 1 year for females) 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 based upon an experience study performed by the prior actuary 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.

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 rates 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.

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Best estimates of arithmetic real rates of return for each major asset class included in pensions target asset allocation as of December 31, 2017 for PERS and June 30, 2017 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%	3.63%	61.72%	11.31%	55%	4.28%
Fixed Income	35%	1.24%	28.95%	6.84%	30%	0.85%
Alternative	11%	0.67%	8.85%	10.50%	5%	0.31%
Other	2%	0.12%	0.48%	0.50%	10%	0.45%
Totals	100%	5.66%	100%	6.56%	100%	5.89%
Inflation		2.00%		2.50%		2.50%
Expected Nominal Return		7.66%		9.06%		8.39%

The discount rate used to measure the total pension liability was 7.0% for PERS, 6.75% for DARS, and 6.75% 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.

*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 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	\$2,222,131	\$584,503	\$(797,882)
DARS	\$ 25,081	\$ 8,778	\$ (5,078)
ROVERS	\$ 83,464	\$ 54,606	\$ 29,769

*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.

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## 11. Postemployment Benefits

*Plan Description.* The Police Jury contributes to a single-employer defined benefit healthcare plan (“the Retiree Healthcare Plan”). The plan provides lifetime healthcare and life insurance for eligible retirees through the Police Jury’s group health insurance plan, which covers both active and retired members. Substantially all of the Police Jury’s employees become eligible for these benefits if they reach normal retirement age while working for the Police Jury. The Retiree Healthcare Plan does not issue a publicly available financial report.

*Annual OPEB Cost and Net OPEB Obligation* – Until 2008, the Police Jury recognized the cost of providing postemployment healthcare benefits as an expense when the benefit premiums were due, financing the cost of the other postemployment benefits on a pay-as-you-go basis. Effective January 1, 2008, the Police Jury implemented Government Accounting Standards Board Statement Number 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* (GASB 45). GASB 45 requires the long-term cost of retirement healthcare benefits to be determined on an actuarial basis and reported similar to pension plans. The Police Jury contracts with an actuarial consultant to provide an actuarial valuation of the OPEB liability under GASB 45. The requirements of GASB 45 are being implemented prospectively. Accordingly, for financial statement purposes, no liability was reported for the other postemployment benefits at the date of transition.

*Funding Policy* - GASB Statement 45 does not mandate the prefunding of the postemployment benefits liability. The Police Jury currently funds these payments on a pay-as-you-go basis. No assets have been segregated and restricted to provide post-employment benefits. The Police Jury contributes 75 percent of the cost of current-year premiums for eligible retired plan members. Plan members receiving benefits contribute 25 percent of their premium costs. For the year ended December 31, 2017, the Police Jury contributed \$75,286 for healthcare for 16 retired members.

*Annual OPEB Cost* - The Police Jury’s annual other postemployment benefit (OPEB) cost (expense) is calculated based on *annual required contribution of the employer (ARC)*. The ARC was calculated using the unit credit actuarial cost method. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The unfunded actuarial liability is being amortized as a level dollar amount over an open 30-year period.

The following table shows the annual OPEB cost and the net OPEB obligation for the year ended December 31, 2017 and the two prior years:

<u>Year Ended</u>	<u>Discount Rate</u>	<u>Annual OPEB Cost</u>	<u>Percentage of OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2015	4.00%	\$534,793	14.20%	\$3,391,372
2016	4.00%	\$357,604	26.90%	\$3,652,621
2017	4.00%	\$349,976	21.50%	\$3,927,311

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*Funded Status and Funding Progress* - The following table shows components of the Police Jury's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Police Jury's net OPEB:

**Determination of Annual Required Contribution:**

Normal cost at year end	\$ 373,209
Amortization of UAAL	83,418
Annual required contribution	\$ 456,627

**Determination of Net OPEB Obligation:**

Net OPEB obligation - beginning of year		\$3,652,621
Annual OPEB cost (expense)	\$ 456,627	
Interest on net OPEB obligation	146,105	
Adjustment to annual required contribution	(252,756)	
Contributions made	(75,286)	
Increase in net OPEB obligation		274,690
Net OPEB obligation - end of year		\$3,927,311

As of December 31, 2017, the actuarial accrued liability for benefits was \$1,205,491, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$4,557,511 and the ratio of the unfunded actuarial accrued liability to the covered payroll was 26.45%.

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued (UAAL)	Funded Ratio	Covered Payroll	UAAL as of Percentage of Covered Payroll
January 1, 2015	\$0	\$1,446,087	\$1,446,087	0%	\$5,501,480	26.29%
January 1, 2016	\$0	\$1,205,491	\$1,205,491	0%	\$4,254,943	28.33%
January 1, 2017	\$0	\$1,205,491	\$1,205,491	0%	\$4,557,511	26.45%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Examples include assumptions about future employment, mortality, and healthcare cost trend. Amounts determined regarding the annual required contributions of the Police Jury are subject to continual revision as actual results are compared to past expectations and will not be known until such time that all eligibility is exhausted and all benefits are paid.

*Actuarial Methods and Assumptions* - Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities. Significant methods and assumptions were as follows:

*Discount rate for valuing liabilities* - The investment rate of return without prefunding was determined to be 4.00% per annum, compounded annually.

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*Mortality* - Life expectancies were based on the RP-2000 Combined Health Mortality Table with Generational Mortality using Scale AA published by the Society of Actuaries, projected to 2018.

*Retirement age for active employees* - Active plan members were assumed to retire as follows:

Age	Male	Female
55-58	18.0%	18.0%
59-65	14.0%	14.0%
66+	100.0%	100.0%

*Withdrawal Rates* - Active plan members were assumed to withdraw as follows:

Years Service	Male	Female
<1	25.0%	25.0%
1	21.0%	21.0%
2	15.0%	15.0%
3	12.0%	12.0%
4	10.0%	10.0%
5	9.0%	9.0%
6	8.0%	8.0%
7	7.0%	7.0%
8	6.0%	6.0%
9	5.0%	5.0%
10-11	4.0%	4.0%
12-13	3.0%	3.0%
14-19	2.0%	2.0%
20+	1.0%	1.0%

*Participation assumption* - 90% of employees who elect coverage while in active employment and who are eligible for retiree medical benefits are assumed to elect continued medical coverage in retirement. Active employees with life insurance coverage are assumed to elect retiree life insurance coverage. There is no spousal coverage.

*Healthcare cost trend rate* – The trend was calculated using an assumed inflation rate of 2.30%. Short term medical trend starts off at 4.50% for pre-65 retirees and 7.90% for post-65 retirees.

*Health insurance premiums* - The gross premiums for pre-65 retirees only coverage for 2017 is \$517 per month. Post-65 retirees' premiums are approximately \$308 per month to BCBS.

## 12. 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.

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

The \$3,108,232 reported as landfill closure and post closure care liability at December 31, 2017, represents the cumulative amount reported to date based on the use of 62.46% 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 \$4,976,467 at December 31, 2017, which is an increase of \$105,890 from the prior year due to an estimate revision. 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 \$4,985,182.

### 13. 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, 2017, the Police Jury's compensated absences payable in accordance with GASB Statement No. 16 for all funds amounted to 13,832 hours with a resulting liability of \$320,681.

Changes in compensated absences during 2017 are as follows:

Beginning Balance	\$ 320,550
Additions	231,266
Deductions	<u>(245,706)</u>
Available Leave	\$ 306,110
Adjustment	<u>14,571</u>
Net available	<u>\$ 320,681</u>

### 14. 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.

DeSoto Parish Police Jury  
Mansfield, Louisiana  
Notes to the Financial Statements  
December 31, 2017

Lawsuits

At December 31, 2017, the Police Jury was involved in two lawsuits seeking damages from the Police Jury. The Police Jury intends to vigorously defend its position in each case. Any potential liability accruing to the Police Jury as a result of these lawsuits, which is 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.

**15. Related Party Transactions**

Procedures, observations, and inquiries did not disclose any related party transactions for the fiscal year ended December 31, 2017.

**16. Subsequent Events**

Management has evaluated subsequent events through June 12, 2018, which is the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTAL 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, 2017

	Budgeted Amounts		2017 Actual	Variance- Favorable (Unfavorable)
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ 4,677,058	\$ 4,677,058	\$ 4,463,729	\$(213,329)
Licenses and Permits	203,100	203,100	263,661	60,561
Intergovernmental Revenues-				
Federal	218,250	218,250	154,291	(63,959)
State	275,000	275,000	409,131	134,131
Fees, Charges & Commissions	120,500	120,500	122,066	1,566
Investment Earnings	17,200	17,200	125,180	107,980
Rents & Royalties	200,750	200,750	416,869	216,119
Other Revenues	<u>315,700</u>	<u>315,700</u>	<u>370,405</u>	<u>54,705</u>
Total Revenues	\$ <u>6,027,558</u>	\$ <u>6,027,558</u>	\$ <u>6,325,332</u>	\$ <u>297,774</u>
<b>EXPENDITURES:</b>				
Current-				
General Government	\$ 4,051,679	\$ 4,172,709	\$ 3,947,914	\$ 224,795
Public Safety	126,000	126,000	140,243	(14,243)
Culture & Recreation	256,100	256,620	280,788	(24,168)
Health & Welfare	486,500	486,500	257,129	229,371
Economic Development	207,700	245,200	576,646	(331,446)
Capital Outlay	<u>1,087,000</u>	<u>1,087,000</u>	<u>732,829</u>	<u>354,171</u>
Total Expenditures	\$ <u>6,214,979</u>	\$ <u>6,374,029</u>	\$ <u>5,935,549</u>	\$ <u>438,480</u>
Excess (Deficiency) of Revenues over Expenditures	\$ <u>(187,421)</u>	\$ <u>(346,471)</u>	\$ <u>389,783</u>	\$ <u>736,254</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Sale of Assets	\$ 0	\$ 0	\$ 30,000	\$ 30,000
Operating Transfers Out	<u>(686,770)</u>	<u>(695,458)</u>	<u>(713,978)</u>	<u>(18,520)</u>
Total Other Financing Sources (Uses)	\$ <u>(686,770)</u>	\$ <u>(695,458)</u>	\$ <u>(683,978)</u>	\$ <u>11,480</u>
Net Change in Fund Balance	\$ (874,191)	\$ (1,041,929)	\$ (294,195)	\$ 747,734
Fund Balance-Beginning of Year	<u>13,116,854</u>	<u>13,116,854</u>	<u>13,116,854</u>	<u>0</u>
Fund Balance-End of Year	\$ <u>12,242,663</u>	\$ <u>12,074,925</u>	\$ <u>12,822,659</u>	\$ <u>747,734</u>

See independent auditor's report.

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, 2017

	<u>Budgeted Amounts</u>		<u>2017 Actual</u>	Variance- Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Taxes	\$ 4,654,820	\$ 4,654,820	\$ 4,904,728	\$ 249,908
Intergovernmental Revenues-				
Federal	112,500	112,500	0	(112,500)
Fees, Charges & Commissions	1,500,000	1,500,000	2,463,645	963,645
Investment Earnings	11,600	11,600	66,856	55,256
Other Revenues	<u>6,000</u>	<u>6,000</u>	<u>14,904</u>	<u>8,904</u>
Total Revenues	\$ <u>6,284,920</u>	\$ <u>6,284,920</u>	\$ <u>7,450,133</u>	\$ <u>1,165,213</u>
EXPENDITURES:				
Current-				
General Government	\$ 152,000	\$ 152,000	\$ 140,824	\$ 11,176
Sanitation	3,297,425	3,311,625	3,673,551	(361,926)
Capital Outlay	<u>2,290,000</u>	<u>2,590,000</u>	<u>593,168</u>	<u>1,996,832</u>
Total Expenditures	\$ <u>5,739,425</u>	\$ <u>6,053,625</u>	\$ <u>4,407,543</u>	\$ <u>1,646,082</u>
Excess (Deficiency) of Revenues over Expenditures	\$ <u>545,495</u>	\$ <u>231,295</u>	\$ <u>3,042,590</u>	\$ <u>2,811,295</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfer In	\$ 500,000	\$ 500,000	\$ 500,000	\$ 0
Sale of Assets	0	0	3,575	3,575
Operating Transfers Out	<u>(1,000,000)</u>	<u>(1,000,000)</u>	<u>(1,000,000)</u>	<u>0</u>
Total Other Financing Sources (Uses)	\$ <u>(500,000)</u>	\$ <u>(500,000)</u>	\$ <u>(496,425)</u>	\$ <u>3,575</u>
Net Change in Fund Balance	\$ 45,495	\$ (268,705)	\$ 2,546,165	\$2,814,870
Fund Balance-Beginning of Year	<u>10,872,827</u>	<u>10,872,827</u>	<u>10,872,827</u>	<u>0</u>
Fund Balance-End of Year	\$ <u>10,918,322</u>	\$ <u>10,604,122</u>	\$ <u>13,418,992</u>	\$ <u>2,814,870</u>

See independent auditor's report.

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, 2017

	Budgeted Amounts		2017 Actual	Variance- Favorable (Unfavorable)
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ 8,174,997	\$ 8,174,996	\$ 9,969,739	\$ 1,794,743
Intergovernmental	3,700,500	3,700,500	411,842	(3,288,658)
Fines & Forfeitures	15,000	115,000	350,292	235,292
Investment Earnings	4,000	4,000	29,194	25,194
Contributions	476,000	476,000	3,000	(473,000)
Other Revenues	<u>0</u>	<u>0</u>	<u>44,484</u>	<u>44,484</u>
Total Revenues	<u>\$12,370,497</u>	<u>\$12,470,496</u>	<u>\$10,808,551</u>	<u>\$(1,661,945)</u>
<b>EXPENDITURES:</b>				
Current-				
General Government	\$ 163,985	\$ 163,985	\$ 163,698	\$ 287
Public Works	9,147,512	9,147,512	8,347,850	799,662
Capital Outlay	<u>3,559,000</u>	<u>3,609,000</u>	<u>730,458</u>	<u>2,878,542</u>
Total Expenditures	<u>\$12,870,497</u>	<u>\$12,920,497</u>	<u>\$ 9,242,006</u>	<u>\$ 3,678,491</u>
Excess (Deficiency) of Revenues over Expenditures	\$ <u>(500,000)</u>	\$ <u>(450,001)</u>	\$ <u>1,566,545</u>	\$ <u>2,016,546</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Operating Transfers In	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 0
Sale of Assets	0	0	145,620	145,620
Operating Transfers Out	<u>(500,000)</u>	<u>(500,000)</u>	<u>(500,000)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>\$ 500,000</u>	<u>\$ 500,000</u>	<u>\$ 645,620</u>	<u>\$ 145,620</u>
Net Change in Fund Balance	\$ 0	\$ 49,999	\$ 2,212,165	\$ 2,162,166
Fund Balance-Beginning of Year	<u>4,943,787</u>	<u>4,943,787</u>	<u>4,943,787</u>	<u>0</u>
Fund Balance-End of Year	<u>\$ 4,943,787</u>	<u>\$ 4,993,786</u>	<u>\$ 7,155,952</u>	<u>\$ 2,162,166</u>

See independent auditor's report.

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, 2017

	<u>Budgeted Amounts</u>		2017 <u>Actual</u>	Variance- Favorable <u>(Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Intergovernmental	\$ 18,000	\$ 18,000	\$ 8,834	\$ (9,166)
Fees, Charges & Commissions	104,900	104,900	87,061	(17,839)
Investment Earnings	1,000	1,000	94,356	93,356
Rents & Royalties	30,000	30,000	45,459	15,459
Contributions & Other	<u>100</u>	<u>100</u>	<u>975</u>	<u>875</u>
Total Revenues	<u>\$ 154,000</u>	<u>\$ 154,000</u>	<u>\$ 236,685</u>	<u>\$ 82,685</u>
EXPENDITURES:				
Current-				
Transportation	\$ 436,973	\$ 439,306	\$ 499,268	\$(59,962)
Capital Outlay	<u>0</u>	<u>0</u>	<u>29,336</u>	<u>(29,336)</u>
Total Expenditures	<u>\$ 436,973</u>	<u>\$ 439,306</u>	<u>\$ 528,604</u>	<u>\$(89,298)</u>
Excess (Deficiency) of Revenues over Expenditures	\$ (282,973)	\$ (285,306)	\$ (291,919)	\$ (6,613)
Fund Balance-Beginning of Year	<u>6,886,004</u>	<u>6,886,004</u>	<u>6,886,004</u>	<u>0</u>
Fund Balance-End of Year	<u>\$6,603,031</u>	<u>\$6,600,698</u>	<u>\$6,594,085</u>	<u>\$(6,613)</u>

See independent auditor's report.

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, 2017

	Budgeted Amounts		2017 Actual	Variance- Favorable (Unfavorable)
	Original	Final		
REVENUES:				
Taxes	\$ 676,475	\$ 676,475	\$1,072,193	\$395,718
Investment Earnings	2,000	2,000	59,425	57,425
Miscellaneous	<u>0</u>	<u>0</u>	<u>10,055</u>	<u>10,055</u>
Total Revenues	<u>\$ 678,475</u>	<u>\$ 678,475</u>	<u>\$1,141,673</u>	<u>\$463,198</u>
EXPENDITURES:				
Current-				
Public Safety	\$ 943,400	\$ 963,400	\$ 717,580	\$245,820
Capital Outlay	<u>71,500</u>	<u>71,500</u>	<u>38,700</u>	<u>32,800</u>
Total Expenditures	<u>\$1,014,900</u>	<u>\$1,034,900</u>	<u>\$ 756,280</u>	<u>\$278,620</u>
Excess (Deficiency) of Revenues over Expenditures	\$ (336,425)	\$ (356,425)	\$ 385,393	\$741,818
Fund Balance-Beginning of Year	<u>4,667,117</u>	<u>4,667,117</u>	<u>4,667,117</u>	<u>0</u>
Fund Balance-End of Year	<u>\$4,330,692</u>	<u>\$4,310,692</u>	<u>\$5,052,510</u>	<u>\$741,818</u>

See independent auditor's report.

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, 2017

	<u>Budgeted Amounts</u>		<u>2017 Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Taxes	\$235,250	\$235,250	\$245,334	\$10,084
Investment Earnings	<u>750</u>	<u>750</u>	<u>317</u>	<u>(433)</u>
Total Revenues	\$236,000	\$236,000	\$245,651	\$ 9,651
EXPENDITURES:				
Current-				
General Government	<u>236,000</u>	<u>236,000</u>	<u>245,651</u>	<u>(9,651)</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	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

See independent auditor's report.

DeSoto Parish Police Jury  
Schedule of Employer's Share of Net Pension Liability  
For the Year Ended December 31, 2017

<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	4.824162%	\$ 13,388	\$4,091,073	0.33%	98.89%
2016	4.689312%	\$834,910	\$4,482,251	18.63%	95.52%
2017	4.499388%	\$584,503	\$4,887,426	11.96%	95.50%
District Attorney Retirement System (DARS)					
2015	0.147451%	\$ 7,942	\$ 17,224	46.11%	98.56%
2016	0.026251%	\$ 5,024	\$ 20,095	25.00%	95.09%
2017	0.032541%	\$ 8,778	\$ 20,095	43.68%	93.57%
Registrar of Voter's Employees' Retirement System (ROVERS)					
2015	0.225988%	\$ 55,345	\$ 30,960	178.76%	76.86%
2016	0.232928%	\$ 66,096	\$ 33,030	200.11%	73.98%
2017	0.248762%	\$ 54,606	\$ 35,110	155.53%	80.51%

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

DeSoto Parish Police Jury  
Schedule of Employer's Contributions  
For the Year Ended December 31, 2017

<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%
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%
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%

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, 2017

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

<u>Purpose</u>	<u>Amount</u>
Salary	\$114,235
Benefits-Insurance	13,688
Benefits-Retirement	9,139
Benefits-Other (401A Contributions)	5,750
Deferred Compensation	0
Car allowance	0
Vehicle provided by government	756
Cell phone	1,903
Dues	409
Vehicle rental	0
Per diem	228
Reimbursements	83
Registration fees	1,295
Continuing Education fees	301
Conference travel	0
Housing	1,068
Unvouchered expenses	0
Special meals	427
Other (Insurance)	<u>6,000</u>
Total	<u>\$155,282</u>

See independent auditor's report.

DeSoto Parish Police Jury  
Notes to Required Supplementary Information  
Year Ended December 31, 2017

### 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, 2017

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 budget comparison schedules present the original adopted budgets and the final amended budgets.

OTHER SUPPLEMENTAL INFORMATION

DeSoto Parish Police Jury  
Other Governmental Funds  
Year Ended December 31, 2017

**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  
Mansfield, Louisiana

Combining Balance Sheets  
Nonmajor Governmental Funds  
For the Year Ended December 31, 2017

	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	\$785,673	\$564,670	\$ 0	\$204,672	\$134,770	\$1,689,785
Receivables	6,615	34,621	256,314	62,000	500	360,050
Total Assets	<u>\$792,288</u>	<u>\$599,291</u>	<u>\$256,314</u>	<u>\$266,672</u>	<u>\$135,270</u>	<u>\$2,049,835</u>
<u>Liabilities &amp; Fund Balance</u>						
Liabilities-						
Accounts Payable	\$ 2,168	\$ 45,101	\$ 19,100	\$ 144,470	\$ 12,762	\$ 223,601
Cash Overdraft	0	5,494	180,501	0	0	185,995
Advance from Grantor	0	0	0	22,202	0	22,202
Due to Other Funds	0	0	0	100,000	0	100,000
Total Liabilities	<u>\$ 2,168</u>	<u>\$ 50,595</u>	<u>\$199,601</u>	<u>\$266,672</u>	<u>\$ 12,762</u>	<u>\$ 531,798</u>
Fund Balances-						
Restricted to-						
Judicial	\$ 0	\$548,696	\$ 0	\$ 0	\$ 0	\$ 548,696
Health & Welfare	0	0	56,713	0	0	56,713
Witness & Juror Fees	790,120	0	0	0	0	790,120
Assigned for-						
Animal Control	0	0	0	0	122,508	122,508
Total Fund Balances	<u>\$790,120</u>	<u>\$548,696</u>	<u>\$ 56,713</u>	<u>\$ 0</u>	<u>\$122,508</u>	<u>\$1,518,037</u>
Total Liabilities & Fund Balances	<u>\$792,288</u>	<u>\$599,291</u>	<u>\$256,314</u>	<u>\$266,672</u>	<u>\$135,270</u>	<u>\$2,049,835</u>

See independent auditor's report.

DeSoto Parish Police Jury  
Mansfield, Louisiana

Combining Schedule of Revenues, Expenditures and Changes in Fund Balance  
Nonmajor Governmental Funds  
For the Year Ended December 31, 2017

	Special Revenue Funds					Total
	Witness and Juror Fund	Criminal Court Fund	Community Services Fund	Rental Assistance Fund	Animal Control Fund	
<b>REVENUES:</b>						
Intergovernmental-						
Federal Grant	\$ 0	\$ 0	\$ 600,294	\$ 862,351	\$ 0	\$ 1,462,645
Fees, Charges & Commissions	0	0	0	0	32,250	32,250
Fines & Forfeitures	213,058	882,458	0	0	545	1,096,061
Investment Earnings	5,207	8,933	0	2,601	0	16,741
Other Revenue	0	140,078	96,066	6,162	0	242,306
Contributions	0	0	7,479	0	15,946	23,425
Total Revenues	<u>\$218,265</u>	<u>\$1,031,469</u>	<u>\$ 703,839</u>	<u>\$871,114</u>	<u>\$ 48,741</u>	<u>\$2,873,428</u>
<b>EXPENDITURES:</b>						
Current-						
Judicial	\$ 32,333	\$ 566,085	\$ 0	\$ 0	\$ 0	\$ 598,418
Health & Welfare	0	0	858,847	871,114	125,470	1,855,431
Economic Development	0	0	0	0	0	0
Animal Control	0	0	0	0	335,461	335,461
Capital Outlay	0	0	0	0	9,535	9,535
Total Expenditures	<u>\$ 32,333</u>	<u>\$ 566,085</u>	<u>\$ 858,847</u>	<u>\$871,114</u>	<u>\$ 470,466</u>	<u>\$2,798,845</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$185,932</u>	<u>\$ 465,384</u>	<u>\$(155,008)</u>	<u>\$ 0</u>	<u>\$(421,725)</u>	<u>\$ 74,583</u>
<b>OTHER FINANCING SOURCES(USES):</b>						
Operating Transfers In	\$ 0	\$ 0	\$ 182,842	\$ 0	\$ 481,136	\$ 663,978
Sale of Assets	0	0	0	0	475	475
Operating Transfers Out	0	0	0	0	0	0
Total Other Financing	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 182,842</u>	<u>\$ 0</u>	<u>\$ 481,611</u>	<u>\$ 664,453</u>
Net Change in Fund Balance	\$185,932	\$ 465,384	\$ 27,834	\$ 0	\$ 59,886	\$ 739,036
Fund Balances-Beginning of Year	604,188	83,312	28,879	0	62,622	779,001
Fund Balances-End of Year	<u>\$790,120</u>	<u>\$ 548,696</u>	<u>\$ 56,713</u>	<u>\$ 0</u>	<u>\$ 122,508</u>	<u>\$1,518,037</u>

See independent auditor's report.

DeSoto Parish Police Jury  
Schedule of Compensation Paid to Police Jurors  
For the Year Ended December 31, 2017

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	\$ 601
Charlie Roberts	19,200	650
Ernel Jones	19,316	892
Greg Baker	19,200	815
Jarrell O. Burch	19,200	199
Jeri Berrell	19,200	740
Jim Davlin	19,200	958
Reggie Roe	23,884	817
Richard Fuller	19,200	2,294
Rodriguez Ross	19,200	559
Thomas Jones	<u>19,200</u>	<u>1,629</u>
Total	<u>\$216,000</u>	<u>\$10,154</u>

See independent auditor's report.

DeSoto Parish Police Jury  
Mansfield, Louisiana  
Schedule of Expenditures of Federal Awards  
For the Year Ended December 31, 2017

Federal Grantor/Pass-through Grantor/Program Title	CFDA Number	Federal Revenues	Federal Expenditures	Amount Provided Subrecipients
<b>United States Department of Housing and Urban Development:</b>				
Direct Program - Lower Income Housing Assistance Program	14.871	\$ 862,351	\$ 862,351	-
Emergency Shelter Grant Program	14.231	9,247	9,247	-
<b>Total Department of Housing and Urban Development</b>		<b>\$ 871,598</b>	<b>\$ 871,598</b>	<b>-</b>
<b>United States Department of Transportation:</b>				
Passed through Louisiana Department of Transportation and Development:				
Federal Transit Formula Grants (Program 5311)	20.509	\$ 145,348	\$ 145,348	\$ 145,348
Job Access - Reverse Communication (Program 5316)	20.516	8,943	8,943	8,943
<b>Total Department of Transportation</b>		<b>\$ 154,291</b>	<b>\$ 154,291</b>	<b>\$ 154,291</b>

Continued on  
next page.

**United States Department of Health and Human Services:**

Passed through Louisiana Department of Social Services:

Low-Income Energy Assistance Program

93.568      \$ 42,745      \$ 42,745      -

LIHEAP-Weatherization

93.568      349,185      349,185      -

Passed through Department of Labor:

Community Service Block Grant

93.569      101,846      101,846      -

**Total United States Department of Health and  
Human Services**

**\$ 493,776      \$ 493,776      -**

DeSoto Parish Police Jury  
Mansfield, Louisiana  
Schedule of Expenditures of Federal Awards  
For the Year Ended December 31, 2017

Federal Grantor/Pass-through Grantor/Program Title	CFDA Number	Federal Revenues	Federal Expenditures	Amount Provided Subrecipients
<b>United States Department of Energy:</b>				
Passed through the Louisiana Housing Finance Agency				
Weatherization Assistance for Low Income Persons	81.042	\$ 97,271	\$ 97,271	-
<b>Total United States Department of Energy</b>		\$ 97,271	\$ 97,271	-
<b>Total Federal Financial Assistance</b>		\$1,616,936	\$1,616,936	\$154,291

See independent auditor's report.

DeSoto Parish Police Jury  
Notes to the Schedule of Expenditures of Federal Awards  
Year Ended December 31, 2017

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, 2017. 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, 2017

<u>Line Item No.</u>	<u>Description</u>	<u>Total Project</u>
111	Cash-Unrestricted	\$204,672
122	Accounts Receivable – HUD	<u>62,000</u>
190	Total Assets	<u>\$266,672</u>
313	Accounts Payable	\$144,470
342-010	Deferred Revenue-Operating Subsidy	22,202
347	Inter-program Due to	<u>100,000</u>
310	Total Current Liabilities	<u>\$266,672</u>
600	Total Liabilities & Equity/Net Assets	<u>\$266,672</u>
70710	Management Fee	\$ 92,472
70300	Net Tenant Rental Revenue	769,879
71500	Other Revenue	2,601
71400	Fraud Recovery	<u>6,162</u>
70000	Total Revenue	<u>\$871,114</u>
91300	Management Fee	\$ 95,544
91600	Office Expense	<u>0</u>
91000	Total Operating-Administrative	<u>\$ 95,544</u>
97300	Housing Assistance Payments	<u>\$775,570</u>
90000	Total Expenses	<u>\$871,114</u>

See independent auditor's report.

## OTHER REPORTS

# Johnson, Thomas & Cunningham

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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, 2017, 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 12, 2018.

#### 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. We did identify one deficiency in internal control, described in the accompanying schedule of findings and questioned costs (2017-001) that we consider to be a significant deficiency.

## **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 one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs (2017-002).

## **DeSoto Parish Police Jury's Response to Findings**

DeSoto Parish Police Jury's response to the findings 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 the financial statements and, accordingly, we express no opinion on the response.

## **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.

*Johnson, Thomas & Cunningham, CPA's*  
Johnson, Thomas & Cunningham, CPA's

June 12, 2018  
Natchitoches, Louisiana

# Johnson, Thomas & Cunningham

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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, 2017. 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, 2017.

### **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 2017-003* 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.

*Johnson, Thomas + Cunningham, CPA's*  
Johnson, Thomas & Cunningham, CPA's

June 12, 2018  
Natchitoches, Louisiana

DeSoto Parish Police Jury  
Schedule of Audit Findings and Questioned Costs  
Year Ended December 31, 2017

**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, 2017.
2. The audit disclosed one significant deficiency in internal control (2017-001).
3. The audit disclosed one instance of noncompliance that is required to be reported under *Government Auditing Standards* (2017-002).
4. The audit disclosed one material weakness in internal control over a major program (2017-003).
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 (2017-003).
7. The following program was major for the year ended December 31, 2017:
  - 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 qualify as a low risk auditee.

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

The following findings relate to the financial statements and are required to be reported in accordance with *Government Auditing Standards*.

**Internal Control-**

*2017-001 Control over Office of Community Services Programs*

*Criteria* - Louisiana Revised Statutes require governments to establish an adequate system of internal control to ensure that all programs comply with contractual obligations.

*Condition* - For the year ended December 31, 2017, grantor monitoring reports indicated some health and welfare programs were not in compliance with contractual obligations. This noncompliance has caused one of the programs to be placed on probation and another to be placed on the watch list.

DeSoto Parish Police Jury  
Schedule of Audit Findings and Questioned Costs  
(continued)  
Year Ended December 31, 2017

II. FINDINGS IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS* (continued)

*Effect* - If these programs are discontinued, the Police Jury funds will be materially affected.

*Cause* - The Police Jury does not have an adequate system of internal control to ensure that Office of Community Services programs are operated according to the established contracts.

*Recommendation* - We recommend that the Police Jury take immediate steps to ensure that the Office of Community Services programs are operated in compliance with contractual obligations.

*Management's Response* - The Police Jury and Office of Community Services will review all monitoring reports to ensure that the programs are operated in compliance with contractual obligations in the future. Additionally, the Police Jury and Office of Community Services staff will meet with Louisiana Housing Commission to clarify items included in the monitoring reports that are unclear.

Compliance-

*2017-002 Local Government Budget Act*

*Criteria* - Louisiana State Law requires that when actual revenues are less than budgeted revenues by more than 5% and/or actual expenditures are more than budgeted expenditures by 5% or more, the budget should be amended.

*Condition* - For the year ended December 31, 2017, in the Airport Fund actual expenditures were more than budgeted expenditures by more than the 5% variance allowed, and in the Road Fund actual revenues were less than budgeted revenues by more than the 5% variance allowed.

*Effect* - The budget cannot be used as an effective management tool to control expenditures.

*Cause* - The Airport Fund failed to adequately budget for expenditures which were in excess of the original budget. The Road Fund failed to properly amend the budget when donations and grant income were significantly less than originally budgeted.

*Recommendation* - The Jury should institute procedures to ensure the budget is amended whenever actual revenues are less than budgeted revenues by more than the 5% allowed and when actual expenditures are more than budgeted expenditures by more than the 5% allowed.

*Management's Response* - Management will institute procedures to ensure the budget is amended whenever the actual revenues and expenditures exceed the 5% variance allowed.

DeSoto Parish Police Jury  
Schedule of Audit Findings and Questioned Costs  
(continued)  
Year Ended December 31, 2017

**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-

*2017-003 Financial Reporting*

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

*Condition* - For the year ended December 31, 2017, the Police Jury's submission of GAAP-based audited financial information electronically to HUD was not accurate compared to the general ledger.

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

*Cause* - The figures submitted for FY 2016 included a reporting error in fund balance, which caused the current year submission to be materially misstated.

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

*Management's Response* - Management will contract with a consultant to help resolve issues related to electronic submission of GAAP-based audited financial information to HUD.

**IV. PRIOR YEAR AUDIT FINDINGS**

None identified.

# Johnson, Thomas & Cunningham

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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 to assist the agency in complying with the requirements of the Louisiana Legislative Auditor's (LLA) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal year ended December 31, 2017. We are required to perform each procedure and report the results, including any exceptions. DeSoto Parish Police Jury is responsible for internal controls and compliance with laws and regulations relative to the SAUPs and for selecting the criteria and procedures and determining that such criteria and procedures are appropriate for your purposes.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accounts and the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or noted that the entity does not have any written policies and procedures), as applicable:

- ***Budgeting***, including preparing, adopting, monitoring, and amending the budget

*Written policies and procedures were obtained and address the functions noted above.*

- ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.

*Written policies and procedures were obtained and address the functions noted above.*

- **Disbursements**, including processing, reviewing, and approving

*Written policies and procedures were obtained and address the functions noted above.*

- **Receipts**, including receiving, recording, and preparing deposits

*Written policies and procedures were obtained and address the functions noted above.*

- **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

*Written policies and procedures were obtained and address the functions noted above.*

- **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process

*Written policies and procedures were obtained and address the functions noted above.*

- **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage

*Written policies and procedures were obtained and address the functions noted above.*

- **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers

*Written policies and procedures were obtained and address the functions noted above.*

- **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy. Note: Ethics requirements are not applicable to nonprofits.

*Written policies and procedures were obtained and address the functions noted above.*

- **Debt Service**, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

*This section is not applicable as the Police Jury has no debt.*

***Board (or Finance Committee, if applicable)***

---

2. Obtain and review the board/committee minutes for the fiscal period, and:

- Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.

*We obtained the minutes for all Police Jury meetings held during the year, noting the managing board met in accordance with their policies, without exception.*

- Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).

*Budget-to-actual financial statements are presented at each meeting.*

- If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.

*No deficit spending was noted.*

- Report whether the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period.

*We noted the minutes included non-budgetary financial information in each meeting (i.e., approval of contracts and amendments, bid proposals, and disbursements).*

***Bank Reconciliations***

---

3. Obtain a listing of client bank accounts from management and management's representation that the listing is complete.

*We were provided with the listing by management.*

4. Using the listing provided by management, select all of the entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three year rotating basis (if more than 5 accounts). For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:

- Bank reconciliations have been prepared;

*We obtained bank statements and reconciliations for all months in the fiscal period, noting that reconciliations have been prepared for all months, without exception.*

- Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation; and

*EXCEPTION – Review of selected bank accounts identified one monthly reconciliation that did not contain evidence of review by management or a Jury member with no involvement in the transactions.*

- If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.

*No exception noted with regard to outstanding items.*

### ***Collections***

---

5. Obtain a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.

*Management provided the listing as requested.*

6. Using the listing provided by management, select all of the entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three year rotating basis (if more than 5 locations). **For each cash collection location selected:**

- Obtain existing written documentation (e.g. insurance policy, policy manual, job description) and report whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.

*Management provided the documentation for the selected locations. No exceptions were noted.*

- Obtain existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.

*Management provided the documentation for the selected locations and the Police Jury does have written policies and procedures related to the reconciliation of cash collections to the general ledger, by a person who is not responsible for cash collections.*

- Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:
  - Using entity collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.

*Management provided the required documentation for the selected deposits.*

*EXCEPTION - We noted that deposits were made within 1 to 9 business days of collection.*

- Using sequentially numbered receipts, system reports, or other related collection documentation, verify that daily cash collections are completely supported by documentation and report any exceptions.

*Collection documentation was obtained and no exceptions were noted.*

7. Obtain existing written documentation (e.g. policy manual, written procedure) and report whether the entity has a process specifically defined (identified as such by the entity) to determine completeness of all collections, including electronic transfers, for each revenue source and agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation) by a person who is not responsible for collections.

*Management provided the written procedures for collections, which addresses the process to determine completeness of collections.*

**Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)**

8. Obtain a listing of entity disbursements from management or, alternately, obtain the general ledger and sort/filter for entity disbursements. Obtain management's representation that the listing or general ledger population is complete.

*We obtained the general ledger and sorted for disbursements. We obtained management's representation that the general ledger population was complete.*

9. Using the disbursement population from #8 above, randomly select 25 disbursements (or randomly select disbursements constituting at least one-third of the dollar disbursement population if the entity had less than 25 transactions during the fiscal period), excluding credit card/debit card/fuel card/P-card purchases or payments. Obtain supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and report whether the supporting documentation for each transaction demonstrated that:

- Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.

*All purchase disbursements selected were initiated using a purchase order system. Included in the selection were recurring routine transactions that did not require purchase orders based on the Police Jury's policies and procedures.*

- Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.

*Each selection showed evidence of approval by a person who did not initiate the purchase, without exception.*

- Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice.

*All appropriate documentation was provided for each applicable selection, without exception.*

10. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the person responsible for processing payments is prohibited from adding vendors to the entity's purchasing/disbursement system.

*No exceptions noted.*

11. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.

*We obtained the required documentation and noted no exceptions.*

12. Inquire of management and observe whether the supply of unused checks is maintained in a locked location, with access restricted to those persons that do not have signatory authority, and report any exceptions. Alternately, if the checks are electronically printed on blank check stock, review entity documentation (electronic system control documentation) and report whether the persons with signatory authority have system access to print checks.

*We noted all unused checks are kept in a locked location, with access restricted to those persons that do not have signatory authority.*

13. If a signature stamp or signature machine is used, inquire of the signer whether his or her signature is maintained under his or her control or is used only with the knowledge and consent of the signer. Inquire of the signer whether signed checks are likewise maintained under the control of the signer or authorized user until mailed. Report any exceptions.

*A signature stamp is maintained under the control of the signer or is only used with the knowledge and consent of the signer.*

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

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14. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards), including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

*Management provided the required listing of credit cards.*

15. Using the listing prepared by management, randomly select 10 cards (or at least one-third of the cards if the entity has less than 10 cards) that were used during the fiscal period, rotating cards each year.

Obtain the monthly statements, or combined statements if multiple cards are on one statement, for the selected cards. Select the monthly statement or combined statement with the largest dollar activity for each card (for a debit card, select the monthly bank statement with the largest dollar amount of debit card purchases) and:

- Report whether there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]]

*Monthly statements were obtained and invoices were approved by someone other than the authorized card holder.*

- Report whether finance charges and/or late fees were assessed on the selected statements.

*No finance charges or fees were noted.*

16. Using the monthly statements or combined statements selected under #15 above, obtain supporting documentation for all transactions for each of the 10 cards selected (i.e. each of the 10 cards should have one month of transactions subject to testing).

- For each transaction, we report whether the transaction is supported by:
  - An original itemized receipt (i.e., identifies precisely what was purchased)

*Original receipts were provided for each transaction selected.*

- Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.

*No exceptions noted.*

- Other documentation that may be required by written policy (e.g., purchase order, written authorization.)

*No exceptions noted.*

- For each transaction, we compared the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity's written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e. transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and report any exceptions.

*We noted no exceptions in the selected transactions.*

- For each transaction, we compared the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

*We noted no exceptions in the selected transactions.*

### ***Travel and Expense Reimbursement***

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17. Obtain from management a listing of all travel and related expense reimbursements, by person, during the fiscal period or, alternately, obtain the general ledger and sort/filter for travel reimbursements. Obtain management's representation that the listing or general ledger is complete.

*Management provided a listing of all travel and related expense reimbursements and represented that the listing was complete.*

18. Obtain the entity's written policies related to travel and expense reimbursements. Compare the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)) and report any amounts that exceed GSA rates.

*Policies were obtained. No amounts listed exceed GSA rates.*

19. Using the listing or general ledger from #17 above, select the three persons who incurred the most travel costs during the fiscal period. Obtain the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and choose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:

- Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the entity does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates.

*We noted no exceptions with the Police Jury's written policies in the selected transactions.*

- Report whether each expense is supported by:
  - An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]

*We were provided with an itemized receipt for each of the selected transactions, without exception.*

- Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).

*No exceptions noted.*

- Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance)

*We noted all required documentation was provided with each of the selected transactions, without exception.*

- Compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

*We noted no exceptions in the selected transactions.*

- Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

*No exceptions noted.*

*Contracts*

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20. Obtain a listing of all contracts in effect during the fiscal period or, alternately, obtain the general ledger and sort/filter for contract payments. Obtain management's representation that the listing or general ledger is complete.

*Management provided the requested listing and representation.*

21. Using the listing above, select the five contract "vendors" that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). Obtain the related contracts and paid invoices and:

- Report whether there is a formal/written contract that supports the services arrangement and the amount paid.

*Five contracts were selected. A formal/written contract was provided to support the agreements and amounts paid.*

- Compare each contract's detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:
  - If yes, obtain/compare supporting contract documentation to legal requirements and report whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder)
  - If no, obtain supporting contract documentation and report whether the entity solicited quotes as a best practice.

*No noncompliance noted.*

- Report whether the contract was amended. If so, report the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.

*Two of the selected contracts were amended. (1) The scope is the deleted asbestos and the dollar amount is unknown due to percentage basis cost. (2) The scope is to decrease the miles and to reduce the cost based on the mileage reduction. No exceptions were noted in our procedures.*

- Selected the largest payment from each of the five contracts, obtain the supporting invoice, compare the invoice to the contract terms, and report whether the invoice and related payment complied with the terms and conditions of the contract.

*No exceptions noted.*

- Obtain/review contract documentation and board minutes and report whether there is documentation of board approval, if required by policy or law.

*No exceptions noted.*

***Payroll and Personnel***

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22. Obtain a listing of employees (and elected officials, if applicable) with their related salaries, and obtain management's representation that the listing is complete. Randomly select five employees/officials, obtain their personnel files, and:

- a) Review compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.

*No exceptions noted.*

- b) Review changes made to hourly pay rates/salaries during the fiscal period and report whether those changes were approved in writing and in accordance with written policy.

*All changes to pay rates/salaries were approved in writing and in accordance with policy.*

23. Obtain attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period, randomly select 25 employees/officials (or randomly select one-third of employees/officials if the entity had less than 25 employees during the fiscal period), and:

- a) Report whether all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)

*EXCEPTION - One employee failed to submit a time sheet for the pay period selected.*

- b) Report whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.

*Supervisory approvals were noted on all selections, without exception.*

- c) Report whether there is written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.

*We observed the written leave records maintained for all selections, without exception.*

24. Obtain from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. If applicable, select the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtain the personnel files for the two employees/officials. Report whether the termination payments were made in strict accordance with policy and/or contract and approved by management.

*The Police Jury provided a list of 39 terminations during the fiscal period and represented that the list was complete. We found no exceptions to our procedures in the two termination payments selected.*

25. Obtain supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. Report whether the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.

*We noted no exceptions with regards to payroll taxes and retirement contributions.*

### ***Ethics (excluding nonprofits)***

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26. Using the five randomly selected employees/officials from procedure #22 under "Payroll and Personnel" above, obtain ethics compliance documentation from management and report whether the entity maintained documentation to demonstrate that required ethics training was completed.

*EXCEPTION – We noted that the Police Jury did not require ethics training for student workers.*

27. Inquire of management whether any alleged ethics violations were reported to the entity during the fiscal period. If applicable, review documentation that demonstrates whether management investigated alleged ethics violations, the corrective actions taken, and whether management's actions complied with the entity's ethics policy. Report whether management received allegations, whether management investigated allegations received, and whether the allegations were addressed in accordance with policy.

*Per inquiry of management, there were no alleged ethics violations reported to the Police Jury during the fiscal period.*

### ***Debt Service (excluding nonprofits)***

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28. If debt was issued during the fiscal period, obtain supporting documentation from the entity, and report whether State Bond Commission approval was obtained.

*Not applicable – No debt was issued during the fiscal period.*

29. If the entity had outstanding debt during the fiscal period, obtain supporting documentation from the entity and report whether the entity made scheduled debt service payments and maintained debt reserves, as required by debt covenants.

*The Police Jury had no outstanding debt during the fiscal period.*

30. If the entity had tax millages relating to debt service, obtain supporting documentation and report whether millage collections exceed debt service payments by more than 10% during the fiscal period. Also, report whether any millages continue to be received for debt that has been paid off.

*Not applicable.*

***Other***

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31. Inquire of management whether the entity had any misappropriations of public funds or assets. If so, we obtain/review supporting documentation and report whether the entity reported the misappropriation to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

*Per discussion with the management, there were no funds or assets misappropriated during the period.*

32. We observed whether the entity has posted on its premises and website, the notice required by R.S. 24:523.1. This notice (available for download or print at [www.la.la.gov/hotline](http://www.la.la.gov/hotline)) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.

*We viewed the notice required by R.S. 24:523.1 posted on the Police Jury's premises.*

33. If the practitioner observes or otherwise identifies any exceptions regarding management's representations in the procedures above, report the nature of each exception.

*Not applicable – no exceptions noted.*

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,

*Johnson, Thomas + Cunningham, CPA's*  
Johnson, Thomas & Cunningham, CPA's

June 12, 2018  
Natchitoches, Louisiana

DESOTO PARISH POLICE JURY  
Management's Response to Exceptions to  
Statewide Agreed-Upon Procedures  
For the Year Ended December 31, 2017

MANAGEMENT'S RESPONSE TO EXCEPTIONS:

- Item 4: The Police Jury will implement procedures to ensure that a member of management or a Police Juror (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation.
- Item 6: The Police Jury will implement procedures to ensure that deposits are made within one day of collection or within a reasonable amount of time according to their policy.
- Item 23: The Police Jury has a policy requiring employees to report all attendance and leave on time sheets. The exception in these procedures was caused by one former employee who claimed that a time sheet had been submitted for the final pay period, but failed to produce a duplicate when the original was not able to be located.
- Item 26: The Police Jury requires the mandatory ethics training for all public servants; however, management was not aware that the mandate was applicable to part-time student workers. Effectively immediately, the Police Jury has implemented procedures to have all employees (including student workers) properly trained and will institute the ethics training into their student worker orientation.