

**DESOTO PARISH POLICE JURY
ANNUAL FINANCIAL REPORT**

DECEMBER 31, 2014

DeSoto Parish Police Jury
Annual Financial Report
December 31, 2014

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DeSoto Parish Police Jury

101 Franklin Street, Mansfield, Louisiana 71052
PHONE: (318) 872-0738 FAX: (318) 872-5343

Management's Discussion and Analysis

OFFICERS

Reggie C. Roe
President

Ernel Jones
Vice President

Steven W. Brown
Parish Administrator

Jodi Zeigler
Secretary

Linda B. Gatlin
Treasurer

MEMBERS

Charlie Roberts
Keatchie, LA 71046
District 1A

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

J. O. Burch
Mansfield, LA 71052
District 1C

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

Greg Baker
Stonewall, LA 71078
District 3

Richard Fuller
Mansfield, LA 71052
District 4A

Jeff Heard
Mansfield, LA 71052
District 4B

Ernel Jones
Mansfield, LA 71052
District 4C

Thomas Jones
Mansfield, LA 71052
District 4D

Reggie Roe
Frierson, LA 71027
District 5

Ricky McPhearson
Pelican, LA 71063

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, 2014. 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 \$114,070,768 (net position). Of this amount, \$40,278,868 (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 \$114,058,879. Of this total amount, \$40,277,154 is unassigned and available for use within the Police Jury's designation and policies.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$12,640,531 or 99% of the total general fund fund balance.
- The Police Jury's bond and notes payable totaled \$5,776.

Overview of the Financial Statements

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

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

The Statement of Net Position presents information on all of the Police Jury's assets and liabilities, 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 12 and 13 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 13 governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general, solid waste, road, airport, jail and sales tax funds, all of which are considered to be major funds. Data from the other funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report. The basic governmental funds financial statements can be found on pages 15 through 21.

Management's Discussion and Analysis
For Year Ended December 31, 2014

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 22 through 24 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 26 through 54.

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 \$114,070,768 as of December 31, 2014, which is an increase of \$1,799,091 above December 31, 2013.

The largest portion of the Police Jury's net position (65%) 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, 2013</u>			<u>As of December 31, 2014</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	\$ 43,317,986	\$ 4,337	\$ 43,322,323	\$ 47,215,676	\$ 3,484	\$ 47,219,160
Capital assets	<u>75,371,606</u>	<u>10,175</u>	<u>75,381,781</u>	<u>73,781,725</u>	<u>10,175</u>	<u>73,791,900</u>
Total Assets	<u>\$118,689,592</u>	<u>\$14,512</u>	<u>\$118,704,104</u>	<u>\$120,997,401</u>	<u>\$13,659</u>	<u>\$121,011,060</u>
Long term liabilities	\$ 4,926,977	\$ 0	\$ 4,926,977	\$ 5,544,271	\$ 0	\$ 5,544,271
Other liabilities	<u>1,502,849</u>	<u>2,601</u>	<u>1,505,450</u>	<u>1,394,251</u>	<u>1,770</u>	<u>1,396,021</u>
Total Liabilities	<u>\$ 6,429,826</u>	<u>\$ 2,601</u>	<u>\$ 6,432,427</u>	<u>\$ 6,938,522</u>	<u>\$ 1,770</u>	<u>\$ 6,940,292</u>
Net Position:						
Net investment						
in capital assets	\$ 75,360,685	\$10,175	\$ 75,370,860	\$ 73,775,949	\$10,175	\$ 73,786,124
Restricted	10,921	0	10,921	5,776	0	5,776
Unrestricted net position	<u>36,888,160</u>	<u>1,736</u>	<u>36,889,896</u>	<u>40,277,154</u>	<u>1,714</u>	<u>40,278,868</u>
Total Net Position	<u>\$112,259,766</u>	<u>\$11,911</u>	<u>\$112,271,677</u>	<u>\$114,058,879</u>	<u>\$11,889</u>	<u>\$114,070,768</u>

Management's Discussion and Analysis
For Year Ended December 31, 2014

An additional portion of the Police Jury's net position listed as restricted for debt service represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position of \$40,278,868 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 year ended December 31, 2013 and December 31, 2014. 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, 2013</u>			<u>As of December 31, 2014</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	\$ 3,153,794	\$ 11,667	\$ 3,165,461	\$ 2,737,702	\$ 13,837	\$ 2,751,539
Operating grants and contributions	5,913,058	0	5,913,058	4,578,954	0	4,578,954
Capital grants and contributions	462,442	0	462,442	398,964	0	398,964
General Revenues:						
Ad valorem taxes	11,903,890	0	11,903,890	12,327,537	0	12,327,537
Sales and use tax	7,022,500	0	7,022,500	7,344,797	0	7,344,797
Severance	1,412,788	0	1,412,788	1,233,958	0	1,233,958
Tourism	144,811	0	144,811	104,653	0	104,653
Video poker	128,344	0	128,344	137,400	0	137,400
Investment Earnings	(79,777)	0	(79,777)	483,798	0	483,798
State Revenue Sharing	56,559	0	56,559	51,600	0	51,600
Gain (loss) on sale/retirement of fixed assets	13,390	0	13,390	0	0	0
Rental, leases & royalties	731,230	0	731,230	624,592	0	624,592
Miscellaneous	<u>253,944</u>	<u>0</u>	<u>253,944</u>	<u>421,020</u>	<u>0</u>	<u>421,020</u>
Total Revenues	<u>\$ 31,116,973</u>	<u>\$ 11,667</u>	<u>\$ 31,128,640</u>	<u>\$ 30,444,975</u>	<u>\$ 13,837</u>	<u>\$ 30,458,812</u>
Expenses:						
General government	\$ 5,629,416	\$ 0	\$ 5,629,416	\$ 6,078,670	\$ 0	\$ 6,078,670
Public safety	1,012,619	0	1,012,619	1,096,246	0	1,096,246
Public works	8,949,273	0	8,949,273	10,446,041	0	10,446,041
Sanitation	3,857,649	0	3,857,649	4,058,906	0	4,058,906
Culture and recreation	342,350	0	342,350	279,817	0	279,817
Health and welfare	3,477,337	0	3,477,337	2,206,951	0	2,206,951
Economic development	3,278,177	0	3,278,177	3,299,353	0	3,299,353
Transportation	764,110	0	764,110	814,370	0	814,370
Animal control	411,754	0	411,754	345,903	0	345,903
Interest on long-term debt	241	0	241	255	0	255
Eastside sewer	<u>0</u>	<u>32,468</u>	<u>32,468</u>	<u>0</u>	<u>33,209</u>	<u>33,209</u>
Total Expenses	<u>\$ 27,722,926</u>	<u>\$ 32,468</u>	<u>\$ 27,755,394</u>	<u>\$ 28,626,512</u>	<u>\$ 33,209</u>	<u>\$ 28,659,21</u>

Management's Discussion and Analysis
For Year Ended December 31, 2014

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

	<u>As of December 31, 2013</u>			<u>As of December 31, 2014</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	\$ 3,394,047	\$(20,801)	\$ 3,373,246	\$ 1,818,463	\$(19,372)	\$ 1,799,091
Transfers	<u>(21,150)</u>	<u>21,150</u>	<u>0</u>	<u>(19,350)</u>	<u>19,350</u>	<u>0</u>
Increase in net position	\$ 3,372,897	\$ 349	\$ 3,373,246	\$ 1,799,113	\$ (22)	\$ 1,799,091
Beginning Net Position	<u>108,886,869</u>	<u>11,562</u>	<u>108,898,431</u>	<u>112,259,766</u>	<u>11,911</u>	<u>112,271,677</u>
Ending Net Position	<u>\$112,259,766</u>	<u>\$ 11,911</u>	<u>\$112,271,677</u>	<u>\$114,058,879</u>	<u>\$ 11,889</u>	<u>\$114,070,768</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 \$45,212,702 (an increase of 9% from 2013 fiscal year). Of this total amount, \$12,640,531 constitutes unassigned fund balance. \$188,744 is assigned and intended for specific purposes, but may be unassigned at any time. \$38,185 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 two 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, 2014 amounts to \$73,791,900 (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:

- Fueling Station for the Road Department.
- Updated furniture and equipment.
- Linwood Compactor Site.

Management's Discussion and Analysis
For Year Ended December 31, 2014

**Capital Assets at Year-end
Net of Accumulated Depreciation
As of December 31, 2014**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Land	\$ 1,979,943	\$10,175	\$ 1,990,118
Construction in Progress	1,040,897	0	1,040,897
Buildings and improvements	13,940,191	0	13,940,191
Land improvements	5,640,752	0	5,640,752
Furniture and equipment	5,368,573	0	5,368,573
Utility System	0	0	0
Infrastructure	<u>45,811,369</u>	<u>0</u>	<u>45,811,369</u>
Total	<u>\$73,781,725</u>	<u>\$10,175</u>	<u>\$73,791,900</u>

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

Economic Factors and Next Year's Budgets and Rates

In the fiscal year 2015 budget, general fund revenues are budgeted at a .03 percent decrease from the 2014 budget year. Program revenues are budgeted to remain unchanged. The 2015 eastside sewer fund operations are budgeted with a loss and a corresponding transfer from the general fund.

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 P. O. Box 898, Mansfield, Louisiana, 71052, call (318) 872-0738.

Johnson, Thomas & Cunningham

Certified Public Accountants

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

Mark D. Thomas, CPA - A Professional Corporation
Roger M. Cunningham, CPA - A Professional Corporation
Jessica H. Broadway, CPA - A Professional Corporation
Ryan E. Todtenbier, CPA - A Professional Corporation

321 Bienville Street
Natchitoches, Louisiana 71457
(318) 352-3652
Fax (318) 352-4447

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, 2014, 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, 2014, 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, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 1 through 6 be presented to supplement the basic financial statements. Act 706 of the Louisiana 2014 Legislative Session requires a Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer on page 62 to supplement the 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, or Louisiana State Law, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the management's discussion and analysis and Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of

management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of the DeSoto Parish Police Jury's primary government. The budgetary comparisons listed as other required supplementary information in the table of contents and the combining nonmajor fund financial statements, schedule of compensation paid to police jurors, and 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 U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. The schedule of expenditures of federal awards is also not a required part of the basic financial statements.

The budgetary comparison statements, combining nonmajor fund financial statements, schedule of compensation paid to police jurors, financial data schedule, and schedule of expenditures of federal awards 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 budgetary comparison statements, combining nonmajor fund financial statements, schedule of compensation paid to police jurors, financial data schedule, and schedule of expenditures of federal awards 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 also issued our report dated June 24, 2015, 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 that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the DeSoto Parish Police Jury's internal control over financial reporting and compliance.


Johnson, Thomas & Cunningham, CPA's

June 24, 2015
Natchitoches, Louisiana

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE
FINANCIAL STATEMENTS

DeSoto Parish Police Jury
Government-Wide Statement of Net Position
December 31, 2014

	Governmental <u>Activities</u>	Business-Type <u>Activities</u>	<u>Total</u>
Assets:			
Cash & Cash Equivalents	\$ 13,162,797	\$ 228	\$ 13,163,025
Investments	20,355,526	0	20,355,526
Receivables (net of allowances for uncollectibles)	13,659,168	3,256	13,662,424
Inventory	38,185	0	38,185
Capital Assets (net)	<u>73,781,725</u>	<u>10,175</u>	<u>73,791,900</u>
Total Assets	<u>\$120,997,401</u>	<u>\$13,659</u>	<u>\$121,011,060</u>
Liabilities:			
Accounts Payable	\$ 1,106,355	\$ 1,500	\$ 1,107,855
Master Bank Overdrafts	55,314	0	55,314
Deposit Balances	1,800	270	2,070
Advance from Grantors	22,885	0	22,885
Due to Other Governments	207,897	0	207,897
Landfill Post Closure Liability	2,298,127	0	2,298,127
Compensated Absences	307,960	0	307,960
Other Postemployment Benefit Obligation	2,932,408	0	2,932,408
Long-term Liabilities-			
Due Within One Year	5,326	0	5,326
Due in More than One Year	<u>450</u>	<u>0</u>	<u>450</u>
Total Liabilities	<u>\$ 6,938,522</u>	<u>\$ 1,770</u>	<u>\$ 6,940,292</u>
Net Position:			
Net Investment in Capital Assets	\$ 73,775,949	\$10,175	\$ 73,786,124
Restricted for Debt Service	5,776	0	5,776
Unrestricted	<u>40,277,154</u>	<u>1,714</u>	<u>40,278,868</u>
Total Net Position	<u>\$114,058,879</u>	<u>\$11,889</u>	<u>\$114,070,768</u>

See notes to financial statements.

DeSoto Parish Police Jury
Government-Wide Statement of Activities
For the Year Ended December 31, 2014

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	\$ 400,475	\$ 0	\$ 0	\$ 0	\$ (400,475)	\$ 0	\$ (400,475)
Judicial	2,693,579	1,016,052	0	0	(1,677,527)	0	(1,677,527)
Elections	101,110	0	0	0	(101,110)	0	(101,110)
Finance & Administration	2,029,058	312,381	11,382	0	(1,705,295)	0	(1,705,295)
Other	854,448	0	0	0	(854,448)	0	(854,448)
Public Safety	1,096,246	0	111,066	0	(985,180)	0	(985,180)
Public Works	10,446,041	197,301	0	398,964	(9,849,776)	0	(9,849,776)
Sanitation	4,058,906	946,774	0	0	(3,112,132)	0	(3,112,132)
Culture & Recreation	279,817	0	0	0	(279,817)	0	(279,817)
Health & Welfare	2,206,951	0	1,605,452	0	(601,499)	0	(601,499)
Economic Development	3,299,353	0	2,689,861	0	(609,492)	0	(609,492)
Transportation	814,370	242,760	160,493	0	(411,117)	0	(411,117)
Animal Control	345,903	22,434	700	0	(322,769)	0	(322,769)
Interest on Long-term Debt	<u>255</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(255)</u>	<u>0</u>	<u>(255)</u>
Total Governmental Activities	<u>\$28,626,512</u>	<u>\$2,737,702</u>	<u>\$4,578,954</u>	<u>\$398,964</u>	<u>\$ (20,910,892)</u>	<u>\$ 0</u>	<u>\$ (20,910,892)</u>
Business-Type Activities:							
Eastside Sewer	<u>\$ 33,209</u>	<u>\$ 13,837</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$(19,372)</u>	<u>\$ (19,372)</u>
Total Government	<u>\$28,659,721</u>	<u>\$2,751,539</u>	<u>\$4,578,954</u>	<u>\$398,964</u>	<u>\$ (20,910,892)</u>	<u>\$(19,372)</u>	<u>\$ (20,930,264)</u>
General Revenues:							
Taxes-							
Ad Valorem					\$ 12,327,537	\$ 0	\$ 12,327,537
Sales & Use					7,344,797	0	7,344,797
Severance					1,233,958	0	1,233,958
Tourism					104,653	0	104,653
Video Poker					137,400	0	137,400
Investment Earnings					483,798	0	483,798
State Revenue Sharing					51,600	0	51,600
Rentals, Leases & Royalties					624,592	0	624,592
Other Miscellaneous					421,020	0	421,020
Transfers					<u>(19,350)</u>	<u>19,350</u>	<u>0</u>
Total General Revenues & Transfers					<u>\$ 22,710,005</u>	<u>\$ 19,350</u>	<u>\$ 22,729,355</u>
Change in Net Position					\$ 1,799,113	\$ (22)	\$ 1,799,091
Net Position at Beginning of Year					<u>112,259,766</u>	<u>11,911</u>	<u>112,271,677</u>
Net Position at End of Year					<u>\$114,058,879</u>	<u>\$ 11,889</u>	<u>\$114,070,768</u>

See notes to financial statements.

FUND FINANCIAL STATEMENTS

DeSoto Parish Police Jury
Balance Sheet-Governmental Funds
December 31, 2014

	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	\$ 1,781,428	\$ 3,599,880	\$1,648,535	\$ 345,044	\$4,820,618	\$ 3,000	\$ 964,292	\$13,162,797
Investments	7,067,168	6,352,258	10,699	6,925,401	0	0	0	20,355,526
Revenue Receivables	4,148,243	4,276,536	4,141,732	65,057	0	805,224	178,376	13,615,168
Inventory	0	0	0	38,185	0	0	0	38,185
Due from Other Funds	201,448	119,358	397,861	0	79,572	0	0	798,239
Noncurrent Receivable	0	0	44,000	0	0	0	0	44,000
Total Assets	<u>\$13,198,287</u>	<u>\$14,348,032</u>	<u>\$6,242,827</u>	<u>\$7,373,687</u>	<u>\$4,900,190</u>	<u>\$808,224</u>	<u>\$1,142,668</u>	<u>\$48,013,915</u>
<u>Liabilities</u>								
Accounts Payable	\$ 296,375	\$ 245,861	\$ 345,433	\$ 7,088	\$ 22,052	\$ 9,502	\$ 180,044	\$ 1,106,355
Due to Other Funds	0	0	0	0	0	599,791	198,448	798,239
Master Bank Overdrafts	0	0	0	0	0	0	55,314	55,314
Due to Other Governments	8,966	0	0	0	0	198,931	0	207,897
Advance from Grantors	0	0	0	0	0	0	22,885	22,885
Deposits	1,800	0	0	0	0	0	0	1,800
Total Liabilities	<u>\$ 307,141</u>	<u>\$ 245,861</u>	<u>\$ 345,433</u>	<u>\$ 7,088</u>	<u>\$ 22,052</u>	<u>\$808,224</u>	<u>\$ 456,691</u>	<u>\$ 2,192,490</u>
<u>Deferred Inflows of Resources</u>								
Unavailable Property Taxes	<u>\$ 236,806</u>	<u>\$ 195,922</u>	<u>\$ 175,995</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 608,723</u>

See notes to financial statements.

Continued next page.

DeSoto Parish Police Jury
Balance Sheet-Governmental Funds
December 31, 2014

	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	\$ 38,185	\$ 0	\$ 0	\$ 0	\$ 38,185
Restricted for-								
Airport	0	0	0	7,328,414	0	0	0	7,328,414
Judicial	0	0	0	0	0	0	69	69
Public Safety	0	0	0	0	4,878,138	0	0	4,878,138
Roads	0	0	5,721,399	0	0	0	0	5,721,399
Sanitation	0	13,906,249	0	0	0	0	0	13,906,249
Health & Welfare	0	0	0	0	0	0	52,581	52,581
Witness & Juror Fees	0	0	0	0	0	0	458,392	458,392
Assigned to-								
Self-Insured Premiums	13,809	0	0	0	0	0	0	13,809
Animal Control	0	0	0	0	0	0	174,935	174,935
Unassigned	<u>12,640,531</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>12,640,531</u>
Total Fund Balances	<u>\$12,654,340</u>	<u>\$13,906,249</u>	<u>\$5,721,399</u>	<u>\$7,366,599</u>	<u>\$4,878,138</u>	<u>\$ 0</u>	<u>\$ 685,977</u>	<u>\$45,212,702</u>
Total Liabilities, Deferred Inflows of Resources & Fund Balances	<u>\$13,198,287</u>	<u>\$14,348,032</u>	<u>\$6,242,827</u>	<u>\$7,373,687</u>	<u>\$4,900,190</u>	<u>\$808,224</u>	<u>\$1,142,668</u>	<u>\$48,013,915</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, 2014

Total Fund Balances of the Governmental Funds \$ 45,212,702

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	268,248,396
Less, Accumulated Depreciation	(194,466,671)

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. 608,723

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-

Capital Leases	(5,776)
Landfill Post Closure Liability	(2,298,127)
Other Post Employment Benefit Obligation	(2,932,408)
Compensated Absences	<u>(307,960)</u>

Total Net Position of Governmental Activities \$114,058,879

See notes to financial statements.

DeSoto Parish Police Jury
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
Year Ended December 31, 2014

	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	\$ 3,901,027	\$ 4,154,232	\$ 4,126,647	\$ 0	\$ 0	\$ 0	\$ 0	\$12,181,906
Sales and Use	0	1,422,890	4,742,967	0	948,593	230,347	0	7,344,797
Severance	566,979	0	666,979	0	0	0	0	1,233,958
Tourism	104,653	0	0	0	0	0	0	104,653
Licenses & Permits	195,729	0	0	0	0	0	0	195,729
Intergovernmental Revenues-								
Federal Grants	152,568	0	0	0	0	0	4,290,128	4,442,696
State Funds-								
Parish Transportation Funds	0	0	363,404	0	0	0	0	363,404
Grants	11,382	0	25,560	6,675	0	0	0	43,617
State Revenue Sharing (net)	18,196	0	33,404	0	0	0	0	51,600
Video Poker	137,400	0	0	0	0	0	0	137,400
Fire Insurance Rebate	111,066	0	0	0	0	0	0	111,066
Fees, Charges, & Commissions	116,651	946,773	181,894	242,760	0	0	22,434	1,510,512
Fines & Forfeits	0	0	15,407	0	0	0	1,016,052	1,031,459
Investment Earnings	193,055	29,072	3,398	250,020	5,029	1,260	1,964	483,798
Rents & Royalties	489,572	0	0	135,020	0	0	0	624,592
Contributions	0	0	10,000	1,250	0	0	5,885	17,135
Other Revenues	111,211	7,728	28,609	0	0	0	273,472	421,020
Total Revenues	<u>\$ 6,109,489</u>	<u>\$ 6,560,695</u>	<u>\$10,198,269</u>	<u>\$635,725</u>	<u>\$ 953,622</u>	<u>\$231,607</u>	<u>\$5,609,935</u>	<u>\$30,299,342</u>

See notes to financial statements.

Continued next page.

DeSoto Parish Police Jury
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
Year Ended December 31, 2014

	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	\$ 400,475	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 400,475
Judicial	1,328,912	0	0	0	0	0	1,189,017	2,517,929
Elections	101,110	0	0	0	0	0	0	101,110
Finance & Administrative	1,160,676	173,141	169,226	0	0	0	0	1,503,043
Other	609,400	0	0	0	0	231,607	0	841,007
Public Safety	125,841	0	0	0	769,057	0	0	894,898
Public Works	0	0	8,736,612	0	0	0	0	8,736,612
Sanitation	0	2,777,298	0	0	0	0	0	2,777,298
Cultural & Recreation	223,345	0	0	0	0	0	0	223,345
Health & Welfare	223,400	0	0	0	0	0	1,861,567	2,084,967
Economic Development	467,288	0	0	0	0	0	2,689,861	3,157,149
Transportation	0	0	0	546,998	0	0	0	546,998
Animal Control	0	0	0	0	0	0	310,136	310,136
Capital Outlay	258,117	1,172,907	754,212	119,184	14,550	0	0	2,318,970
Debt Service-								
Principal Retirement	0	0	0	5,145	0	0	0	5,145
Interest & Other Charges	0	0	0	255	0	0	0	255
Total Expenditures	<u>\$ 4,898,564</u>	<u>\$ 4,123,346</u>	<u>\$ 9,660,050</u>	<u>\$ 671,582</u>	<u>\$ 783,607</u>	<u>\$231,607</u>	<u>\$6,050,581</u>	<u>\$26,419,337</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$ 1,210,925</u>	<u>\$ 2,437,349</u>	<u>\$ 538,219</u>	<u>\$ (35,857)</u>	<u>\$ 170,015</u>	<u>\$ 0</u>	<u>\$ (440,646)</u>	<u>\$ 3,880,005</u>

See notes to financial statements.

Continued next page.

DeSoto Parish Police Jury
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
Year Ended December 31, 2014

	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	\$ 22,734	\$ 0	\$ 950,000	\$ 0	\$ 0	\$ 0	\$ 615,872	\$ 1,588,606
Operating Transfers Out	<u>(635,222)</u>	<u>(950,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(22,734)</u>	<u>(1,607,956)</u>
Total Other Financing	<u>\$ (612,488)</u>	<u>\$ (950,000)</u>	<u>\$ 950,000</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 593,138</u>	<u>\$ (19,350)</u>
Net Change in Fund Balance	\$ 598,437	\$ 1,487,349	\$ 1,488,219	\$ (35,857)	\$ 170,015	\$ 0	\$ 152,492	\$ 3,860,655
Fund Balances- Beginning of Year	<u>12,055,903</u>	<u>12,418,900</u>	<u>4,233,180</u>	<u>7,402,456</u>	<u>4,708,123</u>	<u>0</u>	<u>533,485</u>	<u>41,352,047</u>
Fund Balances- End of Year	<u>\$12,654,340</u>	<u>\$13,906,249</u>	<u>\$ 5,721,399</u>	<u>\$7,366,599</u>	<u>\$4,878,138</u>	<u>\$ 0</u>	<u>\$ 685,977</u>	<u>\$45,212,702</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, 2014

Net Change in Fund Balance - Governmental Funds \$ 3,860,655

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 2,318,970

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 (3,908,851)

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	145,633
General Obligation Debt Payments	5,145
Net OPEB Obligation	(466,216)
Landfill Post Closure	(132,521)
Accrued Compensated Absences	<u>(23,702)</u>

Change in Net Position of Governmental Activities \$ 1,799,113

See notes to financial statements.

DeSoto Parish Police Jury
Statement of Net Position
Proprietary Fund
Year Ended December 31, 2014

	<u>Business-Type Activities</u>
	<u>Enterprise Fund</u>
	<u>Eastside Sewer Fund</u>
Assets-	
Current Assets-	
Cash & Cash Equivalents	\$ 228
Receivables	<u>3,256</u>
Total Current Assets	\$ 3,484
Noncurrent Assets-	
Capital Assets	<u>10,175</u>
Total Assets	<u>\$13,659</u>
Liabilities-	
Current Liabilities-	
Accounts Payable	\$ 1,500
Noncurrent Liabilities-	
Customer's Deposits	<u>270</u>
Total Liabilities	<u>\$ 1,770</u>
Net Position-	
Net Investment in Capital Assets	\$10,175
Unrestricted	<u>1,714</u>
Total Net Position	<u>\$11,889</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, 2014

	<u>Business-Type Activities</u>
	<u>Enterprise Fund</u>
	<u>Eastside Sewer Fund</u>
Operating Revenues:	
Charges for Services-	
Reimbursement of Fees	\$ <u>13,837</u>
Operating Expenses:	
General & Administrative	\$ 20,900
Official Fees	1,440
Professional Fees	2,775
Materials, Supplies, & Repairs	925
Utilities & Communications	<u>7,169</u>
Total Operating Expenses	\$ <u>33,209</u>
Loss from Operations	\$(19,372)
Transfers In	<u>19,350</u>
Change in Net Position	\$ (22)
Net Position at Beginning of Year	<u>11,911</u>
Net Position at End of Year	\$ <u>11,889</u>

See notes to financial statements.

DeSoto Parish Police Jury
Statement of Cash Flows
Proprietary Fund
Year Ended December 31, 2014

	<u>Business-Type Activities</u>
	<u>Enterprise Fund</u>
	<u>Eastside Sewer Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash Received from Customers	\$ 14,653
Cash Payments to Suppliers for Goods and Services	(34,040)
Net Cash Provided by Operating Activities	\$(19,387)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:	
Transfers from Other Funds	<u>19,350</u>
Net Decrease in Cash & Cash Equivalents	\$ (37)
CASH & CASH EQUIVALENTS:	
Beginning of Year	<u>265</u>
End of Year	<u>\$ 228</u>
RECONCILIATION OF LOSS FROM OPERATIONS	
TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Loss from Operations	\$(19,372)
Adjustments-	
(Increase)/Decrease in Accounts Receivable	816
Increase/(Decrease) in Accounts Payable	<u>(831)</u>
Net Cash Used by Operations	<u>\$(19,387)</u>

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

DeSoto Parish Police Jury
Mansfield, Louisiana

Notes to the Financial Statements
December 31, 2014

Introduction

DeSoto Parish, located in Northwest Louisiana, was established by Act 88 of 1843. The Parish has a population of approximately 26,383. 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, 2016.

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

1. Summary of Significant Accounting Policies

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

A. Reporting Entity

As the governing authority of the parish, for reporting purposes, the DeSoto Parish Police Jury is the financial reporting entity for DeSoto Parish. The financial reporting entity consists of (a) the primary government (Police Jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the Police Jury is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

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

DeSoto Parish Police Jury
Mansfield, Louisiana

Notes to the Financial Statements
December 31, 2014

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.

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

DeSoto Parish Police Jury
Mansfield, Louisiana

Notes to the Financial Statements
December 31, 2014

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.

The following are the Police Jury's governmental funds:

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

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

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

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

D. Measurement Focus and Basis of Accounting

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

Government-Wide Financial Statements (GWFS)

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

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

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

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

Fund Financial Statement (FFS)

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

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

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

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

Major Governmental Funds:

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

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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.

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

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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). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Police Jury considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred; however, principle and interest on general obligation long-term debt is recognized when due.

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

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

Ad valorem taxes and the related state revenue sharing are recorded in the year the taxes are assessed. Ad valorem taxes are assessed on a calendar year basis and attach as an enforceable lien and become due and payable on the date the tax rolls are filed with the recorder of mortgages. Louisiana Revised Statute 47:1993 requires that the tax roll be filed on or before November 15 of each year. Ad valorem taxes become delinquent if not paid by December 31. The taxes are generally collected in December of the current year and January and February of the ensuing year.

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

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

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

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

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

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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, 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.

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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.

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".

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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 net position.

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

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

J. Advances

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

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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.

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.

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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.

The Police Jury's long-term debt consists of capital leases.

P. Fund Equity

Net Position

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

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

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

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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.

At December 31, 2014, \$32,345,242 of the Police Jury's fund balance was restricted by enabling legislation, \$38,185 was nonspendable held as inventory, \$188,744 was assigned, and \$12,640,531 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

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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.

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.

The property tax calendar:

Assessment date	January 1, 2014
Levy date	June 30, 2014
Tax bills mailed	October 15, 2014
Total taxes are due	December 31, 2014
Penalties & interest added	January 31, 2015
Tax sale	May 16, 2015

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 2, 2012. Total assessed value was \$775,201,006 in 2014. 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 \$40,589,314 of the assessed value in 2014. For the year ended December 31, 2014, the Police Jury authorized ad valorem tax millages of 16.77 mills and levied taxes of 16.77 mills.

The following is a summary of authorized and levied ad valorem taxes for the primary government for the year ended December 31, 2014:

	Maximum Millage	Authorized Millage	Levied Millage	Expiration Date
Parishwide taxes:				
General Fund	4.21	4.21	4.21	Indefinite
Road Maintenance	5.62	5.62	5.62	2023
Landfill	5.75	5.75	5.75	2015
Courthouse Maintenance	1.19	1.19	1.19	2017

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The following are the principal taxpayers for the parish and their 2014 assessed valuations:

		2014 Assessed Valuation	2014 Assessed Tax	Percent of Total Assessed Valuation
Chesapeake Operating, I	Oil & Gas	\$ 7,262,681	\$121,795	0.94%
EXCO Partners Operating Partnership	Oil & Gas	6,972,847	116,935	0.90%
International Paper Co.	Manufacturer	5,405,042	90,643	0.70%
Louisiana Midstream Gas	Oil & Gas	3,163,781	53,057	0.41%
Southwestern Electric Power	Utility	3,084,458	51,726	0.40%
Acadian Gas Pipeline	Oil & Gas	3,080,437	51,659	0.40%
EXCO/HGI JV Assets, LLC	Oil & Gas	2,868,082	48,098	0.37%
EP Energy E&P Company	Oil & Gas	2,506,425	42,033	0.32%
Indigo Minerals, LLC	Oil & Gas	2,458,478	41,229	0.32%
Enterprise Gathering, LLC	Oil & Gas	2,442,650	40,963	0.32%
Total		<u>\$39,244,881</u>	<u>\$658,137</u>	<u>5.07%</u>

3. Cash and Cash Equivalents and Investments

Cash and Cash Equivalents

At December 31, 2014, the Police Jury has cash and cash equivalents (book balances) totaling \$13,107,712 as follows:

Demand deposits	\$12,649,126
U.S. Government Money Market	<u>458,586</u>
Total cash and cash equivalents	<u>\$13,107,712</u>

The Police Jury uses a master bank account for cash management purposes. At December 31, 2014, the Community Services Fund reports a negative balance in the master bank account of \$55,314.

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 \$4,113,433.

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Investments:

At December 31, 2014, 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	\$ 13,041,375	\$ 2,245,100	\$ 4,964,118	\$ 2,036,867	\$ 3,795,290
Louisiana Asset Management Pool	1,970,917	1,970,917	0	0	0
Certificates of Deposit	5,343,234	5,343,234	0	0	0
Total Investments	\$20,355,526	\$ 9,559,251	\$ 4,964,118	\$ 2,036,867	\$ 3,795,290

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

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

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the government will not be able to recover its deposits. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Police Jury that the fiscal agent bank has failed to pay deposit funds upon demand. Further, Louisiana Revised Statute 39:1224 states that securities held by a third party shall be deemed to be held in the Police Jury's name.

At year end, the Police Jury had collected bank balances of \$19,905,385, which were fully protected by \$1,100,000 of federal depository insurance and pledged securities with a market value of \$21,862,575 held by the custodial banks in the name of the Police Jury.

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

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

Investments held at December 31, 2014 include \$1,970,917 invested with the Louisiana Asset Management Pool (LAMP), a local government investment pool. The Louisiana Asset Management Pool is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LSA-R.S. 33:2955.

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

Realized Gains and Losses

During 2014, the Police Jury realized a net gain of \$21,800 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 gain on investments held at year-end was \$208,694.

4. Receivables

The following is a summary of receivables at December 31, 2014:

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RECEIVABLES

	Governmental Activities						Business- Type Activities	Total	
	General Fund	Solid Waste Fund	Road Fund	Airport Fund	Jail Fund	Sales Tax Fund	Other Governmental Funds		Eastside Sewer
Ad valorem taxes	\$ 3,982,963	\$ 4,184,882	\$4,074,774	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$12,242,619
Sales and use taxes	0	0	0	0	0	805,224	0	0	805,224
Tourism tax	5,724	0	0	0	0	0	0	0	5,724
Federal Grants	0	0	0	0	0	0	119,926	0	119,926
State Grants:									
Parish transportation fund	0	0	68,132	0	0	0	0	0	68,132
Video poker	12,354	0	0	0	0	0	0	0	12,354
Other state grants	12,318	0	0	0	0	0	0	0	12,318
Fees, charges and commissions	12,251	134,731	1,250	3,000	0	0	316	3,256	154,804
Fines and forfeitures	0	0	0	0	0	0	57,578	0	57,578
Rents and royalties	85,767	0	0	17,305	0	0	0	0	103,072
Interest	35,392	6,290	0	43,102	0	0	0	0	84,784
Other	3,803	0	44,000	1,650	0	0	556	0	50,009
	<u>\$ 4,150,572</u>	<u>\$4,325,903</u>	<u>\$4,188,156</u>	<u>\$65,057</u>	<u>\$ 0</u>	<u>\$ 805,224</u>	<u>\$ 178,376</u>	<u>\$ 3,256</u>	<u>\$13,716,544</u>
Allowance	(2,329)	(49,367)	(2,424)	0	0	0	0	0	(54,120)
Total Receivables	<u>\$ 4,148,243</u>	<u>\$4,276,536</u>	<u>\$4,185,732</u>	<u>\$65,057</u>	<u>\$ 0</u>	<u>\$ 805,224</u>	<u>\$ 178,376</u>	<u>\$ 3,256</u>	<u>\$13,662,424</u>

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5. Interfund Assets, Interfund Liabilities, and Operating Transfers

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

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>
General Fund	Homeland Security	\$ 22,734
Road Fund	Solid Waste Fund	950,000
Community Action Fund	General Fund	111,520
Criminal Court	General Fund	200
Eastside Sewer	General Fund	19,350
Animal Services Fund	General Fund	504,152
		<u>\$1,607,956</u>

Interfund balances on the fund financial statements at December 31, 2014, consisted of the following:

<u>Receivable Fund</u>	<u>Due From</u>	<u>Due To</u>
General Fund	\$201,448	\$ 0
Road Fund	397,861	0
Sales Tax Fund	0	599,791
Jail Fund	79,572	0
Solid Waste Fund	119,358	0
Criminal Court Fund	0	98,448
Rental Assistance Fund	0	100,000
Total	<u>\$798,239</u>	<u>\$798,239</u>

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6. Capital Assets

Capital asset activity for the year ended December 31, 2014, was as follows:

	Balance January 1, 2014	Additions	Deletions/ Reclassifications	Balance December 31, 2014
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 1,979,943	\$ 0	0	\$ 1,979,943
Construction in progress	498,894	542,003	0	1,040,897
Total assets not being depreciated	<u>2,478,837</u>	<u>542,003</u>	<u>0</u>	<u>3,020,840</u>
Capital assets being depreciated:				
Buildings and improvements	26,363,585	10,457	0	26,374,042
Land improvements – structures	5,826,378	446,963	0	6,273,341
Furniture and equipment	12,204,954	1,319,547	0	13,524,501
Infrastructure	219,055,672	0	0	219,055,672
Total assets being depreciated	<u>263,450,589</u>	<u>1,776,967</u>	<u>0</u>	<u>265,227,556</u>
Less accumulated depreciation for:				
Buildings and improvements	11,767,270	666,580	0	12,433,850
Land improvements – structures	347,548	285,041	0	632,589
Furniture and equipment	7,078,348	1,077,580	0	8,155,928
Infrastructure	171,364,654	1,879,650	0	173,244,304
Total accumulated depreciation	<u>190,557,820</u>	<u>3,908,851</u>	<u>0</u>	<u>194,466,671</u>
Total capital assets – net	<u>\$ 75,371,606</u>	<u>\$(1,589,881)</u>	<u>0</u>	<u>\$ 73,781,725</u>

Depreciation expense of \$3,908,851 for the year ended December 31, 2014, was charged to the following governmental functions:

General government:	
Judicial	\$ 175,651
Finance and administrative	57,093
Other government	13,441
Public safety	201,348
Public works	1,692,875
Sanitation	1,146,418
Cultural and recreation	56,472
Health and welfare	121,487
Economic development	142,204
Transportation	266,328
Animal control	35,534
Total	<u>\$3,908,851</u>

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6. Capital Assets (continued)

	Balance January 1, 2014	Additions	Deletions	Balance December 31, 2014
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 10,175	\$0	\$0	\$ 10,175
Capital assets being depreciated:				
Sewer system	373,375	0	0	373,375
Treatment plant	101,180	0	0	101,180
Total assets being depreciated	<u>\$474,555</u>	<u>\$0</u>	<u>\$0</u>	<u>\$474,555</u>
Less accumulated depreciation for:				
Sewer system	\$373,375	\$0	\$0	\$373,375
Treatment plant	101,180	0	0	101,180
Total accumulated depreciation	<u>\$474,555</u>	<u>\$0</u>	<u>\$0</u>	<u>\$474,555</u>
Total capital assets – net	<u>\$ 10,175</u>	<u>\$0</u>	<u>\$0</u>	<u>\$ 10,175</u>

7. Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses at December 31, 2014, consist of the following:

	Payable to Vendors	Payroll Liabilities	Total Payables
Governmental Activities:			
General Fund	\$263,884	\$ 32,491	\$ 296,375
Road Fund	274,297	71,136	345,433
Sales Tax Fund	9,502	0	9,502
Jail Fund	22,052	0	22,052
Solid Waste Fund	209,093	36,768	245,861
Airport Fund	3,752	3,336	7,088
Other Governmental Funds	165,320	14,723	180,044
Total Governmental Activities	<u>\$947,900</u>	<u>\$158,455</u>	<u>\$1,106,355</u>
Business-Type Activities:			
Eastside Sewer Fund	1,500	0	1,500
Total accounts payable	<u>\$949,400</u>	<u>\$158,455</u>	<u>\$1,107,855</u>

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.

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The DeSoto Parish Police Jury collects sales taxes that are dedicated to the DeSoto Parish Library. As of December 31, 2014, \$198,930 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 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, that qualified for reporting in this category. Accordingly, this item, unavailable property taxes, is reported only in the government funds balance sheet.

10. Pension Plan

Plan Description. Substantially all employees of the DeSoto Parish Police Jury are members of the Parochial Employees Retirement System of Louisiana (System), a cost-sharing, multiple employer defined benefit pension plan administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the Police Jury are members of Plan B.

All permanent employees working at least twenty-eight (28) hours per week who are paid wholly or in part from parish funds are eligible to participate in the System. As of January 1, 1997, elected officials, except coroners and justices of the peace, may no longer join the retirement system. Those elected officials enrolled as of January 1, 1997, will maintain membership as long as they hold office. Justices of the Peace and Parish Presidents have an option to join at any time within twelve months of taking the oath of office. Coroners may join at any time on a current basis and now have the option of purchasing prior service as coroners at actuarial cost. Under Plan B, employees hired prior to January 1, 2007 who retire at or after age sixty-five (65) with at least seven (7) years of creditable service, at or after age sixty (60) with at least ten (10) years of creditable service, or at or after age fifty-five (55) with at least thirty (30) years of creditable service, or at any age with at least thirty (30) years of creditable service, and employees hired January 1, 2007 and later who retire at or after age sixty-seven (67) with at least seven (7) years of creditable service, at or after age sixty-two (62) with at least ten (10) years of creditable service, or at or after age fifty-five (55) with at least thirty (30) years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to two percent (2%) of their final-average compensation for each year of creditable service. Furthermore, employees with at least ten (10) years of creditable service, but less than thirty (30) years, may take early retirement benefits commencing at or after age sixty (60), with the basic benefit reduced three percent (3%) for each year retirement precedes age sixty-two (62), unless he has thirty (30) years of creditable service. In any case, monthly retirement benefits paid under Plan B cannot exceed one hundred percent (100%) of final average compensation. Final-average compensation shall be defined as the average of the highest consecutive thirty-six (36) months' salary for members hired prior to January 1, 2007. For members hired January 1, 2007 and later, final average compensation shall be defined as the average of the highest consecutive sixty (60) months' salary. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive

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the benefits accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Parochial Employees' Retirement System, Post Office Box 14619, Baton Rouge, Louisiana 70898-4619, or by calling (225) 928-1361.

Funding Policy. Under Plan B, members are required by state statute to contribute three percent (3%) of their annual covered salary and the DeSoto Parish Police Jury is required to contribute at an actuarially determined rate. The current rate is 9.25% of annual covered payroll. Contributions to the system include one-fourth of one percent (one percent for Orleans and East Baton Rouge Parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active member of each plan. The contribution requirements of plan members and the DeSoto Parish Police Jury are established and may be amended by the state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The DeSoto Parish Police Jury's contributions to the System under Plan B for the years ending December 31, 2014, 2013, and 2012 were \$414,452, \$568,766, and \$446,131, equal to the required contributions for each year.

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 80 percent of the cost of current-year premiums for eligible retired plan members. Plan

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members receiving benefits contribute 20 percent of their premium costs. For the year ended December 31, 2014, the Police Jury contributed \$79,773 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 remaining amortization period at December 31, 2014 was twenty-five years.

The following table shows the annual OPEB cost and the net OPEB obligation for the year ended December 31, 2014 and the two prior years:

Year Ended	Discount Rate	Annual OPEB Cost	Percentage of OPEB Cost Contributed	Net OPEB Obligation
2012	4.00%	\$461,009	15.82%	\$1,985,210
2013	4.00%	557,537	13.70%	2,466,192
2014	4.00%	545,989	14.60%	2,932,408

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	\$ 512,640
Amortization of UAAL	92,566
Annual required contribution	<u>\$ 605,206</u>

Determination of Net OPEB Obligation:

Net OPEB obligation - beginning of year	\$2,466,192
Annual OPEB cost (expense)	\$ 605,206
Interest on net OPEB obligation	98,648
Adjustment to annual required contribution	(157,865)
Contributions made	<u>(79,773)</u>
Increase in net OPEB obligation	<u>466,216</u>
Net OPEB obligation - end of year	<u>\$2,932,408</u>

As of December 31, 2014, the actuarial accrued liability for benefits was \$1,446,087, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$5,508,603 and the ratio of the unfunded actuarial accrued liability to the covered payroll was 26.25%.

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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, 2012	\$0	\$ 705,677	\$ 705,677	0%	\$5,345,371	13.20%
January 1, 2013	\$0	1,446,087	1,446,087	0%	\$5,422,390	26.67%
January 1, 2014	\$0	1,446,087	1,446,087	0%	\$5,508,603	26.25%

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. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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.

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 2015.

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%

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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%

Coverage 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 expected rate of increase for medical and pharmacy costs and retiree premiums varies from a rate of 6.60% initially to a high of 7.5% within the next 15 years and a low of 4.5% in 70 years.

Health insurance premiums - The gross premiums for pre-65 retirees only coverage for 2014 is \$586 per month. Post-65 retirees' premiums are approximately \$308 per month to BCBS.

12. Long-Term Debt and Capitalized Leases

The following is a summary of the long-term debt obligation transactions for the year ended December 31, 2014:

	Capital Leases
Beginning Balances	\$ 10,921
Additions	0
Deductions	(5,145)
Ending Balances	\$ 5,776
Due Within One Year	\$ 5,400

In accordance with Louisiana Revised Statute 39:562, the Police Jury is legally restricted from incurring long-term bonded debt in excess of 10% of the assessed value of taxable property in the parish. At December 31, 2014, the statutory limit was \$77,520,101.

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Capital Leases

The Police Jury has incurred various lease obligations for the acquisition of property and equipment for the Airport Fund. The related fund provides debt service for the capital leases. Equipment acquired by capital leases is included in capital assets. The related capital lease obligations are included in long-term liabilities. The Airport Fund purchased a hangar on January 9, 2001 for \$69,000 at 2.188% interest.

The following is a summary of future minimum lease payments, together with the present value of the net minimum lease payments, as of December 31, 2014:

<u>Year Ending December 31,</u>	
2015	\$ 5,400
2016	450
Total minimum lease payments	<u>\$ 5,850</u>
Less amount representing interest	<u>(74)</u>
Present value of net minimum lease payments	<u>\$ 5,776</u>

13. Landfill Closure and Post Closure Costs

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

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

The \$2,298,127 reported as landfill closure and post closure care liability at December 31, 2014, represents the cumulative amount reported to date based on the use of 51.19% 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 \$4,489,339 at December 31, 2014, which is an increase of \$132,521 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 \$4,489,339.

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14. Compensated Absences

Compensated absences represent accumulated and vested employee leave benefits computed in accordance with the accounting principles generally accepted in the United States of America. The liability for compensated absences is computed only at the end of the fiscal year. Compensated absences are paid by the fund that pays the related salaries. As of December 31, 2014, the Police Jury's compensated absences payable in accordance with GASB Statement No. 16 for all funds amounted to 14,106 hours with a resulting liability of \$307,960.

Changes in compensated absences during 2014 are as follows:

Beginning Balance	\$ 284,258
Additions	198,433
Deductions	<u>(176,298)</u>
Available Leave	\$ 306,393
Adjusted for limitation	<u>1,567</u>
Net available	<u>\$ 307,960</u>

15. Operating Leases

The Police Jury had six (6) long-term equipment rental agreements which were classified as operating leases:

Caterpillar D6TLGP Track-type Tractor - Forty-eight (48) month non-cancellable lease dated May 29, 2010, with a monthly rental of \$6,175.09.

Caterpillar IT38H Front-end Loader - Sixty (60) month non-cancellable lease dated February 9, 2009, with a monthly rental of \$3,010.29.

Caterpillar 140M Motor Grader - Sixty (60) month non-cancellable lease dated February 23, 2009, with a monthly rental of \$3,109.16.

Caterpillar RM-300 Road Reclaimer - Sixty (60) month non-cancellable lease dated May 18, 2009, with a monthly rental of \$5,996.69.

Caterpillar CS-433E ASR Pad Food Drum Kit - Sixty (60) month non-cancellable lease dated May 18, 2009, with a monthly rental of \$1,875.30.

Caterpillar 8515 Paver - Sixty (60) month non-cancellable lease dated May 25, 2009, with a monthly rental of \$2,149.12.

Total cost for these leases during 2014 was \$83,199. All of these lease agreements matured as of December 31, 2014. There were no new lease agreements executed during 2014.

16. Workforce Investment Act Program

The DeSoto Parish Police Jury participates in the Workforce Investment Act Program funded through the Louisiana Department of Labor by the United States Department of Labor. The Police Jury is a member of the Seventh Planning District, which is comprised of ten (10) parishes. On August 16, 1983, the members of the Seventh Planning District, consisting of the Parishes of

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Notes to the Financial Statements
December 31, 2014

Bienville, Bossier, Caddo, Claiborne, DeSoto, Lincoln, Natchitoches, Red River, Sabine, and Webster and the Seventh Planning District Service Delivery Area (SDA) Private Industry Council entered into an agreement. This agreement designated the president of the DeSoto Parish Police Jury as the chief elected official of the SDA and the DeSoto Parish Police Jury as the WIA grant recipient. This agreement names the Coordinating and Development Corporation (CDC) as the administrative entity.

The SDA is comprised of three elements:

1. Private Industry Council (PIC) - Consists of 15 members representing a cross-section of the SDA population. The PIC is responsible for providing guidance for program development and for monitoring the operations of the administrative entity.
2. Designated Chief Elected Official - This is a police jury president elected by his peers from the Seventh Planning District. His responsibilities are the same as the PIC.
3. Administrative Entity - The organization selected by the PIC to administer the program is the Coordinating and Development Corporation (CDC) located in Shreveport, Louisiana. All action by the administrative entity must be approved by the PIC and the designated chief elected official.

In August 1983, the designated chief elected official notified the Assistant Secretary of Labor, State of Louisiana, that the Coordinating and Development Corporation (CDC) was designated as the administrative entity for the SDA and that all funds and copies of correspondence should be sent to the CDC. This notification also stated that all bookkeeping and program documents would be maintained by the CDC. Further, in September 1983, the DeSoto Parish Police Jury appointed the Executive Vice President of the CDC as the contracting officer for the WIA Program to act on behalf of the Police Jury. Since that date, the contracting officer has signed all documents on behalf of the grant recipient.

The DeSoto Parish Police Jury is the designated grant recipient and (1) has accepted full responsibility for funds expended under the grant, (2) has assured the Louisiana Department of Labor that all funds provided will be expended according to limitations set forth in the Workforce Investment Act, federal and state regulations, and the approved job training plan, and (3) that it will reimburse the Louisiana Department of Labor for any questioned costs which are ultimately disallowed by the United States Department of Labor.

Funds are provided by the Louisiana Department of Labor through a letter of credit arrangement into a bank account in the name of the CDC which operates the day-to-day activities of the program. This arrangement was authorized in September 1983, by the designated chief elected official.

17. 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, 2014

Lawsuits

At December 31, 2014, the Police Jury was involved in three lawsuits seeking damages from the Police Jury. The Police Jury intends to vigorously defend its position in each case. The legal counsels for the Police Jury have opined that the combined maximum potential exposure to the Police Jury arising from these suits will not exceed \$30,000. However, it is the legal counsels' opinion that the likelihood that the Police Jury will prevail in these lawsuits is good. 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.

18. Related Party Transactions

Procedures, observations, and inquiries did not disclose any related party transactions for the fiscal year ended December 31, 2014.

19. Subsequent Events

Management has evaluated subsequent events through June 24, 2015, 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, 2014

	<u>Budgeted Amounts</u>		2014	Variance-
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Favorable (Unfavorable)</u>
REVENUES:				
Program Revenues	\$ 708,840	\$ 708,890	\$ 715,682	\$ 6,792
General Revenues	<u>5,271,247</u>	<u>5,400,747</u>	<u>5,393,807</u>	<u>(6,940)</u>
Total Revenues	<u>\$ 5,980,087</u>	<u>\$ 6,109,637</u>	<u>\$ 6,109,489</u>	<u>\$ (148)</u>
EXPENDITURES:				
Current-				
General Government-				
Legislative	\$ 386,070	\$ 420,070	\$ 400,475	\$ 19,595
Judicial	1,170,710	1,170,708	1,328,912	(158,204)
Elections	98,265	98,265	101,110	(2,845)
Finance & Administrative	1,151,939	1,161,939	1,160,677	1,263
Other	788,401	788,401	609,400	179,001
Public Safety	123,500	128,500	125,841	2,659
Culture & Recreation	15,000	40,000	223,345	(183,345)
Health & Welfare	233,290	203,290	223,400	(20,110)
Economic Development	577,240	677,240	467,287	209,953
Capital Outlay	<u>829,475</u>	<u>229,475</u>	<u>258,117</u>	<u>(28,642)</u>
Total Expenditures	<u>\$ 5,373,890</u>	<u>\$ 4,917,888</u>	<u>\$ 4,898,564</u>	<u>\$ 19,324</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$ 606,197</u>	<u>\$ 1,191,749</u>	<u>\$ 1,210,925</u>	<u>\$ 19,176</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	\$ 50,913	\$ 50,913	\$ 22,734	\$ (28,179)
Operating Transfers Out	<u>(633,022)</u>	<u>(633,022)</u>	<u>(635,222)</u>	<u>(2,200)</u>
Total Other Financing Sources (Uses)	<u>\$ (582,109)</u>	<u>\$ (582,109)</u>	<u>\$ (612,488)</u>	<u>\$ (30,379)</u>
Net Change in Fund Balance	\$ 24,088	\$ 609,640	\$ 598,437	\$ (11,203)
Fund Balance-Beginning of Year	<u>12,055,903</u>	<u>12,055,903</u>	<u>12,055,903</u>	<u>0</u>
Fund Balance-End of Year	<u>\$12,079,991</u>	<u>\$12,665,543</u>	<u>\$12,654,340</u>	<u>\$ (11,203)</u>

See notes to financial statements.

DeSoto Parish Police Jury
Major Funds

Solid Waste Fund
Statement of Revenues, Expenditures and Changes in Fund Balance-
Budget (GAAP Basis) and Actual
Year Ended December 31, 2014

	<u>Budgeted Amounts</u>		2014	Variance-
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Favorable (Unfavorable)
REVENUES:				
Program Revenues	\$ 950,000	\$ 980,000	\$ 946,774	\$ (33,226)
General Revenues	<u>5,251,346</u>	<u>5,453,846</u>	<u>5,613,921</u>	<u>160,075</u>
Total Revenues	<u>\$ 6,201,346</u>	<u>\$ 6,433,846</u>	<u>\$ 6,560,695</u>	<u>\$ 126,849</u>
EXPENDITURES:				
Current-				
General Government-				
Sanitation	\$ 3,939,961	\$ 2,859,961	\$ 2,950,439	\$ (90,478)
Capital Outlay	<u>2,570,000</u>	<u>1,320,000</u>	<u>1,172,907</u>	<u>147,093</u>
Total Expenditures	<u>\$ 6,509,961</u>	<u>\$ 4,179,961</u>	<u>\$ 4,123,346</u>	<u>\$ 56,615</u>
Excess (Deficiency) of Revenues over Expenditures	\$ <u>(308,615)</u>	\$ <u>2,253,885</u>	\$ <u>2,437,349</u>	\$ <u>183,464</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers Out	\$ <u>(950,000)</u>	\$ <u>(950,000)</u>	\$ <u>(950,000)</u>	\$ <u>0</u>
Net Change in Fund Balance	\$ (1,258,615)	\$ 1,303,885	\$ 1,487,349	\$ 183,464
Fund Balance-Beginning of Year	<u>12,418,900</u>	<u>12,418,900</u>	<u>12,418,900</u>	<u>0</u>
Fund Balance-End of Year	<u>\$11,160,285</u>	<u>\$13,722,785</u>	<u>\$13,906,249</u>	<u>\$ 183,464</u>

See notes to financial statements.

DeSoto Parish Police Jury
Major Funds

Road Fund
Statement of Revenues, Expenditures and Changes in Fund Balance-
Budget (GAAP Basis) and Actual
Year Ended December 31, 2014

	<u>Budgeted Amounts</u>		2014	Variance-
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Favorable (Unfavorable)
REVENUES:				
Program Revenues	\$ 1,861,560	\$ 586,560	\$ 560,705	\$ (25,855)
General Revenues	<u>8,914,338</u>	<u>9,564,338</u>	<u>9,637,564</u>	<u>73,226</u>
Total Revenues	<u>\$10,775,898</u>	<u>\$10,150,898</u>	<u>\$10,198,269</u>	<u>\$ 47,371</u>
EXPENDITURES:				
Current-				
General Government-				
Public Works	\$ 8,723,898	\$ 8,473,898	\$ 8,905,838	\$ (431,940)
Capital Outlay	<u>3,002,000</u>	<u>752,000</u>	<u>754,212</u>	<u>(2,212)</u>
Total Expenditures	<u>\$11,725,898</u>	<u>\$ 9,225,898</u>	<u>\$ 9,660,050</u>	<u>\$ (434,152)</u>
Excess (Deficiency) of Revenues over Expenditures	\$ <u>(950,000)</u>	\$ <u>925,000</u>	\$ <u>538,219</u>	\$ <u>(386,781)</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	\$ <u>950,000</u>	\$ <u>950,000</u>	\$ <u>950,000</u>	\$ <u>0</u>
Net Change in Fund Balance	\$ 0	\$ 1,875,000	\$ 1,488,219	\$ (386,781)
Fund Balance-Beginning of Year	<u>4,233,180</u>	<u>4,233,180</u>	<u>4,233,180</u>	<u>0</u>
Fund Balance-End of Year	<u>\$ 4,233,180</u>	<u>\$ 6,108,180</u>	<u>\$ 5,721,399</u>	<u>\$ (386,781)</u>

See notes to financial statements.

DeSoto Parish Police Jury
Major Funds

Airport Fund
Statement of Revenues, Expenditures and Changes in Fund Balance-
Budget (GAAP Basis) and Actual
Year Ended December 31, 2014

	<u>Budgeted Amounts</u>		2014	Variance-
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Favorable (Unfavorable)
REVENUES:				
Program Revenues	\$ 193,500	\$ 234,450	\$ 242,760	\$ 8,310
General Revenues	<u>236,950</u>	<u>276,000</u>	<u>392,965</u>	<u>116,965</u>
Total Revenues	\$ <u>430,450</u>	\$ <u>510,450</u>	\$ <u>635,725</u>	\$ <u>125,275</u>
EXPENDITURES:				
Current-				
General Government-				
Transportation	\$ 500,987	\$ 507,487	\$ 546,998	\$ (39,511)
Capital Outlay	86,000	210,000	119,184	90,816
Debt Service	<u>5,400</u>	<u>5,400</u>	<u>5,400</u>	<u>0</u>
Total Expenditures	\$ <u>592,387</u>	\$ <u>722,887</u>	\$ <u>671,582</u>	\$ <u>51,305</u>
Excess (Deficiency) of Revenues over Expenditures	\$ (161,937)	\$ (212,437)	\$ (35,857)	\$ 176,580
Fund Balance-Beginning of Year	<u>7,402,456</u>	<u>7,402,456</u>	<u>7,402,456</u>	<u>0</u>
Fund Balance-End of Year	\$ <u>7,240,519</u>	\$ <u>7,190,019</u>	\$ <u>7,366,599</u>	\$ <u>176,580</u>

See notes to financial statements.

DeSoto Parish Police Jury
Major Funds

Jail Fund
Statement of Revenues, Expenditures and Changes in Fund Balance-
Budget (GAAP Basis) and Actual
Year Ended December 31, 2014

	<u>Budgeted Amounts</u>		2014	Variance-
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Favorable (Unfavorable)
REVENUES:				
General Revenues	\$ <u>842,000</u>	\$ <u>977,000</u>	\$ <u>953,622</u>	\$ (23,378)
EXPENDITURES:				
Current-				
General Government-				
Public Safety	\$ 741,400	\$ 741,400	\$ 769,057	\$ (27,657)
Capital Outlay	<u>73,000</u>	<u>15,000</u>	<u>14,550</u>	<u>450</u>
Total Expenditures	\$ <u>814,400</u>	\$ <u>756,400</u>	\$ <u>783,607</u>	\$ (27,207)
Excess (Deficiency) of Revenues over Expenditures	\$ 27,600	\$ 220,600	\$ 170,015	\$ (50,585)
Fund Balance-Beginning of Year	<u>4,708,123</u>	<u>4,708,123</u>	<u>4,708,123</u>	<u>0</u>
Fund Balance-End of Year	\$ <u>4,735,723</u>	\$ <u>4,928,723</u>	\$ <u>4,878,138</u>	\$ (50,585)

See notes to financial statements.

DeSoto Parish Police Jury
Major Funds

Sales Tax Fund
Statement of Revenues, Expenditures and Changes in Fund Balance-
Budget (GAAP Basis) and Actual
Year Ended December 31, 2014

	<u>Budgeted Amounts</u>		2014 <u>Actual</u>	Variance- Favorable <u>(Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
General Revenues	<u>\$201,000</u>	<u>\$231,000</u>	<u>\$231,607</u>	<u>\$ 607</u>
EXPENDITURES:				
Current-				
Finance & Administrative	<u>\$201,000</u>	<u>\$231,000</u>	<u>\$231,607</u>	<u>\$ (607)</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 notes to financial statements.

DeSoto Parish Police Jury
Schedule of Compensation, Benefits and Other Payments
to Agency Head or Chief Executive Officer
Year Ended December 31, 2014

Agency Head Name: Steven W. Brown, Parish Administrator

<u>Purpose</u>	<u>Amount</u>
Salary	\$110,000
Benefits-Insurance	11,696
Benefits-Retirement	10,244
Benefits - Other (401A Contributions)	3,199
Deferred Compensation	0
Car allowance	0
Vehicle provided by government	1,062
Cell phone	2,233
Dues	1,644
Vehicle rental	0
Per diem	514
Reimbursements	301
Travel	0
Registration fees	1,834
Continuing Education fees	215
Conference travel	2,226
Housing	0
Unvouchered expenses	0
Special meals	95
Other (uniforms)	<u>123</u>
Total	<u>\$145,386</u>

See independent auditor's report.

DeSoto Parish Police Jury
Notes to Required Supplementary Information
Year Ended December 31, 2014

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, 2014

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, 2014

Workforce Investment Act Fund (WIA)

The Workforce Investment Act (WIA) Fund is a special revenue fund used to account for grants from the United States Department of Labor passed through the Louisiana Department of Labor. Grants are subsequently transferred to the Coordinating and Development Corporation, which administers the program under contract with the Police Jury. The WIA program provides job training and related assistance to economically disadvantaged individuals. The ultimate goal of the program is to move trainees into permanent, self-sustaining employment.

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 chose 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.

Homeland Security Fund

The Homeland Security Fund is used to account for grants obtained through the State of Louisiana Division of Administration for domestic preparedness and hurricane relief.

DeSoto Parish Police Jury
Mansfield, Louisiana

Combining Balance Sheets
Nonmajor Governmental Funds
For the Year Ended December 31, 2014

	Special Revenue Funds							Total
	WIA Fund	Witness and Juror Fund	Criminal Court Fund	Community Services Fund	Rental Assistance Fund	Animal Control Fund	Homeland Security Fund	
<u>Assets</u>								
Cash & Cash Equivalents	\$0	\$450,540	\$162,051	\$ 0	\$172,248	\$179,453	\$0	\$ 964,292
Receivables	0	9,486	48,092	120,258	291	249	0	178,376
Total Assets	<u>\$0</u>	<u>\$460,026</u>	<u>\$210,143</u>	<u>\$120,258</u>	<u>\$172,539</u>	<u>\$179,702</u>	<u>\$0</u>	<u>\$1,142,668</u>
<u>Liabilities & Fund Balance</u>								
Liabilities-								
Accounts Payable	\$0	\$ 1,634	\$111,626	\$ 12,363	\$ 49,654	\$ 4,767	\$0	\$ 180,044
Advance from Grantor	0	0	0	0	22,885	0	0	22,885
Due to Other Funds	0	0	98,448	0	100,000	0	0	198,448
Master Bank Overdrafts	0	0	0	55,314	0	0	0	55,314
Total Liabilities	<u>\$0</u>	<u>\$ 1,634</u>	<u>\$210,074</u>	<u>\$ 67,677</u>	<u>\$172,539</u>	<u>\$ 4,767</u>	<u>\$0</u>	<u>\$ 456,691</u>
Fund Balances-								
Restricted to-								
Judicial	\$0	\$0	\$ 69	\$ 0	\$ 0	\$ 0	\$0	\$ 69
Health & Welfare	0	0	0	52,581	0	0	0	52,581
Witness & Juror Fees	0	458,392	0	0	0	0	0	458,392
Assigned for-								
Animal Control	0	0	0	0	0	174,935	0	174,935
Total Fund Balances	<u>\$0</u>	<u>\$458,392</u>	<u>\$ 69</u>	<u>\$ 52,581</u>	<u>\$ 0</u>	<u>\$174,935</u>	<u>\$0</u>	<u>\$ 685,977</u>
Total Liabilities & Fund Balances	<u>\$0</u>	<u>\$460,026</u>	<u>\$210,143</u>	<u>\$120,258</u>	<u>\$172,539</u>	<u>\$179,702</u>	<u>\$0</u>	<u>\$1,142,668</u>

See notes to financial statements.

DeSoto Parish Police Jury

Combining Schedule of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2014

	Special Revenue Funds							Total
	WIA Fund	Witness and Juror Fund	Criminal Court Fund	Community Services Fund	Rental Assistance Fund	Animal Control Fund	Homeland Security Fund	
REVENUES:								
Intergovernmental-								
Federal Grant	\$2,689,861	\$ 0	\$ 0	\$735,623	\$863,644	\$ 0	\$ 0	\$4,290,128
Fees, Charges & Commissions	0	0	0	0	0	22,434	0	22,434
Fines & Forfeitures	0	200,537	815,515	0	0	0	0	1,016,052
Investment Earnings	0	412	1,290	0	252	0	10	1,964
Other Revenue	0	0	136,083	132,647	4,742	0	0	273,472
Contributions	0	0	0	5,185	0	700	0	5,885
Total Revenues	<u>\$2,689,861</u>	<u>\$200,949</u>	<u>\$ 952,888</u>	<u>\$874,455</u>	<u>\$868,638</u>	<u>\$ 23,134</u>	<u>\$ 10</u>	<u>\$5,609,935</u>
EXPENDITURES:								
Current-								
Judicial	\$ 0	\$137,548	\$1,051,469	\$ 0	\$ 0	\$ 0	\$ 0	\$1,189,017
Health & Welfare	0	0	0	940,389	868,638	52,540	0	1,861,567
Economic Development	2,689,861	0	0	0	0	0	0	2,689,861
Animal Control	0	0	0	0	0	310,136	0	310,136
Total Expenditures	<u>\$2,689,861</u>	<u>\$137,548</u>	<u>\$1,051,469</u>	<u>\$940,389</u>	<u>\$868,638</u>	<u>\$ 362,676</u>	<u>\$ 0</u>	<u>\$6,050,581</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$ 0</u>	<u>\$ 63,401</u>	<u>\$ (98,581)</u>	<u>\$(65,934)</u>	<u>\$ 0</u>	<u>\$(339,542)</u>	<u>\$ 10</u>	<u>\$(440,646)</u>
OTHER FINANCING SOURCES(USES):								
Operating Transfers In	\$ 0	\$ 0	\$ 200	\$111,520	\$ 0	\$ 504,152	\$ 0	\$ 615,872
Operating Transfers Out	0	0	0	0	0	0	(22,734)	(22,734)
Total Other Financing	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 200</u>	<u>\$111,520</u>	<u>\$ 0</u>	<u>\$ 504,152</u>	<u>\$(22,734)</u>	<u>\$ 593,138</u>
Net Change in Fund Balance	\$ 0	\$ 63,401	\$ (98,381)	\$ 45,586	\$ 0	\$ 164,610	\$(22,724)	\$ 152,492
Fund Balances-Beginning of Year	0	394,991	98,450	6,995	0	10,325	22,724	533,485
Fund Balances-End of Year	<u>\$ 0</u>	<u>\$458,392</u>	<u>\$ 69</u>	<u>\$ 52,581</u>	<u>\$ 0</u>	<u>\$ 174,935</u>	<u>\$ 0</u>	<u>\$ 685,977</u>

See notes to financial statements.

DeSoto Parish Police Jury
Schedule of Compensation Paid to Police Jurors
For the Year Ended December 31, 2014

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 (\$2,000) each month.

	<u>Salary</u>	<u>Expense Reimbursements</u>
Reggie Roe, President	\$ 23,832	\$ 1,670
Ernel Jones, Vice President	19,200	1,692
B. D. Mitchell	19,368	485
Greg Baker	19,200	1,150
Jarrell O. Burch	19,200	536
Richard Fuller	19,200	2,510
Jeff Heard	19,200	78
A. W. McDonald, Jr.	19,200	1,791
Ricky McPhearson	19,200	977
Thomas Jones	19,200	1,326
Charlie Roberts	<u>19,200</u>	<u>827</u>
Total	\$216,000	\$13,042

*The term of current police jurors expires on January 10, 2016.

Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2014

Federal Grantor/Pass-through Grantor/Program Title	CFDA Number	Pass-Through Grantor's Number	Federal Revenues	Federal Expenditures	Amount Provided Subrecipients
United States Department of Labor:					
Passed through Department of Labor:					
OJT-National Emergency Grants	17.277	717258	\$ 157,050	\$ 157,050	\$ 157,050
WorkForce Investment Act Cluster:					
Adult Admin	17.259	712929	21,361	21,361	21,361
Adult Program	17.258	703677	529,866	529,866	529,866
Youth Admin	17.259	712929	44,650	44,650	44,650
Youth Program	17.259	722005 & 712929	861,942	861,942	861,942
Dislocated Workers Admin	17.278	703677/712929/722005	80,735	80,735	80,735
Dislocated Workers Program	17.278	703677/712929	919,830	919,830	919,830
Rapid Response	17.278	712929	74,427	74,427	74,427
Total United States Department of Labor			\$2,689,861	\$2,689,861	\$2,689,861
United States Department of Housing and Urban Development:					
Direct Program - Lower Income Housing Assistance Program	14.871	LA230	\$ 863,644	\$ 863,644	-
Emergency Shelter Grant Program	14.231	650102	10,403	10,403	-
Total Department of Housing and Urban Development			\$ 874,047	\$ 874,047	-
United States Department of Transportation:					
Passed through Louisiana Department of Transportation and Development:					
Federal Transit Formula Grants (Program 5311)	20.509	LA-18-X030	\$ 131,136	\$ 131,136	\$ 131,136
Job Access - Reverse Communication (Program 5316)	20.516	741-16-0124	21,432	21,432	21,432
Total Department of Transportation			\$ 152,568	\$ 152,568	\$ 152,568

Continued on next page.

Schedule of Expenditures of Federal Awards (continued)
For the Year Ended December 31, 2014

Federal Grantor/Pass-through Grantor/Program Title	CFDA Number	Pass-Through Grantor's Number	Federal Revenues	Federal Expenditures	Amount Provided Subrecipients
United States Department of Health and Human Services:					
Passed through Louisiana Department of Social Services:					
Low-Income Energy Assistance Program	93.568	370700338	\$ 64,879	\$ 64,879	-
LIHEAP-Weatherization	93.568	DEEE0000095	496,211	496,211	-
Emergency Food and Shelter National Board Program	97.024	None	2,606	2,606	-
Passed through Department of Labor:					
Community Service Block Grant	93.568	2012P0080/2013P0080	83,683	83,683	-
Total United States Department of Health and Human Services			\$ 647,379	\$ 647,379	-
United States Department of Energy:					
Passed through the Louisiana Housing Finance Agency					
Weatherization Assistance for Low Income Persons	81.042	DEEE0000095	\$ 78,841	\$ 78,841	-
Total United States Department of Energy			\$ 78,841	\$ 78,841	-
Total Federal Financial Assistance			\$4,442,696	\$4,442,696	\$2,842,429

See notes to financial statements.

DeSoto Parish Police Jury

Notes to the Schedule of Expenditures of Federal Awards
Year Ended December 31, 2014

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the DeSoto Parish Police Jury and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the primary government financial statements.

DeSoto Parish Police Jury
Rental Assistance
Financial Date Schedule
For the Year Ended December 31, 2014

<u>Line Item No.</u>	<u>Description</u>	<u>Total Project</u>
111	Cash-Unrestricted	\$172,248
126	Accounts Receivable - Tenants	291
128	Fraud Recovery	<u>0</u>
190	Total Assets	<u>\$172,539</u>
313	Accounts Payable	\$ 49,654
342-010	Deferred Revenue-Operating Subsidy	22,885
347	Inter-program Due to	<u>100,000</u>
310	Total Current Liabilities	<u>\$172,539</u>
600	Total Liabilities & Equity/Net Assets	<u>\$172,539</u>
70710	Management Fee	\$ 95,458
70300	Net Tenant Rental Revenue	768,186
71500	Other Revenue	252
71400	Fraud Recovery	<u>4,742</u>
70000	Total Revenue	<u>\$868,638</u>
91300	Management Fee	\$123,313
91600	Office Expense	<u>270</u>
91000	Total Operating-Administrative	<u>\$123,583</u>
97300	Housing Assistance Payments	<u>\$745,055</u>
90000	Total Expenses	<u>\$868,638</u>

See notes to financial statements.

OTHER REPORTS

Johnson, Thomas & Cunningham

Certified Public Accountants

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

Mark D. Thomas, CPA - A Professional Corporation
Roger M. Cunningham, CPA - A Professional Corporation
Jessica H. Broadway, CPA - A Professional Corporation
Ryan E. Todtenbier, CPA - A Professional Corporation

321 Bienville Street
Natchitoches, Louisiana 71457
(318) 352-3652
Fax (318) 352-4447

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, 2014, 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 24, 2015.

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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

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

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

June 24, 2015
Natchitoches, Louisiana

Johnson, Thomas & Cunningham

Certified Public Accountants

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

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321 Bienville Street
Natchitoches, Louisiana 71457
(318) 352-3652
Fax (318) 352-4447

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

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 Circular A-133 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, 2014. 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 laws, regulations, contracts, and grants 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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, 2014.

Other Matters

The results of our auditing procedures disclosed two instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as Items 14-01 and 14-02. Our opinion on each major federal program is not modified with respect to these matters.

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

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 OMB Circular A-133, 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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

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

June 24, 2015
Natchitoches, Louisiana

DeSoto Parish Police Jury
Schedule of Audit Findings and Questioned Costs
Year Ended December 31, 2014

A. SUMMARY OF AUDIT RESULTS

The following summarize the audit results in accordance with OMB Circular A-133:

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, 2014.
2. The audit disclosed no material weaknesses in internal control.
3. The audit disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.
4. The audit did not disclose any significant deficiencies in internal control over a major program.
5. An unmodified opinion was issued on compliance for major programs.
6. The audit disclosed two findings related to federal awards that are required to be reported under OMB Circular A-133 (14-01 and 14-02).
7. The following programs were major for the year ended December 31, 2014:
 - Workforce Investment Act Cluster (CFDA #17.258, 17.259, and 17.278)
 - Low-Income Housing Assistance Program (CFDA #14.871)
 - Low-Income Energy Assistance Program (CFDA #93.568)
8. \$300,000 was the threshold used to distinguish Type A from Type B programs.
9. The DeSoto Parish Police Jury does not qualify as a low risk auditee.

B. FINDINGS IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

No findings were identified that are required to be reported in accordance with *Government Auditing Standards*.

DeSoto Parish Police Jury
Schedule of Findings and Questioned Costs
(continued)
Year Ended December 31, 2014

C. FINDINGS AND QUESTIONED COSTS FOR MAJOR FEDERAL AWARDS PROGRAMS

The following findings relate to the major federal programs and are required to be reported in accordance with *OMB A-133*.

Compliance-

14-01 Financial Reporting

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

Condition – For the years ended December 31, 2010, 2011, 2012 and 2013, the Jury failed to submit timely GAAP-based audited financial information electronically to HUD.

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

Cause - The 2010 Federal Clearinghouse Data Collection was not submitted by the previous auditor until March 2015. This was required before the financial information for FY 2010, 2011, 2012, and 2013 could be submitted to HUD.

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

Response – Management has engaged the auditing firm to reconcile the figures, consult with HUD officials to resolve any prior year errors, and electronically input the audited financial information for FY 2010, 2011, 2012 and 2013.

14-02 Allowable Activities

Criteria – The OMB Circular A-133 Compliance Supplement requires Weatherization Assistance for Low-Income Persons (WAP) expenditures for each dwelling unit to not exceed an average of \$3,000 or adjusted amount as published in WAP program notices issued by the Department of Energy.

Condition – For the year ended December 31, 2014, the Jury exceeded the average cost per unit amount prescribed in the WAP program notices.

Effect – The Jury is not in compliance with allowed activities in the OMB Circular A-133 Compliance Supplement.

DeSoto Parish Police Jury
Schedule of Findings and Questioned Costs
(continued)
Year Ended December 31, 2014

Cause - The Jury spent in excess of the average cost per unit for the year ended December 31, 2014.

Recommendation – The Jury should adhere to the average cost per unit threshold prescribed in the WAP program notice.

Response – Management will institute procedures to ensure costs remain within the parameters allowed by the Office of Management and Budget and the Department of Energy.

DeSoto Parish Police Jury
Management's Summary Schedule of Prior Audit Findings
Year Ended December 31, 2014

COMPLIANCE:

13-01 Local Government Budget Act

Condition – For the year ended December 31, 2013, in the Airport Fund, actual revenues were less than budgeted revenues by more than the 5% variance allowed, and actual expenditures were more than budgeted expenditures by more than the 5% variance allowed, and the budget was not amended accordingly.

Current Status – For the year ended December 31, 2014, this condition was cleared.

13-02 Financial Reporting

Condition – For the years ended December 31, 2010, 2011, 2012 and 2013, the Jury failed to submit timely GAAP-based unaudited financial information electronically to HUD.

Current Status – For the year ended December 31, 2014, this condition was not cleared. See finding 14-01.