

**DESOTO PARISH POLICE JURY  
Mansfield, Louisiana**

**Primary Government Financial Statements**

**Year Ended December 31, 2013  
With Supplemental Information Schedules**

**DESOTO PARISH POLICE JURY  
Mansfield, Louisiana**

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Mansfield, Louisiana**

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## **Independent Auditor's Report**

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### INDEPENDENT AUDITOR'S REPORT

To the Jury Members of the  
DeSoto Parish Police Jury

#### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the DeSoto Parish Police Jury (the Jury), Mansfield, Louisiana, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the 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 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 Jury's primary government unless the Jury also issues financial statements for the financial reporting entity that include the financial data for its component units. The 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, 2013, or the changes in financial position thereof for the year then ended.

### **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, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity 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 9 through 19 and the schedule of funding progress for retiree health plan on page 74 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is presented for purposes of additional analysis and is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the management's discussion and analysis in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the introductory section and the schedule of funding progress for retiree health plan 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 supplemental information in the table of contents and the combining nonmajor fund financial statements, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of compensation paid to police jurors is presented

for purposes of additional analysis and is information required by the Louisiana State Statutes. The financial data schedule is presented for purposes of additional analysis as required by the United States Department of Housing and Urban Development. 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 compensation paid to police jurors, financial data schedule, and the schedule of expenditures of federal awards are also not required parts 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 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 26, 2014, 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.

  
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Johnson, Thomas & Cunningham, CPA's

June 26, 2014  
Natchitoches, Louisiana

**Required Supplementary Information – Part I**  
**Management's Discussion and Analysis**



## **DESOTO PARISH POLICE JURY MANAGEMENT'S DISCUSSION AND ANALYSIS**

As management of the DeSoto Parish Police Jury, Mansfield, Louisiana, (hereafter referred to as the Police Jury) we offer the readers of the Police Jury's financial statements this narrative overview and analysis of the financial activities of the Police Jury as of and for the year ended December 31, 2013. We encourage readers to consider the information presented here in conjunction with the Police Jury's basic financial statements and supplementary information provided in this report in assessing the efficiency and effectiveness of our stewardship of public resources.

### **FINANCIAL HIGHLIGHTS**

The Police Jury's total net position increased \$3,373,245 (3.1%) during 2013 compared to an increase of \$4,552,020 (4.36%) the prior year. The decrease in growth is again this year due to a decrease of \$1,927,382 (22%) in sales tax revenue from \$8,949,882 in 2012 to \$7,022,500 in 2013.

At December 31, 2013, the assets of the Police Jury exceeded its liabilities by \$112,271,677 compared to the prior year's ending net position of \$108,898,432. This increase is primarily due to a decrease in program expenses.

Unrestricted net position, which represents the amount available to be used to meet ongoing obligations to the citizens of DeSoto Parish and creditors in accordance with the Police Jury's fund designation and fiscal policies increased \$707,156 (10.24%) during 2013 to \$7,614,998 compared to a decrease of \$1,848,946 (21.12%) as of December 31, 2012.

The Police Jury's total general and program revenues were \$31,128,638 in 2013 compared to \$33,669,292 in 2012. This is a decrease of \$2,540,654 or 7.55%.

Capital outlays for the year ended December 31, 2013, totaled \$3,655,502. This total includes \$1,929,960 in the solid waste fund and \$809,295 in the Airport Fund. During 2012, capital outlays totaled \$9,786,691 with \$8,320,841 expended in the road fund.

During 2013, ad valorem taxes (property) increased \$894,685 (8%) to \$11,903,890 from \$11,009,205 in 2012.

During 2013, the DeSoto Parish Police Jury received \$731,230 for royalties and leasing of its oil, gas, and other liquid or gaseous minerals compared to \$844,698 in 2012.

The Solid Waste Fund made operating transfers of \$1,100,000 to the Road Fund during 2013.

During the year ended December 31, 2013, the Police Jury had total expenses, excluding depreciation, of \$23,303,333, compared \$25,512,044 in 2012.

### **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 include three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. The basic financial statements include two kinds of financial statements that present different views of the Police Jury - the **Government-Wide Financial Statements** and the **Fund Financial Statements**. The **Notes to the Financial Statements** explain some of the information in the financial statements and provide additional detail. This report also contains additional required supplementary information (budgetary schedules) and other supplementary information in addition to the basic financial statements. These components are described below.

#### **Government-Wide Financial Statements**

The government-wide financial statements provide a broad overview of the Police Jury's operations in a manner similar to a private-sector business. The statements provide both short-term and long-term information about the Police Jury's financial position, which assists users in assessing the Police Jury's economic condition at the end of the year. These statements are prepared using the economic resources measurement focus and the accrual

basis of accounting similar to methods used by most businesses. These statements report all revenues and expenses connected with the year even if cash has not been received or paid and include all assets of the Police Jury (including infrastructure) as well as all liabilities (including long-term debt). Additionally, certain eliminations have occurred as prescribed by GASB 34 in regards to interfund activity, payables, and receivables. The government-wide financial statements include two statements:

- **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 the Police Jury's 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 most recent year using the full accrual basis of accounting. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Therefore, some revenues and some expenses that are reported in this statement will not result in cash flows until future years.

These two statements report the Police Jury's *net position* and changes in them. You can think of the Police Jury's net position – the difference between assets and liabilities – as one way to measure the Police Jury's financial health, or *financial position*. Over time, *increases* or *decreases* in the Police Jury's net position are one indicator of whether its *financial health* is improving or deteriorating. You will need to consider other non-financial factors, however, such as changes in the Police Jury's property tax base, to assess the overall health of the Police Jury.

Both of the above financial statements have separate sections for the two different types of Police Jury activities. These activities are:

*Governmental Activities* – The activities in this section are mostly supported by taxes and intergovernmental revenues (grants). Most services normally associated with a police jury fall into this category, including general government, public safety, public works, sanitation, health and welfare, cultural and recreation, community development, economic development, and transportation.

*Business-type Activities* – These functions are normally intended to recover all or a significant portion of their costs through user fees and charges to external users of goods and services. The business-type activities of the Police Jury consist of the provision of sewer services.

The Government-Wide financial statements can be found immediately following this discussion and analysis.

### **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.

The fund financial statements focus on individual parts of the Police Jury government, reporting the Police Jury's operations in more detail than the government-wide statements. The funds of the Police Jury can be divided into two categories. It is important to note that these fund categories use different accounting approaches and should be interpreted differently. The two categories of funds are:

- ***Governmental funds.*** Most of the basic services provided by the Police Jury are financed through 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, the fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources at the end of the year. Such information may be useful in evaluating the Police Jury's near-term financing requirements. This approach is known as using the flow of financial resources measurement focus and the modified accrual basis of accounting. These statements provide a detailed short-term view of the Police Jury's finances and assists in determining whether there will be adequate financial resources available to meet the current needs of the Police Jury.

Because the focus of the governmental funds financial statements 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, users may better understand the long-term impact of the Police Jury's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and the governmental activities. These reconciliations are presented on the page immediately following each governmental funds financial statement.

The Police Jury maintains thirteen governmental funds: the General Fund and twelve special revenue funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the General Fund, the Solid Waste Fund, the Road Fund, the Airport Fund, and the Jail Fund, which are classified as major funds. Data from the other non-major governmental 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 immediately following the government-wide financial statements.

- *Proprietary Funds.* These funds are used to show activities that operate more like those of commercial enterprises. Because these funds charge fees for services provided to outside customers they are known as enterprise funds. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. Like the government-wide financial statements, proprietary fund financial statements use the accrual basis of accounting. There is no reconciliation needed between the government-wide financial statements for business-type activities and the proprietary fund financial statements.

The Police Jury has one enterprise fund, the Eastside Sewer Fund, which is considered a major proprietary fund for presentation purposes.

The basic proprietary fund financial statements can be found immediately following the governmental fund financial statements.

### **Notes to the Financial Statements**

The notes to the financial statements 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 immediately following the funds financial statements.

### **Required Supplementary Information**

The basic financial statements are followed by a section of required supplementary information. This section includes budgetary comparison schedules for the General Fund and major special revenue funds. Annual budgets are prepared on the cash basis. Following the required supplementary information is supplementary information including a combining balance sheet for other governmental funds, a combining statement of revenues, expenditures and changes in fund balances for other governmental funds, a schedule of compensation paid to police jurors, and a schedule of expenditures of federal awards that are provided to show additional details.

**FINANCIAL ANALYSIS OF GOVERNMENT-WIDE ACTIVITIES**

***Net Position***

As noted earlier, net position may serve over time as a useful indicator of the Police Jury’s financial position. The Police Jury’s combined net position (governmental and business-type activities) totaled \$112,271,677 at December 31, 2013.

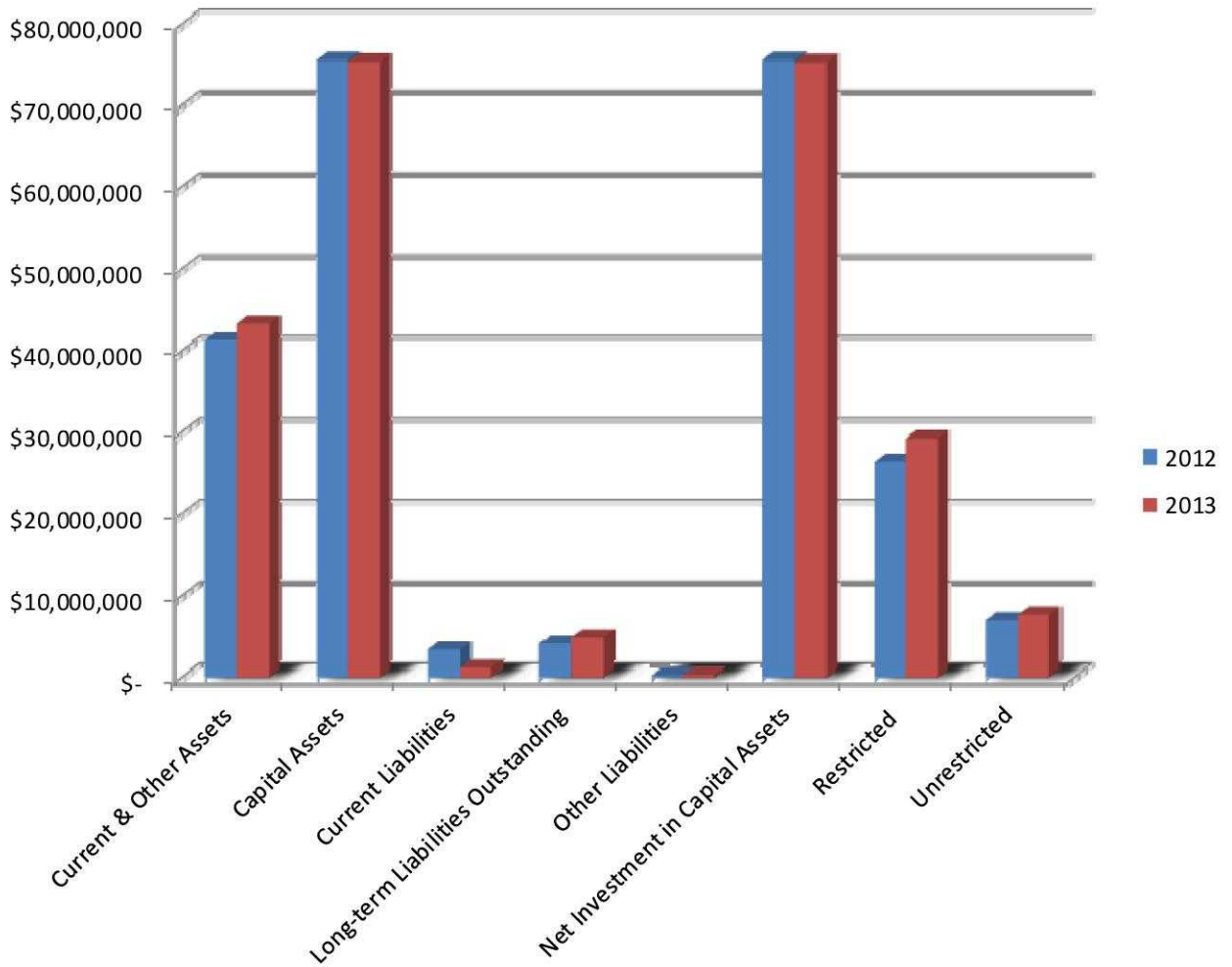
The portion of the Police Jury’s net position, \$75,370,860 (67%), reflects its investment in capital assets such as land, buildings, equipment, sewer plant and improvements, and infrastructure (streets, bridges, lighting, sidewalks and drainage improvements), less any related debt used to acquire those assets that is still outstanding compared to \$75,593,172 (69.4%) as of December 31, 2012. The Police Jury uses these capital assets to provide services to the citizens of the parish; 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.

An additional portion of the Police Jury’s net position, \$29,285,819 (26%) compared to \$26,397,418 (24.24%) as of December 31, 2012, represents resources that are subject to restrictions on how they may be used.

The remaining of the Police Jury’s net position, \$7,614,998 (6.78%) and \$6,907,842 (6.34%) as of December 31, 2013 and 2012, respectively, is unrestricted and may be used to meet the Police Jury’s ongoing obligations to citizens and creditors at the discretion of the jurors.

|                                      | Governmental<br>Activities |                       | Business-Type<br>Activities |                  | Total                 |                       |
|--------------------------------------|----------------------------|-----------------------|-----------------------------|------------------|-----------------------|-----------------------|
|                                      | 2013                       | 2012                  | 2013                        | 2012             | 2013                  | 2012                  |
| <b>Assets:</b>                       |                            |                       |                             |                  |                       |                       |
| Current and other assets             | \$ 43,317,986              | \$ 41,250,660         | \$ 4,337                    | \$ 3,663         | \$ 43,322,323         | \$ 41,254,323         |
| Capital assets                       | 75,371,606                 | 75,599,077            | 10,175                      | 10,175           | 75,381,781            | 75,609,252            |
| Total assets                         | <u>118,689,592</u>         | <u>116,849,737</u>    | <u>14,512</u>               | <u>13,838</u>    | <u>118,704,104</u>    | <u>116,863,575</u>    |
| <b>Liabilities:</b>                  |                            |                       |                             |                  |                       |                       |
| Current liabilities                  | 1,173,758                  | 3,477,947             | 2,331                       | 2,006            | 1,176,089             | 3,479,953             |
| Long-term liabilities<br>outstanding | 4,926,977                  | 4,205,712             | -                           | -                | 4,926,977             | 4,205,712             |
| Other liabilities                    | 329,091                    | 279,208               | 270                         | 270              | 329,361               | 279,478               |
| Total liabilities                    | <u>6,429,826</u>           | <u>7,962,867</u>      | <u>2,601</u>                | <u>2,276</u>     | <u>6,432,427</u>      | <u>7,965,143</u>      |
| <b>Net Position:</b>                 |                            |                       |                             |                  |                       |                       |
| Net investment in<br>capital assets  | 75,360,685                 | 75,582,997            | 10,175                      | 10,175           | 75,370,860            | 75,593,172            |
| Restricted                           | 29,285,819                 | 26,397,418            | -                           | -                | 29,285,819            | 26,397,418            |
| Unrestricted                         | 7,613,262                  | 6,906,455             | 1,736                       | 1,387            | 7,614,998             | 6,907,842             |
| Total net position                   | <u>\$ 112,259,766</u>      | <u>\$ 108,886,870</u> | <u>\$ 11,911</u>            | <u>\$ 11,562</u> | <u>\$ 112,271,677</u> | <u>\$ 108,898,432</u> |

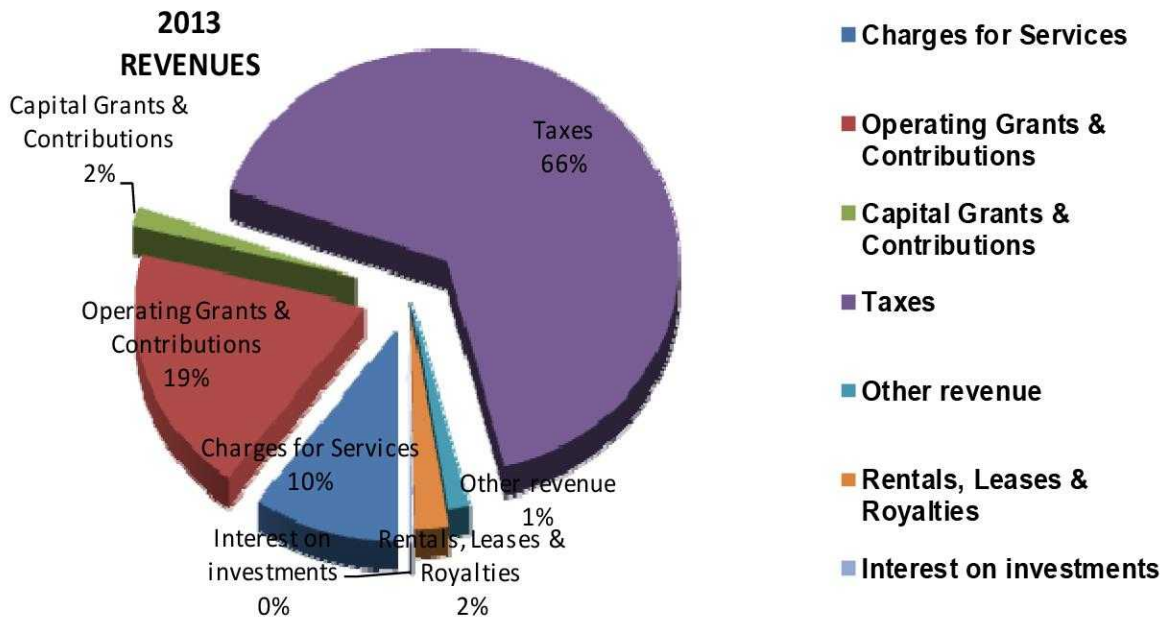
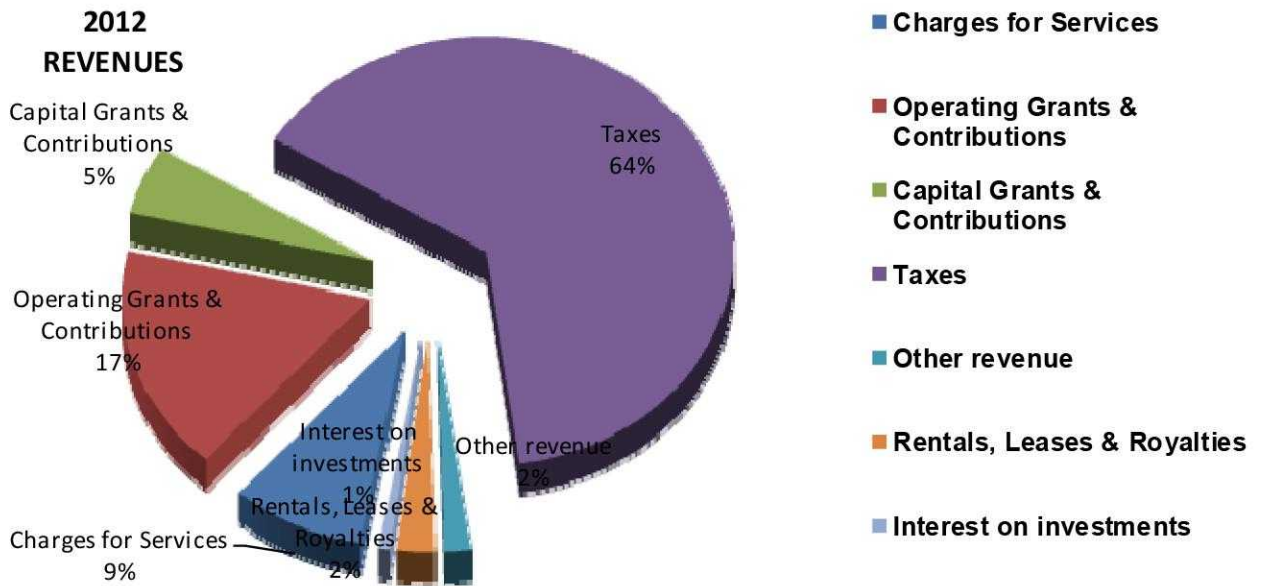
## Net Position

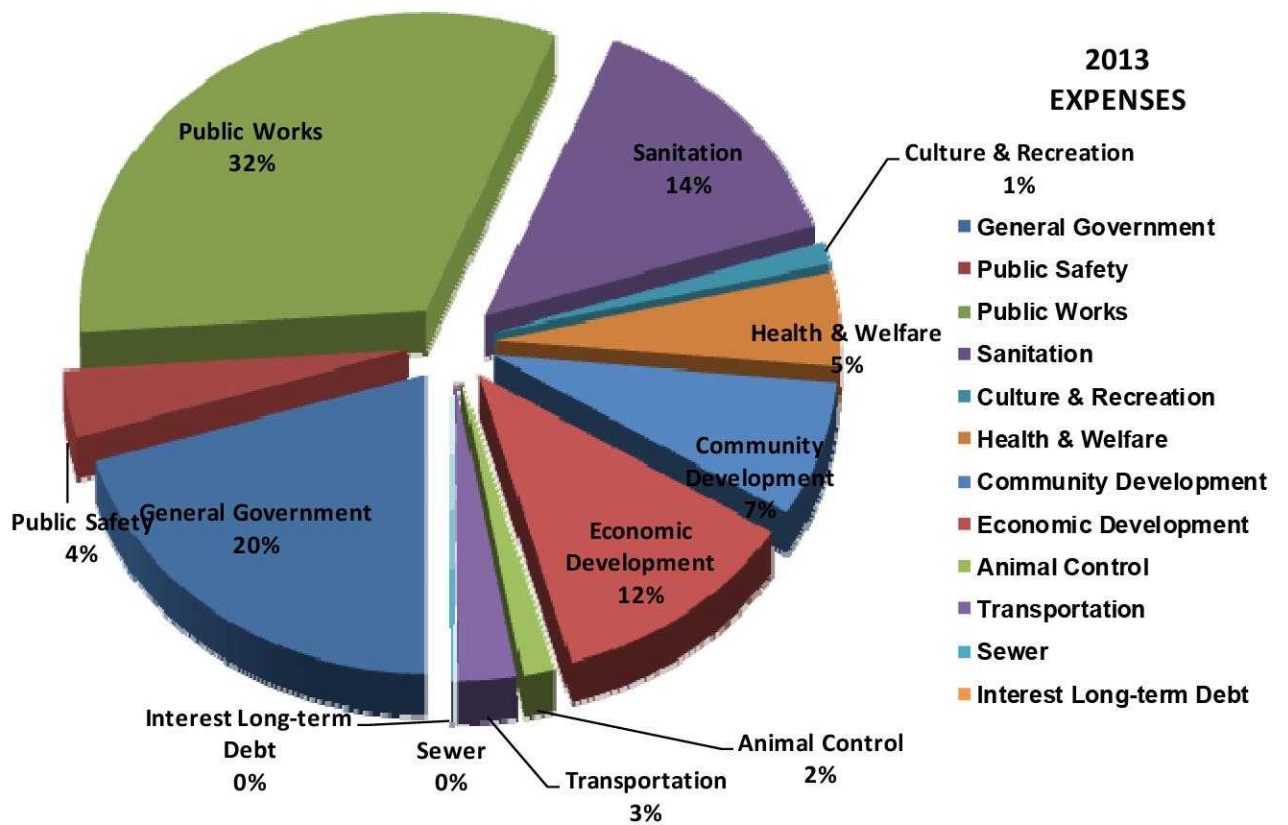
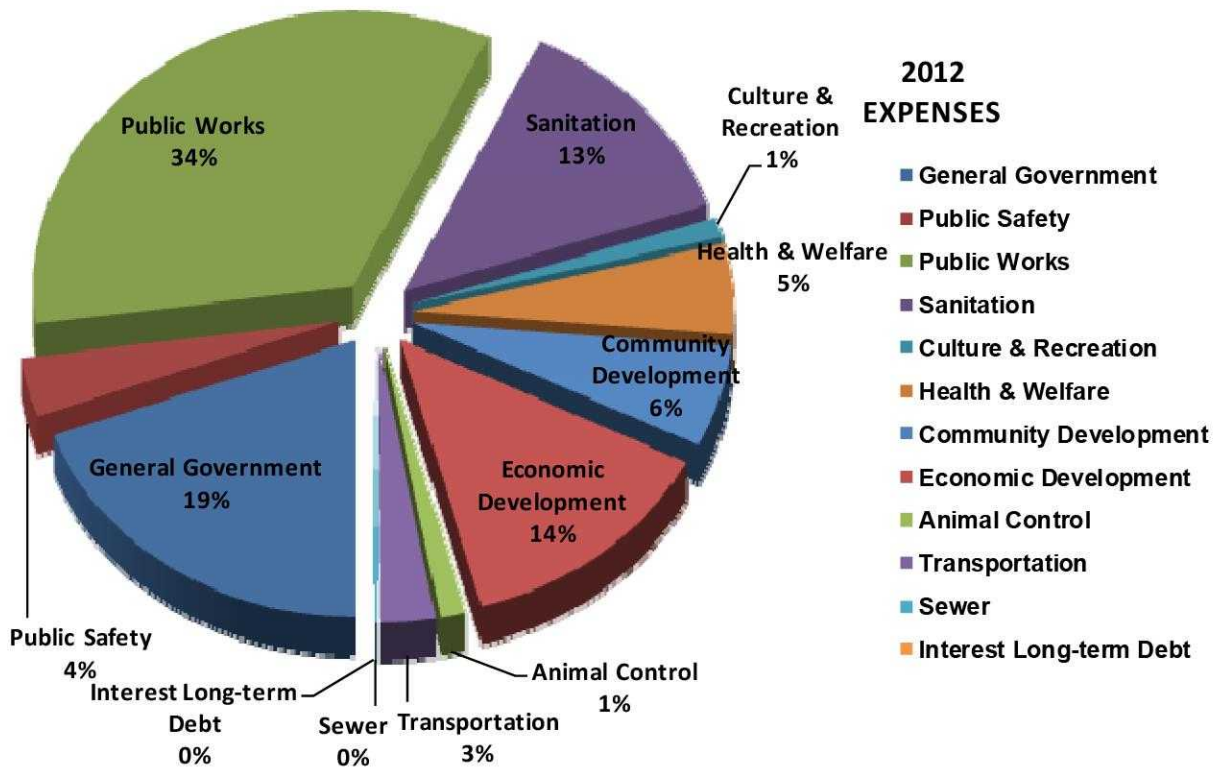


### Changes in Net Position

\$3,165,461 (10.17%) of the Police Jury's total revenues was derived through charges for services during 2013 compared to \$2,948,989 (8.76%) for the prior year. \$21,587,679 (69.38%) was derived from general revenues including taxes, video poker revenues, state revenue sharing, rent and royalties, sale of assets, and interest compared to \$23,227,453 (69.01%) during 2012. The Police Jury received \$6,375,500 (20.49%) and \$7,492,850 (22.26%) of its total revenues through program grants and contributions during 2013 and 2012, respectively.

The largest expenses were for public works \$8,949,274 (32.28%), general government \$5,629,416 (20.31%), sanitation \$3,857,649 (13.92%), economic development \$3,278,177 (11.83%), community development \$2,054,244 (7.41%), health and welfare \$1,423,093 (5.13%), public safety \$1,012,619 (3.65%), transportation \$764,110 (2.76%) and animal/mosquito control \$411,754 (1.49%). In fiscal year 2013, governmental activity expenses exceeded program revenues resulting in the use of \$18,193,633 in general revenues, mostly taxes and prior year accumulated net position. Net expenses from business-type activities in fiscal year 2013 exceeded revenues by \$20,801.





|   | Governmental          |                       | Business-Type    |                  | Total                 |                       |
|---|-----------------------|-----------------------|------------------|------------------|-----------------------|-----------------------|
|   | Activities            |                       | Activities       |                  |                       |                       |
|   | 2013                  | 2012                  | 2013             | 2012             | 2013                  | 2012                  |
| Revenues:   |                       |                       |                  |                  |                       |                       |
| Program revenues:   |                       |                       |                  |                  |                       |                       |
| Charges for services  | 3,153,794             | 2,935,394             | \$ 11,667        | \$ 13,595        | \$ 3,165,461          | \$ 2,948,989          |
| Operating grants and contributions                                    | 5,913,058             | 5,742,140             | -                | -                | 5,913,058             | 5,742,140             |
| Capital grants and contributions                                      | 462,442               | 1,750,710             | -                | -                | 462,442               | 1,750,710             |
| General revenues:   |                       |                       |                  |                  |                       |                       |
| Taxes   | 20,483,989            | 21,545,128            | -                | -                | 20,483,989            | 21,545,128            |
| State revenue sharing   | 56,559                | 57,456                | -                | -                | 56,559                | 57,456                |
| Video poker   | 128,344               | 137,928               | -                | -                | 128,344               | 137,928               |
| Rentals, leases and royalties   | 731,230               | 844,698               | -                | -                | 731,230               | 844,698               |
| Investment earnings   | (79,777)              | 236,334               | -                | -                | (79,777)              | 236,334               |
| Gain(loss) on sale of assets  | 13,390                | 3,992                 | -                | -                | 13,390                | 3,992                 |
| Other   | 253,942               | 400,912               | -                | 1,005            | 253,942               | 401,917               |
| Total revenues  | <u>31,116,971</u>     | <u>33,654,692</u>     | <u>11,667</u>    | <u>14,600</u>    | <u>31,128,638</u>     | <u>33,669,292</u>     |
| Expenses:   |                       |                       |                  |                  |                       |                       |
| General government  | 5,629,416             | 5,655,876             | -                | -                | 5,629,415             | 5,655,876             |
| Public safety   | 1,012,619             | 1,008,647             | -                | -                | 1,012,619             | 1,008,647             |
| Public works  | 8,949,274             | 9,927,813             | -                | -                | 8,949,273             | 9,927,813             |
| Sanitation  | 3,857,649             | 3,762,825             | -                | -                | 3,857,649             | 3,762,825             |
| Culture and recreation  | 342,350               | 342,454               | -                | -                | 342,350               | 342,454               |
| Health and welfare  | 1,423,093             | 1,538,196             | -                | -                | 1,423,093             | 1,538,196             |
| Community development   | 2,054,244             | 1,738,861             | -                | -                | 2,054,244             | 1,738,861             |
| Economic development  | 3,278,177             | 3,941,630             | -                | -                | 3,278,177             | 3,941,630             |
| Transportation  | 764,110               | 792,352               | -                | -                | 764,110               | 792,352               |
| Animal control  | 411,754               | 372,526               | -                | -                | 411,754               | 372,526               |
| Sewer   | -                     | -                     | 32,468           | 35,352           | 32,468                | 35,352                |
| Interest on long-term debt  | 241                   | 740                   | -                | -                | 241                   | 740                   |
| Total expenses  | <u>27,722,927</u>     | <u>29,081,920</u>     | <u>32,468</u>    | <u>35,352</u>    | <u>27,755,393</u>     | <u>29,117,272</u>     |
| Increase (decrease) in net position before transfers and special item | 3,394,046             | 4,572,772             | (20,801)         | (20,752)         | 3,373,245             | 4,552,020             |
| Transfers   | (21,150)              | (20,000)              | 21,150           | 20,000           | -                     | -                     |
| Change in net position  | <u>3,372,896</u>      | <u>4,552,772</u>      | <u>349</u>       | <u>(752)</u>     | <u>3,373,245</u>      | <u>4,552,020</u>      |
| Net position-beginning  | <u>108,886,870</u>    | <u>104,334,098</u>    | <u>11,562</u>    | <u>12,314</u>    | <u>108,898,432</u>    | <u>104,346,412</u>    |
| Net position - ending   | <u>\$ 112,259,766</u> | <u>\$ 108,886,870</u> | <u>\$ 11,911</u> | <u>\$ 11,562</u> | <u>\$ 112,271,677</u> | <u>\$ 108,898,432</u> |



## **FINANCIAL ANALYSIS OF THE INDIVIDUAL FUNDS**

As noted earlier, the Police Jury uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

### ***Governmental Funds***

The general government functions of the Police Jury are reported in the General, and Special Revenue Funds. The focus of the Police Jury's governmental funds is to provide information on the near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Police Jury's annual financing and budgeting requirements.

Overall, the governmental funds of the Police Jury increased fund balance by \$4,111,473 (9%) compared to a decrease of \$961,934 (2.52%) in fund balance in 2012.

As of the end of the current year, the General Fund, the Police Jury's chief operating fund, reported an ending fund balance of \$12,055,903, an increase of \$1,258,117 (12%) compared to the prior year.

During 2013, the General Fund transferred \$647,877 to other governmental funds to provide funding for their operations and to clear deficit fund balances.

The Solid Waste Fund reported an ending fund balance of \$12,418,900, an increase in fund balance of \$943,490 (8%) as compared with the prior year.

The Road Fund reported an ending fund balance of \$4,233,180, an increase in fund balance of \$2,793,138 (194%) as compared with the prior year.

The Airport Fund reported an ending fund balance of \$7,402,456, a decrease in fund balance of \$1,001,549 (12%) as compared with the prior year.

The Jail Fund reported an ending fund balance of \$4,708,123, a decrease of \$24,359 (1.0%) as compared with the prior year.

### ***Proprietary Fund***

The Police Jury's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail.

At the end of the current fiscal year, the Police Jury's proprietary fund, Eastside Sewer Fund, reported ending net position of \$11,911, a increase of \$349 (0.03%) in comparison with the prior year.

## **GENERAL FUND BUDGETARY HIGHLIGHTS**

Formal budgetary integration is employed as a management control devise during the fiscal year. The budget policy of the Police Jury complies with state law, as amended, and as set forth in Louisiana Revised Statutes Title 39, Chapter 9, Louisiana Local Government Budget Act (LSA – R.S. 39:1301 et seq.).

The budget is prepared by management and is approved by the Police Jurors following a public hearing. The 2013 budget was adopted on December 27, 2012, with total General Fund expenditures and other financing uses totaling \$5,018,870, a decrease of \$3,323,288 compared to the prior year final budgeted expenditures.

The Police Jury amended the General Fund Budget because:

- Program and general revenues were more than originally budgeted.
- Program expenses were more than originally budgeted.
- Capital outlays were more than originally budgeted.
- Transfers to other funds were more than originally budgeted

Actual revenues and other financing sources available for expenditure in the General Fund were \$893,022 more than originally budgeted. Actual expenditures and other financing uses were \$17,602 less than the final budgeted amounts.

## **CAPITAL ASSET ADMINISTRATION**

The Police Jury's investment in capital assets for its governmental and business-type activities as of December 31, 2013, total \$266,414,157, net of accumulated depreciation of \$191,032,376, leaving a book value \$75,381,781. This investment in capital assets consists of land, buildings, equipment, sewer plant and improvements, and infrastructure (streets, bridges, lighting, sidewalks and drainage improvements). The total increase in the Police Jury's investment in capital assets for the current year was \$3,655,502 about 3.72% in terms of historical cost. Depreciation charges for the year totaled \$3,852,060 compared to \$3,605,228 for the prior year.

## **DEBT ADMINISTRATION**

As of December 31, 2013, the Police Jury's outstanding long-term liabilities consists of capital leases totaled \$10,921. The Police Jury's total outstanding long-term liabilities decreased \$5,159 (12.64%) during 2013.

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, 2012, the statutory limit was \$73,613,369. The Police Jury's total debt outstanding at year end was well below this limitation.

The Police Jury has determined that its liability for future closure and post closure costs related to the solid waste landfill (Mundy Landfill) was \$2,165,606 as of December 31, 2013, an increase of \$240,150. The current period expense increase was reported against current period sanitation expense.

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). Prior to that date, 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 benefit on a pay-as-you-go basis. GASB 45 requires a systematic, accrual basis measurement and recognition of postemployment healthcare benefits cost over a period that approximates employees' years of service. The Police Jury has determined that its liability for other postemployment benefit obligations was \$2,466,192 as of December 31, 2013. This liability and the related annual costs are reported only in the government-wide financial statements.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The annual budget is developed to provide efficient, effective and economic uses of the Police Jury's resources, as well as, a means to accomplish the highest priority objectives. Through the budget, the Police Jurors set the direction of the Parish, allocate its resources, and establish its priorities.

The following economic factors were considered when the budget for the fiscal year ended December 31, 2013 was prepared:

- Ad valorem tax revenues were projected to increase based on an increase in assessed values.
- Other revenues and expenditures are expected to be consistent with the prior year.
- General Fund expenditures include assistance for DeSoto Council on Aging, Multi-Cultural Center summer recreation program, SRA Oakridge Park, Sci-Port Discover Center, and DeSoto Health Care.
- General Fund capital outlays budgeted includes upgrades to the DeSoto Sports Complex, ADA compliant improvements, Alumni Park Phase II, Annex generator and canopy, Digital Recording System for the courtrooms, Council on Aging awning, and a homeless shelter.
- The Road Fund budget includes the purchase of a new fueling station and the FEMA Drainage Improvements Project.
- Solid Waste Fund has budgeted capital expenditures which include the addition of three (3) compactor site locations, landfill entrance improvements, an equipment storage building, a landfill dozer, ten (10) open top containers, and Cell 8 design.
- The Jail Fund capital budget includes tile for the gym floor, an industrial laundry dryer and thirty-five (35) additional bunks.
- The Airport Fund includes capital outlays for additional fencing and a new lawnmower

- The Animal/Mosquito Fund is budgeted to continue mosquito control spraying throughout the unincorporated areas of the parish. The capital expenditures include a covered kennel and a portable Chemical spill containment tank..

### **REQUESTS FOR INFORMATION**

This financial report is designed to provide our citizens, taxpayers, and investors with a general overview of the finances of the DeSoto Parish Police Jury and seeks to demonstrate the Police Jury's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for separate reports of the Police Jury's component units or for additional information should be addressed to the DeSoto Parish Police Jury, P. O. Box 898, Mansfield, Louisiana 71052, or by calling (318) 872-0738.

## **Basic Financial Statements**

**Government-Wide Financial Statements**

**DeSoto Parish Police Jury  
Mansfield, Louisiana**

**Statement of Net Position  
December 31, 2013**

|  | Primary Government         |                             | Total                 |
|--|----------------------------|-----------------------------|-----------------------|
|  | Governmental<br>Activities | Business-Type<br>Activities |                       |
| <b>ASSETS</b>                                      |                            |                             |                       |
| Cash and cash equivalents                          | \$ 9,790,825               | \$ 265                      | \$ 9,791,090          |
| Investments  | 19,901,346                 | -                           | 19,901,346            |
| Receivables (net of allowances for uncollectibles) | 13,582,980                 | 4,072                       | 13,587,052            |
| Due from other governments                         | 2,650                      | -                           | 2,650                 |
| Inventory  | 40,185                     | -                           | 40,185                |
| Capital assets (net)                               | 75,371,606                 | 10,175                      | 75,381,781            |
| <b>Total Assets</b>                                | <b>\$ 118,689,592</b>      | <b>\$ 14,512</b>            | <b>118,704,104</b>    |
| <b>LIABILITIES</b>                                 |                            |                             |                       |
| Accounts payable                                   | 1,173,758                  | 2,331                       | 1,176,089             |
| Deposit balances                                   | 1,100                      | 270                         | 1,370                 |
| Advance from grantors                              | 67,825                     | -                           | 67,825                |
| Due to other governments                           | 260,166                    | -                           | 260,166               |
| Landfill post closure liability                    | 2,165,606                  | -                           | 2,165,606             |
| Compensated absences                               | 284,258                    | -                           | 284,258               |
| Other postemployment benefit obligation            | 2,466,192                  | -                           | 2,466,192             |
| Long-term liabilities:                             |                            |                             |                       |
| Due within one year                                | 5,641                      | -                           | 5,641                 |
| Due in more than one year                          | 5,280                      | -                           | 5,280                 |
| <b>Total Liabilities</b>                           | <b>\$ 6,429,826</b>        | <b>\$ 2,601</b>             | <b>\$ 6,432,427</b>   |
| <b>NET POSITION</b>                                |                            |                             |                       |
| Net investment in capital assets                   | \$ 75,360,685              | \$ 10,175                   | \$ 75,370,860         |
| Restricted for:                                    |                            |                             |                       |
| Airport  | 7,402,456                  | -                           | 7,402,456             |
| District court                                     | 98,450                     | -                           | 98,450                |
| Public safety                                      | 4,730,847                  | -                           | 4,730,847             |
| Roads  | 4,233,180                  | -                           | 4,233,180             |
| Sanitation   | 12,418,900                 | -                           | 12,418,900            |
| Health and welfare                                 | 6,995                      | -                           | 6,995                 |
| Witness and juror fees                             | 394,991                    | -                           | 394,991               |
| Unrestricted                                       | 7,613,262                  | 1,736                       | 7,614,998             |
| <b>Total Net Position</b>                          | <b>\$ 112,259,766</b>      | <b>\$ 11,911</b>            | <b>\$ 112,271,677</b> |

The notes to the financial statements are an integral part of this statement.  
See the accompanying independent auditor's report.

**DeSoto Parish Police Jury  
Mansfield, Louisiana**

**Statement of Activities  
For the Year Ended December 31, 2013**

| <b>Functions/Programs</b>            | <b>Expenses</b>      | <b>Program Revenues</b>     |  |   |
|--------------------------------------|----------------------|-----------------------------|--|---|
|                                      |                      | <b>Charges for Services</b> | <b>Operating Grant and Contributions</b> | <b>Capital Grants &amp; Contributions</b> |
| <b>Primary Government:</b>           |                      |                             |  |   |
| <b>    Governmental Activities</b>   |                      |                             |  |   |
| General government:                  |                      |                             |  |   |
| Legislative                          | \$ 371,189           | \$ -                        | \$ -                                     | \$ -                                      |
| Judicial                             | 2,401,455            | 1,080,171                   | -  | -   |
| Elections                            | 46,958               | -                           | -  | -   |
| Finance and administration           | 1,317,624            | 319,261                     | 56,347                                   | -   |
| Other                                | 1,492,190            | -                           | -  | -   |
| Public safety                        | 1,012,619            | -                           | 110,561                                  | -   |
| Public works                         | 8,949,274            | 304,845                     | -  | 442,442                                   |
| Sanitation                           | 3,857,649            | 1,179,593                   | -  | 20,000                                    |
| Culture and recreation               | 342,350              | -                           | -  | -   |
| Health and welfare                   | 1,423,093            | -                           | 2,880,298                                | -   |
| Community development                | 2,054,244            | -                           | -  | -   |
| Economic development                 | 3,278,177            | -                           | 2,701,472                                | -   |
| Transportation                       | 764,110              | 243,905                     | 158,838                                  | -   |
| Animal Control                       | 411,754              | 26,019                      | 5,542                                    | -   |
| Interest on long-term debt           | 241                  | -                           | -  | -   |
| <b>Total Governmental Activities</b> | <b>27,722,927</b>    | <b>3,153,794</b>            | <b>5,913,058</b>                         | <b>462,442</b>                            |
| <b>    Business-Type Activities</b>  |                      |                             |  |   |
| Eastside sewer                       | 32,468               | 11,667                      | -  | -   |
| <b>Total Primary Government</b>      | <b>\$ 27,755,395</b> | <b>\$ 3,165,461</b>         | <b>\$ 5,913,058</b>                      | <b>\$ 462,442</b>                         |
| General Revenues:                    |                      |                             |  |   |
| Ad valorem taxes                     |                      |                             |  |   |
| Sales taxes                          |                      |                             |  |   |
| Severance taxes                      |                      |                             |  |   |
| Tourism taxes                        |                      |                             |  |   |
| Video Poker                          |                      |                             |  |   |
| Investment earnings                  |                      |                             |  |   |
| State revenue sharing                |                      |                             |  |   |
| Gain on disposal of capital assets   |                      |                             |  |   |
| Rentals, leases and royalties        |                      |                             |  |   |
| Other miscellaneous                  |                      |                             |  |   |
| Transfers:                           |                      |                             |  |   |
| Interfund                            |                      |                             |  |   |
| Total general revenues and transfers |                      |                             |  |   |
| Changes in Net Position              |                      |                             |  |   |
| Net position - beginning             |                      |                             |  |   |
| Net position - ending                |                      |                             |  |   |

**DeSoto Parish Police Jury  
Mansfield, Louisiana**

**Statement of Activities  
For the Year Ended December 31, 2013**

| Net (Expense) Revenue and<br>Changes in Net Position |                            |                             |                       |
|--|----------------------------|-----------------------------|-----------------------|
| Primary Government                                   |                            |                             |                       |
|  | Governmental<br>Activities | Business-Type<br>Activities | Total                 |
| \$   | (371,189)                  | \$ -                        | \$ (371,189)          |
|  | (1,321,284)                | -                           | (1,321,284)           |
|  | (46,958)                   | -                           | (46,958)              |
|  | (942,016)                  | -                           | (942,016)             |
|  | (1,492,190)                | -                           | (1,492,190)           |
|  | (902,058)                  | -                           | (902,058)             |
|  | (8,201,987)                | -                           | (8,201,987)           |
|  | (2,658,056)                | -                           | (2,658,056)           |
|  | (342,350)                  | -                           | (342,350)             |
|  | 1,457,205                  | -                           | 1,457,205             |
|  | (2,054,244)                | -                           | (2,054,244)           |
|  | (576,705)                  | -                           | (576,705)             |
|  | (361,367)                  | -                           | (361,367)             |
|  | (380,193)                  | -                           | (380,193)             |
|  | (241)                      | -                           | (241)                 |
|  | <u>(18,193,633)</u>        | <u>-</u>                    | <u>(18,193,633)</u>   |
|  | -                          | (20,801)                    | (20,801)              |
|  |                            | <u>(20,801)</u>             | <u>(18,214,435)</u>   |
|  | 11,903,890                 | -                           | 11,903,890            |
|  | 7,022,500                  | -                           | 7,022,500             |
|  | 1,412,788                  | -                           | 1,412,788             |
|  | 144,811                    | -                           | 144,811               |
|  | 128,344                    | -                           | 128,344               |
|  | (79,777)                   | -                           | (79,777)              |
|  | 56,559                     | -                           | 56,559                |
|  | 13,390                     | -                           | 13,390                |
|  | 731,230                    | -                           | 731,230               |
|  | 253,944                    | -                           | 253,944               |
|  | <u>(21,150)</u>            | <u>21,150</u>               | <u>-</u>              |
|  | <u>21,566,529</u>          | <u>21,150</u>               | <u>21,587,679</u>     |
|  | 3,372,896                  | 349                         | 3,373,245             |
|  | 108,886,870                | 11,562                      | 108,898,432           |
| \$   | <u>112,259,766</u>         | <u>\$ 11,911</u>            | <u>\$ 112,271,677</u> |

The notes to the financial statements are an integral part of this statement.  
See the accompanying independent auditor's report.



## **Fund Financial Statements**

**DeSoto Parish Police Jury  
Mansfield, Louisiana**

**Balance Sheet  
Governmental Funds  
December 31, 2013**

|   | Major Funds          |                      |                     |                     |
|---|----------------------|----------------------|---------------------|---------------------|
|   | General<br>Fund      | Solid Waste<br>Fund  | Road<br>Fund        | Airport<br>Fund     |
| <b>ASSETS</b>   |                      |                      |                     |                     |
| Cash and cash equivalents   | \$ 1,330,631         | \$ 2,288,828         | \$ 94,129           | \$ 606,834          |
| Investments   | 5,807,752            | 6,347,657            | 10,696              | 7,735,241           |
| Receivables (net of allowance for uncollectibles)                             | 4,018,916            | 4,079,786            | 3,950,744           | 91,183              |
| Inventory   | -                    | -                    | -                   | 40,185              |
| Due from other governments  | 2,650                | -                    | -                   | -                   |
| Due from other funds  | 1,367,048            | 156,097              | 520,322             | -                   |
| Noncurrent receivable   | -                    | -                    | 55,000              | -                   |
| Total assets  | <u>\$ 12,526,997</u> | <u>\$ 12,872,368</u> | <u>\$ 4,630,891</u> | <u>\$ 8,473,443</u> |
| <b>LIABILITIES</b>  |                      |                      |                     |                     |
| Liabilities:  |                      |                      |                     |                     |
| Accounts payable  | \$ 270,768           | \$ 329,947           | \$ 226,143          | \$ 70,987           |
| Due to other funds  | -                    | -                    | -                   | 1,000,000           |
| Master bank overdrafts  | 31,222               | -                    | -                   | -                   |
| Due to other governments  | 4                    | -                    | -                   | -                   |
| Advance from grantors   | -                    | -                    | -                   | -                   |
| Deposits  | 1,100                | -                    | -                   | -                   |
| Total Liabilities   | <u>\$ 303,094</u>    | <u>\$ 329,947</u>    | <u>\$ 226,143</u>   | <u>\$ 1,070,987</u> |
| <b>DEFERRED INFLOWS OF RESOURCES</b>  |                      |                      |                     |                     |
| Unavailable property taxes  | <u>\$ 168,000</u>    | <u>\$ 123,521</u>    | <u>\$ 171,568</u>   | <u>\$ -</u>         |
| <b>FUND BALANCES</b>  |                      |                      |                     |                     |
| Non-spendable:  |                      |                      |                     |                     |
| Inventory   | \$ -                 | \$ -                 | \$ -                | \$ 40,185           |
| Restricted for:   |                      |                      |                     |                     |
| Airport   | -                    | -                    | -                   | 7,362,271           |
| Judicial  | -                    | -                    | -                   | -                   |
| Public safety   | -                    | -                    | -                   | -                   |
| Roads   | -                    | -                    | 4,233,180           | -                   |
| Sanitation  | -                    | 12,418,900           | -                   | -                   |
| Health and welfare  | -                    | -                    | -                   | -                   |
| Witness and juror fees  | -                    | -                    | -                   | -                   |
| Assigned to:  |                      |                      |                     |                     |
| Animal control  | -                    | -                    | -                   | -                   |
| Unassigned  | 12,055,903           | -                    | -                   | -                   |
| Total fund balances   | <u>12,055,903</u>    | <u>12,418,900</u>    | <u>4,233,180</u>    | <u>7,402,456</u>    |
| <b>TOTAL LIABILITIES, DEFERRED INFLOWS<br/>OF RESOURCES AND FUND BALANCES</b> | <u>\$ 12,526,997</u> | <u>\$ 12,872,368</u> | <u>\$ 4,630,891</u> | <u>\$ 8,473,443</u> |

**DeSoto Parish Police Jury  
Mansfield, Louisiana**

**Balance Sheet  
Governmental Funds  
December 31, 2013**

| Major Funds         |                     |                        | Other                 | Total                 |
|---------------------|---------------------|------------------------|-----------------------|-----------------------|
| Jail<br>Fund        | Sales Tax           | Criminal<br>Court Fund | Governmental<br>Funds | Governmental<br>Funds |
| \$ 4,639,231        | \$ 3,000            | \$ 1,447,841           | \$ 803,131            | \$ 11,213,625         |
| -                   | -                   | -                      | -                     | 19,901,346            |
| 296                 | 1,051,370           | 98,843                 | 236,842               | 13,527,980            |
| -                   | -                   | -                      | -                     | 40,185                |
| -                   | -                   | -                      | -                     | 2,650                 |
| 104,065             | -                   | -                      | -                     | 2,147,532             |
| -                   | -                   | -                      | -                     | 55,000                |
| <u>\$ 4,743,592</u> | <u>\$ 1,054,370</u> | <u>\$ 1,546,684</u>    | <u>\$ 1,039,973</u>   | <u>\$ 46,888,318</u>  |
|                     |                     |                        |                       |                       |
| \$ 35,469           | \$ 10,723           | \$ 140,911             | \$ 88,810             | \$ 1,173,758          |
| -                   | 783,485             | 98,447                 | 265,600               | 2,147,532             |
| -                   | -                   | 1,208,876              | 182,703               | 1,422,801             |
| -                   | 260,162             | -                      | -                     | 260,166               |
| -                   | -                   | -                      | 67,825                | 67,825                |
| -                   | -                   | -                      | -                     | 1,100                 |
| <u>\$ 35,469</u>    | <u>\$ 1,054,370</u> | <u>\$ 1,448,234</u>    | <u>\$ 604,938</u>     | <u>\$ 5,073,182</u>   |
|                     |                     |                        |                       |                       |
| <u>\$ -</u>         | <u>\$ -</u>         | <u>\$ -</u>            | <u>\$ -</u>           | <u>\$ 463,089</u>     |
|                     |                     |                        |                       |                       |
| \$ -                | \$ -                | \$ -                   | \$ -                  | \$ 40,185             |
| -                   | -                   | -                      | -                     | 7,362,271             |
| -                   | -                   | 98,450                 | -                     | 98,450                |
| 4,708,123           | -                   | -                      | 22,724                | 4,730,847             |
| -                   | -                   | -                      | -                     | 4,233,180             |
| -                   | -                   | -                      | -                     | 12,418,900            |
| -                   | -                   | -                      | 6,995                 | 6,995                 |
| -                   | -                   | -                      | 394,991               | 394,991               |
| -                   | -                   | -                      | 10,325                | 10,325                |
| -                   | -                   | -                      | -                     | 12,055,903            |
| <u>4,708,123</u>    | <u>-</u>            | <u>98,450</u>          | <u>435,035</u>        | <u>41,352,047</u>     |
|                     |                     |                        |                       |                       |
| <u>\$ 4,743,592</u> | <u>\$ 1,054,370</u> | <u>\$ 1,546,684</u>    | <u>\$ 1,039,973</u>   | <u>\$ 46,888,318</u>  |

The notes to the financial statements are an integral part of this statement.  
See the accompanying independent auditor's report.

**DeSoto Parish Police Jury  
Mansfield, Louisiana**

**Reconciliation of the Balance Sheet of Governmental Funds  
To the Statement of Net Position  
December 31, 2013**

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|   |  |                      |
|---|--|----------------------|
| <b>Total Fund Balance, Governmental Funds</b> |  | <b>\$ 41,352,047</b> |
|---|--|----------------------|

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

|                                 |                      |            |
|---------------------------------|----------------------|------------|
| Cost of capital assets          | \$ 265,929,427       |            |
| Less - Accumulated depreciation | <u>(190,557,821)</u> | 75,371,606 |

|   |  |         |
|---|--|---------|
| 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. |  | 463,089 |
|---|--|---------|

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                           | (10,921)         |             |
| Landfill post closure liability          | (2,165,606)      |             |
| Other post employment benefit obligation | (2,466,192)      |             |
| Compensated absences                     | <u>(284,258)</u> | (4,926,976) |

|   |  |                              |
|---|--|------------------------------|
| <b>Net Position of Governmental Activities in the Statement of Net Position</b> |  | <b><u>\$ 112,259,766</u></b> |
|---|--|------------------------------|

The notes to the financial statements are an integral part of this statement.  
See the accompanying independent auditor's report.

**DeSoto Parish Police Jury  
Mansfield, Louisiana**

**Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
For the Year Ended December 31, 2013**

|                                | Major Funds      |                     |                  |                 |                |                   | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--------------------------------|------------------|---------------------|------------------|-----------------|----------------|-------------------|--------------------------------|--------------------------------|
|                                | General<br>Fund  | Solid Waste<br>Fund | Road<br>Fund     | Airport<br>Fund | Jail<br>Fund   | Sales Tax<br>Fund |                                |                                |
| <b>REVENUES</b>                |                  |                     |                  |                 |                |                   |                                |                                |
| Taxes:                         |                  |                     |                  |                 |                |                   |                                |                                |
| Ad valorem                     | \$ 3,816,246     | \$ 4,018,316        | \$ 3,859,169     | \$ -            | \$ -           | \$ -              | \$ -                           | \$ 11,693,731                  |
| Sales and use                  | -                | 1,359,102           | 4,530,341        | -               | 906,068        | 226,989           | -                              | 7,022,500                      |
| Severance                      | 656,394          | -                   | 756,394          | -               | -              | -                 | -                              | 1,412,788                      |
| Tourism                        | 144,811          | -                   | -                | -               | -              | -                 | -                              | 144,811                        |
| Licenses and permits           | 197,828          | -                   | -                | -               | -              | -                 | -                              | 197,828                        |
| Intergovernmental revenues:    |                  |                     |                  |                 |                |                   |                                |                                |
| Federal grants                 | 151,556          | -                   | -                | -               | -              | -                 | 5,576,239                      | 5,727,795                      |
| State funds:                   |                  |                     |                  |                 |                |                   |                                |                                |
| Parish transportation funds    | -                | -                   | 400,432          | -               | -              | -                 | -                              | 400,432                        |
| Grants                         | 56,347           | -                   | -                | -               | -              | -                 | -                              | 56,347                         |
| State revenue sharing (net)    | 24,223           | -                   | 32,336           | -               | -              | -                 | -                              | 56,559                         |
| Video poker                    | 128,344          | -                   | -                | -               | -              | -                 | -                              | 128,344                        |
| Fire insurance rebate          | 110,561          | -                   | -                | -               | -              | -                 | -                              | 110,561                        |
| Other                          | -                | -                   | -                | 4,382           | -              | -                 | -                              | 4,382                          |
| Fees, charges, and commissions | 121,433          | 1,179,593           | 261,195          | 243,905         | -              | -                 | 26,019                         | 1,832,145                      |
| Fines and forfeitures          | -                | -                   | 43,650           | -               | -              | -                 | 866,987                        | 1,123,821                      |
| Investment earnings            | (40,506)         | 23,419              | 1,830            | (70,430)        | 3,521          | 1,141             | 687                            | (79,777)                       |
| Rents and royalties            | 560,770          | -                   | -                | 170,460         | -              | -                 | -                              | 731,230                        |
| Contributions                  | -                | 20,000              | 42,010           | 2,900           | -              | -                 | -                              | 75,984                         |
| Other revenues                 | 89,799           | 8,783               | 12,610           | -               | -              | -                 | 124,716                        | 253,944                        |
| <b>Total Revenues</b>          | <b>6,017,806</b> | <b>6,609,213</b>    | <b>9,939,967</b> | <b>351,217</b>  | <b>909,589</b> | <b>228,130</b>    | <b>992,390</b>                 | <b>30,893,425</b>              |

(Continued)

The notes to the financial statements are an integral part of this statement.  
See accompanying independent auditor's report.

**DeSoto Parish Police Jury  
Mansfield, Louisiana**

**Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
For the Year Ended December 31, 2013**

|   | Major Funds          |                      |                     |                     |                     |                | Other               | Total              |                      |
|---|----------------------|----------------------|---------------------|---------------------|---------------------|----------------|---------------------|--------------------|----------------------|
|   | General Fund         | Solid Waste Fund     | Road Fund           | Airport Fund        | Jail Fund           | Sales Tax Fund | Criminal Court Fund | Governmental Funds | Governmental Funds   |
| <b>EXPENDITURES</b>                         |                      |                      |                     |                     |                     |                |                     |                    |                      |
| <b>Current:</b>                             |                      |                      |                     |                     |                     |                |                     |                    |                      |
| General government:                         |                      |                      |                     |                     |                     |                |                     |                    |                      |
| Legislative                                 | 371,189              | -                    | -                   | -                   | -                   | -              | -                   | -                  | 371,189              |
| Judicial                                    | 1,258,506            | -                    | -                   | -                   | -                   | -              | 890,952             | 74,655             | 2,224,113            |
| Elections                                   | 46,958               | -                    | -                   | -                   | -                   | -              | -                   | -                  | 46,958               |
| Finance and administrative                  | 934,925              | 164,535              | 160,815             | -                   | -                   | -              | -                   | -                  | 1,260,275            |
| Other                                       | 769,577              | -                    | -                   | -                   | -                   | 228,130        | -                   | -                  | 997,707              |
| Public safety                               | 123,108              | -                    | -                   | -                   | 691,572             | -              | -                   | 29                 | 814,709              |
| Public works                                | -                    | -                    | 7,238,669           | -                   | -                   | -              | -                   | -                  | 7,238,669            |
| Sanitation                                  | -                    | 2,489,343            | -                   | -                   | -                   | -              | -                   | -                  | 2,489,343            |
| Cultural and recreation                     | 259,438              | -                    | -                   | -                   | -                   | -              | -                   | -                  | 259,438              |
| Health and welfare                          | 237,902              | -                    | -                   | -                   | -                   | -              | -                   | 1,074,457          | 1,312,359            |
| Community development                       | -                    | -                    | -                   | -                   | -                   | -              | -                   | 2,054,244          | 2,054,244            |
| Economic development                        | 433,865              | -                    | -                   | -                   | -                   | -              | -                   | 2,701,472          | 3,135,337            |
| Transportation                              | -                    | -                    | -                   | 538,071             | -                   | -              | -                   | -                  | 538,071              |
| Animal control                              | -                    | -                    | -                   | -                   | -                   | -              | -                   | 375,603            | 375,603              |
| <b>Capital outlay</b>                       | <b>249,792</b>       | <b>1,929,960</b>     | <b>372,345</b>      | <b>809,295</b>      | <b>242,376</b>      | <b>-</b>       | <b>-</b>            | <b>51,734</b>      | <b>3,655,502</b>     |
| <b>Debt service:</b>                        |                      |                      |                     |                     |                     |                |                     |                    |                      |
| Principal retirement                        | -                    | -                    | -                   | 5,159               | -                   | -              | -                   | -                  | 5,159                |
| Interest and other charges                  | -                    | -                    | -                   | 241                 | -                   | -              | -                   | -                  | 241                  |
| <b>Total Expenditures</b>                   | <b>4,685,260</b>     | <b>4,583,838</b>     | <b>7,771,829</b>    | <b>1,352,766</b>    | <b>933,948</b>      | <b>228,130</b> | <b>890,952</b>      | <b>6,332,194</b>   | <b>26,778,917</b>    |
| Excess (Deficiency) of Revenues             |                      |                      |                     |                     |                     |                |                     |                    |                      |
| over (Under) Expenditures                   | 1,332,546            | 2,025,375            | 2,168,138           | (1,001,549)         | (24,359)            | -              | 101,438             | (487,081)          | 4,114,508            |
| <b>OTHER FINANCING SOURCES (USES)</b>       |                      |                      |                     |                     |                     |                |                     |                    |                      |
| Transfers in                                | 573,448              | -                    | 1,100,000           | -                   | -                   | -              | -                   | 626,727            | 2,300,175            |
| Transfers out                               | (647,877)            | (1,100,000)          | (475,000)           | -                   | -                   | -              | (98,448)            | -                  | (2,321,325)          |
| Sale of capital assets                      | -                    | 18,115               | -                   | -                   | -                   | -              | -                   | -                  | 18,115               |
| <b>Total Other Financing Sources (Uses)</b> | <b>(74,429)</b>      | <b>(1,081,885)</b>   | <b>625,000</b>      | <b>-</b>            | <b>-</b>            | <b>-</b>       | <b>(98,448)</b>     | <b>626,727</b>     | <b>(3,035)</b>       |
| <b>Net Change in Fund Balance</b>           | <b>1,258,117</b>     | <b>943,490</b>       | <b>2,793,138</b>    | <b>(1,001,549)</b>  | <b>(24,359)</b>     | <b>-</b>       | <b>2,990</b>        | <b>139,646</b>     | <b>4,111,473</b>     |
| Fund balances -beginning                    | 10,797,786           | 11,475,410           | 1,440,042           | 8,404,005           | 4,732,482           | -              | 95,460              | 295,389            | 37,240,574           |
| <b>Fund balances - ending</b>               | <b>\$ 12,055,903</b> | <b>\$ 12,418,900</b> | <b>\$ 4,233,180</b> | <b>\$ 7,402,456</b> | <b>\$ 4,708,123</b> | <b>\$ -</b>    | <b>\$ 98,450</b>    | <b>\$ 435,035</b>  | <b>\$ 41,352,047</b> |

The notes to the financial statements are an integral part of this statement.  
See accompanying independent auditor's report.

**DeSoto Parish Police Jury  
Mansfield, Louisiana**

**Reconciliation of the Statement of Revenues, Expenditures, and  
Changes in Fund Balances of Governmental Funds to the  
Statement of Activities  
For the Year Ended December 31, 2013**

|  |                                   |
|--|-----------------------------------|
| <b>Net Change in Fund Balances - Governmental Funds</b>  | <b>\$ 4,111,473</b>               |
| <p>Amounts reported for governmental activities in the Statement of Activities are different because:</p>  |                                   |
| <p>Governmental Funds report capital outlays as expenditures because such outlays use current financial resources. However, for governmental activities those capital outlays are reported in the Statement of Net Position and are allocated over their useful lives in the Statement of Activities. This is the amount by which capital outlays exceed depreciation in the period.</p> |                                   |
| Capital outlays  | \$ 3,655,502                      |
| Less- Depreciation expense   | <u>(3,852,060)</u> (196,558)      |
| <p>In the statement of activities, only the <i>gain</i> on the sale of an asset is reported whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus the change in net position differs from the change in fund balance by the cost basis of the assets sold.</p>  |                                   |
|  | (4,725)                           |
| <p>The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while repayment of principle of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position and is not reported in the Statement of Activities.</p>                                  |                                   |
| Principal repayment  | 5,159                             |
| <p>Because of the timing of actual receipt, some revenues are not considered "available" to pay current obligations and are not reported in the governmental funds. They are, however, reported in the Statement of Activities</p>   |                                   |
| Increase (decrease) in unavailable property taxes  | 210,159                           |
| <p>Certain items reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds</p>  |                                   |
| Donation of property to another governmental agency  | (26,188)                          |
| (Increase)Decrease in liability for compensated absences   | (5,292)                           |
| (Increase)Decrease in liability for other postemployment benefits  | (480,982)                         |
| (Increase)Decrease in liability for landfill post closure expense  | <u>(240,150)</u>                  |
| <b>Change in Net Position of Governmental Activities</b>   | <b><u><u>\$ 3,372,896</u></u></b> |

The notes to the financial statements are an integral part of this statement.  
See the accompanying independent auditor's report.

**Proprietary Fund**



DeSoto Parish Police Jury  
Mansfield, Louisiana

Statement of Net Position  
Proprietary Fund  
December 31, 2013

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**Business-Type Activities - Enterprise Fund**

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**Eastside  
Sewer Fund**

**ASSETS**

|  |                  |
|--|------------------|
| Current Assets:                                    |                  |
| Cash and cash equivalents                          | \$ 265           |
| Receivables (net of allowances for uncollectibles) | 4,072            |
| Total Current Assets                               | <u>4,337</u>     |
| Non-Current Assets:                                |                  |
| Capital assets (net of accumulated depreciation)   | 10,175           |
| Total Assets                                       | <u>\$ 14,512</u> |

**LIABILITIES**

|                           |                 |
|---------------------------|-----------------|
| Current Liabilities:      |                 |
| Accounts payable          | \$ 2,331        |
| Total Current Liabilities | <u>2,331</u>    |
| Non-Current Liabilities:  |                 |
| Customer deposits         | 270             |
| Total Liabilities         | <u>\$ 2,601</u> |

**NET POSITION**

|                                  |                  |
|----------------------------------|------------------|
| Net investment in capital assets | \$ 10,175        |
| Unrestricted                     | 1,736            |
| Total Net Position               | <u>\$ 11,911</u> |

The notes to the financial statements are an integral part of this statement.  
See the accompanying independent auditor's report.

**DeSoto Parish Police Jury  
Mansfield, Louisiana**

**Statement of Revenues, Expenses, and Changes in Fund Net Position  
Proprietary Fund  
For the Year Ended December 31, 2013**

**Business-Type Activities - Enterprise Fund**

|                                   | <b>Eastside<br/>Sewer Fund</b> |
|-----------------------------------|--------------------------------|
| <b>OPERATING REVENUES</b>         |                                |
| Charges for services:             | \$ 11,667                      |
| Reimbursement of fees             | -                              |
| Total Operating Revenues          | 11,667                         |
| <b>OPERATING EXPENSES</b>         |                                |
| General and administrative        | 19,900                         |
| Official fees                     | 1,470                          |
| Professional fees                 | 495                            |
| Materials, supplies, and repairs  | 4,595                          |
| Utilities and communications      | 6,008                          |
| Depreciation expense              | -                              |
| Total Operating Expenses          | 32,468                         |
| <b>OPERATING LOSS</b>             | (20,801)                       |
| Transfers In                      | 21,150                         |
| <b>CHANGE IN NET POSITION</b>     | 349                            |
| TOTAL NET POSITION - Beginning    | 11,562                         |
| <b>TOTAL NET POSITION- Ending</b> | <b>\$ 11,911</b>               |

The notes to the financial statements are an integral part of this statement.  
See the accompanying independent auditor's report.

**DeSoto Parish Police Jury  
Mansfield, Louisiana**

**Statement of Cash Flows  
Proprietary Fund  
For the Year Ended December 31, 2013**

**Business-Type Activities - Enterprise Fund**

|   | <b>Eastside<br/>Sewer Fund</b> |
|---|--------------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>  |                                |
| Cash received from customers and users  | \$ 10,956                      |
| Cash paid to suppliers for goods and services   | (32,142)                       |
| Net Cash Used by Operating Activities   | <u>(21,186)</u>                |
| <b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>                                |                                |
| Transfers from other funds  | 21,150                         |
| Net Cash Provided by Non-Capital Financing Activities                                   | <u>21,150</u>                  |
| <b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>  | (36)                           |
| Cash and Cash Equivalents, Beginning of Year  | 301                            |
| <b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>   | <u>\$ 265</u>                  |
| <b>Reconciliation of loss from operations to net cash used by Operating Activities:</b> |                                |
| Gain from operations  | \$ 349                         |
| Adjustments:  |                                |
| Depreciation expense  | \$ -                           |
| (Increase)Decrease in accounts receivable   | (711)                          |
| Increase(Decrease) in accounts payable  | 326                            |
| Total Adjustments   | <u>(385)</u>                   |
| <b>Net Cash Used by Operations</b>  | <u>\$ (36)</u>                 |
| Noncash Investing, Capital, and Financial Activities                                    | <u>None</u>                    |

The notes to the financial statements are an integral part of this statement.  
See the accompanying independent auditor's report.

**Notes to the Financial Statements**

**DeSoto Parish Police Jury  
Mansfield, Louisiana**

**Notes to the Financial Statements  
December 31, 2013**

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**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.

In November 2010, the GASB issued Statement 61, *The Financial Reporting Entity: Omnibus and amendment of GASB Statements No. 14 and No. 34*. GASB 61 provides additional criteria for classifying entities as component units to better assess the accountability of elected officials by ensuring that the financial reporting entity includes only organizations for which the elected officials are financially accountable or that are determined by the government to be misleading to exclude. This statement is effective for periods beginning after June 15, 2012.

In March 2012, the GASB issued Statement 66, *Technical Corrections-2012*. GASB 66 improves accounting and financial reporting by state and local governmental entities by resolving conflicting guidance that resulted from the issuance of GASB No. 54 and GASB No. 62. This statement is effective for periods beginning after December 15, 2012. The adoption of GASB 66 does not have any impact on the Police Jury's financial statements.

**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 in 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

**DeSoto Parish Police Jury  
Mansfield, Louisiana**

**Notes to the Financial Statements  
December 31, 2013**

**1. Summary of Significant Accounting Policies (continued)**

**A. Reporting Entity (continued)**

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.

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.

**DeSoto Parish Police Jury  
Mansfield, Louisiana**

**Notes to the Financial Statements  
December 31, 2013**

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**1. Summary of Significant Accounting Policies (continued)**

**A. Reporting Entity (continued)**

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

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

**B. Basis of Presentation**

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

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

**C. Fund Accounting**

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

The following are the Police Jury's governmental funds:

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

**DeSoto Parish Police Jury  
Mansfield, Louisiana**

**Notes to the Financial Statements  
December 31, 2013**

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**1. Summary of Significant Accounting Policies (continued)**

**C. Fund Accounting (continued)**

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 or 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. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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



**DeSoto Parish Police Jury  
Mansfield, Louisiana**

**Notes to the Financial Statements  
December 31, 2013**

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**1. Summary of Significant Accounting Policies (continued)**

**D. Measurement Focus and Basis of Accounting (continued)**

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 Statements (FFS)**

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

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

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

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

**Major governmental funds:**

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

Solid Waste Fund – The Solid Waste Fund is a special revenue fund used to account for the construction and operation of the parish 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.

**DeSoto Parish Police Jury  
Mansfield, Louisiana**

**Notes to the Financial Statements  
December 31, 2013**

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**1. Summary of Significant Accounting Policies (continued)**

**D. Measurement Focus and Basis of Accounting (continued)**

**Fund Financial Statements (FFS) (continued)**

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.

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.

All other governmental funds are considered non-major 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 expenditure. Furthermore, long-term debts are excluded from amounts reported as liabilities. Proceeds from issuing long-term debt are reported as an other financing source and repayment of long-term debt is reported as an expenditure. The statement of revenues, expenditures, and changes in fund balance reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of the Police Jury's operations.

**DeSoto Parish Police Jury  
Mansfield, Louisiana**

**Notes to the Financial Statements  
December 31, 2013**

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**1. Summary of Significant Accounting Policies (continued)**

**D. Measurement Focus and Basis of Accounting (continued)**

**Fund Financial Statements (FFS) (continued)**

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

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

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

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

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

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

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

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

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

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

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

**DeSoto Parish Police Jury  
Mansfield, Louisiana**

**Notes to the Financial Statements  
December 31, 2013**

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**1. Summary of Significant Accounting Policies (continued)**

**D. Measurement Focus and Basis of Accounting (continued)**

**Fund Financial Statements (FFS) (continued)**

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. Under state law, the Police Jury may deposit funds with a fiscal agent organized under the laws of Louisiana, the laws of any other state in the union, or the laws of the United States. The Police Jury may invest in United States bonds, treasury notes and bills, government backed agency securities, or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. In addition, local Louisiana governments are authorized to invest in the Louisiana Asset Management Pool (LAMP), a nonprofit corporation formed by the State Treasurer and organized under the laws of the State of Louisiana, which operates a local government investment pool.

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

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

**DeSoto Parish Police Jury  
Mansfield, Louisiana**

**Notes to the Financial Statements  
December 31, 2013**

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**1. Summary of Significant Accounting Policies (continued)**

**E. Cash and Cash Equivalents and Investments (continued)**

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

**G. Interfund Transactions**

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

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

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

**H. Inventory**

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

**DeSoto Parish Police Jury  
Mansfield, Louisiana**

**Notes to the Financial Statements  
December 31, 2013**

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**2. Summary of Significant Accounting Policies (continued)**

**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.

**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 5 to 20 days 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.

**DeSoto Parish Police Jury  
Mansfield, Louisiana**

**Notes to the Financial Statements  
December 31, 2013**

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**1. Summary of Significant Accounting Policies (continued)**

**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 3 percent. The tax, after collection costs not to exceed 6 percent, is restricted for purposes of attracting conventions and tourists to the parish.

**N. Use of Estimates**

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

**O. Long-Term Obligations**

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

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

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

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

**DeSoto Parish Police Jury  
Mansfield, Louisiana**

**Notes to the Financial Statements  
December 31, 2013**

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**1. Summary of Significant Accounting Policies (continued)**

**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”.

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 a state 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.



**DeSoto Parish Police Jury  
Mansfield, Louisiana**

**Notes to the Financial Statements  
December 31, 2013**

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**1. Summary of Significant Accounting Policies (continued)**

**P. Fund Equity (continued)**

At December 31, 2013, \$29,245,634 of the Police Jury's net position was restricted by enabling legislation, \$40,185 was non-spendable held as inventory, \$10,325 was assigned and \$12,055,903 was unassigned.

The Police Jury would typically use restricted fund balances first, followed by committed resources and assigned resources as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first and to defer the use of these other classified funds.

**Q. Risk Management**

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

**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, 2013   |
| Levy date                  | June 30, 2013     |
| Tax bills mailed           | October 15, 2013  |
| Total taxes are due        | December 31, 2013 |
| Penalties & interest added | January 31, 2014  |
| Tax sale                   | May 16, 2014      |

A revaluation of all property is required to be completed not less than every four years. The last revaluation was completed for the roll of January 1, 2012. Total assessed value was \$736,133,689 in 2013. 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 \$40,244,725 of the assessed value in 2013. For the year ended December 31, 2013 the Police Jury authorized ad valorem tax millages of 16.77 mills and levied taxes of 16.77 mills.

**DeSoto Parish Police Jury  
Mansfield, Louisiana**

**Notes to the Financial Statements  
December 31, 2013**

**2. Ad Valorem Taxes (continued)**

The following is a summary of authorized and levied ad valorem taxes for the primary government for the year ended December 31, 2013:

|                        | Maximum<br>Millage | Authorized<br>Millage | Levied<br>Millage | Expiration<br>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               |

The following are the principal taxpayers for the parish and their 2013 assessed valuations:

|                                     |              | 2013<br>Assessed<br>Valuation | 2013<br>Assessed<br>Tax | Percent<br>of Total<br>Assessed<br>Valuation |
|-------------------------------------|--------------|-------------------------------|-------------------------|--|
| EXCO Partners Operating Partnership | Oil & Gas    | \$ 78,051,903                 | \$ 1,308,930            | 10.60%                                       |
| Chesapeake Operating, Inc           | Oil & Gas    | 61,268,594                    | 1,027,474               | 8.32%  |
| El Paso Production Company          | Oil & Gas    | 44,836,194                    | 751,903                 | 6.09%  |
| International Paper Co              | Manufacturer | 43,651,875                    | 732,042                 | 5.93%  |
| Acadian Gas Pipeline                | Oil & Gas    | 29,045,600                    | 487,095                 | 3.95%  |
| Louisiana Midstream Gas             | Oil & Gas    | 28,065,360                    | 470,656                 | 3.81%  |
| Southwestern Electric Power         | Utility      | 24,498,789                    | 410,845                 | 3.33%  |
| Enterprise Gathering LLC            | Oil & Gas    | 21,681,547                    | 363,600                 | 2.95%  |
| CLECO Power, LLC                    | Utility      | 20,640,960                    | 346,149                 | 2.80%  |
| Comstock Oil & Gas                  | Oil & Gas    | 20,318,337                    | 340,739                 | 2.76%  |
| Total                               |              | <u>\$ 372,059,159</u>         | <u>\$ 6,239,433</u>     | <u>50.54%</u>                                |

**3. Cash and Cash Equivalents and Investments**

*Cash and Cash Equivalents:*

At December 31, 2013, the Police Jury has cash and cash equivalents (book balances) totaling \$9,791,088 as follows:

|                                 |                     |
|---------------------------------|---------------------|
| Demand deposits                 | \$ 9,303,852        |
| U.S. Government Money Market    | 487,236             |
| Total cash and cash equivalents | <u>\$ 9,791,088</u> |

**DeSoto Parish Police Jury  
Mansfield, Louisiana**

**Notes to the Financial Statements  
December 31, 2013**

**3. Cash and Cash Equivalents and Investments (continued)**

The Police Jury uses a master bank account for cash management purposes. At year-end certain individual funds have negative cash balances in the master bank. The Statement of Net Position and Governmental Funds Balance Sheet report different amounts for cash and cash equivalents due to the overdrafts being consolidated in the Statement of Net Position. At December 31, 2013, the following funds report negative balances in the master bank account of:

|                         |                     |
|-------------------------|---------------------|
| General Fund            | \$ 31,222           |
| Criminal Court Fund     | 1,208,876           |
| Community Services Fund | 182,703             |
| Total                   | <u>\$ 1,422,801</u> |

The Louisiana Department of Environmental Quality requires a permit holder of a solid waste processing or disposal facility to provide assurance that funds will be available when needed for closure and/or post closure care of a facility. In order to provide this assurance for the Mundy Landfill, on March 26, 2009, the Police Jury entered into a trust agreement with a financial institution to establish a trust fund for the benefit of the Louisiana Department of Environmental Quality. The trust holds a certificate of deposit in favor of the Louisiana Department of Environmental Quality in the amount of \$4,113,382.

*Investments:*

At December 31, 2013, the Police Jury has the following investments and maturities.

| Type of Investment              | Fair Value           | Investment Maturities (in Years) |                     |                     |                     |
|---------------------------------|----------------------|----------------------------------|---------------------|---------------------|---------------------|
|                                 |                      | Less Than<br>1 Year              | 1 -- 5<br>Years     | 6 -- 10<br>Years    | Over 10<br>Years    |
| U.S Government Securities       | \$ 12,592,040        | \$ 2,818,112                     | \$ 4,981,178        | \$ 1,556,435        | \$ 3,236,315        |
| Louisiana Asset Management Pool | 1,970,418            | 1,970,418                        |                     |                     |                     |
| Certificates of Deposit         | 5,338,888            | 5,338,888                        |                     |                     |                     |
| Total investments               | <u>\$ 19,901,346</u> | <u>\$ 10,127,418</u>             | <u>\$ 4,981,178</u> | <u>\$ 1,556,435</u> | <u>\$ 3,236,315</u> |

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

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

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

Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Police Jury that the fiscal agent bank has failed to pay

**DeSoto Parish Police Jury  
Mansfield, Louisiana**

**Notes to the Financial Statements  
December 31, 2013**

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**3. Cash and Cash Equivalents and Investments (continued)**

deposited 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 \$16,311,104 which were fully protected by \$1,000,000 of federal depository insurance and pledged securities with a market value of \$21,687,527 held by the custodial banks in the name of the Police Jury.

*Interest Rate Risk:*

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

*Credit Risk:*

Generally, credit risk is the risk that an 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, 2013 include \$1,970,418, 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 2013, the Police Jury realized a net gain of \$29,356 from the sale of investments. The calculation of realized gains is independent of the calculation of the net increase in the fair value of investments. Realized gains and losses on investments that had been held in more than one fiscal year and sold in the current year may have been recognized as an increase or decrease in the fair value of investments reported in the prior year. The unrealized loss on investments held at year-end was \$351,859.

**DeSoto Parish Police Jury  
Mansfield, Louisiana**

**Notes to the Financial Statements  
December 31, 2013**

**4. Receivables**

The following is a summary of receivables at December 31, 2013:

|                                | Governmental Activities |                     |                     |                  |               |
|--------------------------------|-------------------------|---------------------|---------------------|------------------|---------------|
|                                | General Fund            | Solid Waste Fund    | Road Fund           | Airport Fund     | Jail Fund     |
| Ad valorem tax                 | \$ 3,757,335            | \$ 3,944,595        | \$ 3,839,923        | \$ -             | \$ -          |
| Sales and use taxes            | -                       | -                   | -                   | -                | -             |
| Severance tax                  | 41,407                  | -                   | 41,407              | -                | -             |
| Tourism tax                    | 15,078                  | -                   | -                   | -                | -             |
| Federal Grants                 | 14,604                  | -                   | -                   | -                | -             |
| State Grants:                  |                         |                     |                     |                  |               |
| Parish transportation fund     | -                       | -                   | 65,159              | -                | -             |
| Video poker                    | 11,453                  | -                   | -                   | -                | -             |
| Other state grants             | 29,900                  | -                   | -                   | -                | -             |
| Fees, charges, and commissions | 14,827                  | 148,685             | 4,255               | 2,367            | -             |
| Fines and forfeitures          | -                       | -                   | -                   | -                | -             |
| Rents and royalties            | 95,938                  | -                   | -                   | 28,893           | -             |
| Interest                       | 38,374                  | 2,577               | -                   | 58,273           | -             |
| Other                          | -                       | -                   | 55,000              | 1,650            | 296           |
|                                | <u>4,018,916</u>        | <u>4,095,857</u>    | <u>4,005,744</u>    | <u>91,183</u>    | <u>296</u>    |
| Allowance                      | -                       | (16,071)            | -                   | -                | -             |
| Total receivables              | <u>\$ 4,018,916</u>     | <u>\$ 4,079,786</u> | <u>\$ 4,005,744</u> | <u>\$ 91,183</u> | <u>\$ 296</u> |

|                                | Governmental Activities |                     |                          | Business-Type Activities | Total                |
|--------------------------------|-------------------------|---------------------|--------------------------|--------------------------|----------------------|
|                                | Sales Tax Fund          | Criminal Court Fund | Other Governmental Funds | Eastside Sewer           |                      |
| Ad valorem tax                 | \$ -                    | \$ -                | \$ -                     | \$ -                     | \$ 11,541,853        |
| Sales and use taxes            | 1,051,370               | -                   | -                        | -                        | 1,051,370            |
| Severance tax                  | -                       | -                   | -                        | -                        | 82,814               |
| Tourism tax                    | -                       | -                   | -                        | -                        | 15,078               |
| Federal Grants                 | -                       | -                   | 215,077                  | -                        | 229,681              |
| State Grants:                  |                         |                     |                          |                          |                      |
| Parish transportation fund     | -                       | -                   | -                        | -                        | 65,159               |
| Video poker                    | -                       | -                   | -                        | -                        | 11,453               |
| Other state grants             | -                       | -                   | -                        | -                        | 29,900               |
| Fees, charges, and commissions | -                       | -                   | -                        | 4,072                    | 174,206              |
| Fines and forfeitures          | -                       | 98,843              | 21,765                   | -                        | 120,608              |
| Rents and royalties            | -                       | -                   | -                        | -                        | 124,831              |
| Interest                       | -                       | -                   | -                        | -                        | 99,224               |
| Other                          | -                       | -                   | -                        | -                        | 56,946               |
|                                | <u>1,051,370</u>        | <u>98,843</u>       | <u>236,842</u>           | <u>4,072</u>             | <u>13,603,123</u>    |
| Allowance                      | -                       | -                   | -                        | -                        | (16,071)             |
| Total receivables              | <u>\$ 1,051,370</u>     | <u>\$ 98,843</u>    | <u>\$ 236,842</u>        | <u>\$ 4,072</u>          | <u>\$ 13,587,052</u> |

**DeSoto Parish Police Jury  
Mansfield, Louisiana**

**Notes to the Financial Statements  
December 31, 2013**

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

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

| Transfer In           | Transfer Out     | Amount              |
|-----------------------|------------------|---------------------|
| General Fund          | Criminal Court   | \$ 98,448           |
| Road Fund             | Solid Waste Fund | 1,100,000           |
| General Fund          | Road Fund        | 475,000             |
| Community Action Fund | General Fund     | 125,000             |
| Eastside Sewer        | General Fund     | 21,150              |
| Animal Services Fund  | General Fund     | 501,727             |
|                       |                  | <b>\$ 2,321,325</b> |

Interfund balances, on the fund financial statements at December 31, 2013, consisted of the following:

| Receivable Fund        | Due From            | Due To              |
|------------------------|---------------------|---------------------|
| General Fund           | \$ 1,367,048        | \$ -                |
| Road Fund              | 520,323             | -                   |
| Sales Tax Fund         | -                   | 783,485             |
| Witness & Jurors Fund  | -                   | 100,000             |
| Jail Fund              | 104,065             | -                   |
| Solid Waste Fund       | 156,097             | -                   |
| Criminal Court Fund    | -                   | 98,448              |
| Airport Fund           | -                   | 1,000,000           |
| Rental Assistance Fund | -                   | 100,000             |
| Homeland Security Fund | -                   | 65,600              |
| Total                  | <b>\$ 2,147,533</b> | <b>\$ 2,147,533</b> |

**DeSoto Parish Police Jury  
Mansfield, Louisiana**

**Notes to the Financial Statements  
December 31, 2013**

**6. Capital Assets**

Capital asset activity for the year ended December 31, 2013, was as follows:

|                                       | Balance<br>January 1, 2013 | Additions        | Deletions/<br>Reclassifications | Balance<br>December 31, 2013 |
|---------------------------------------|----------------------------|------------------|---------------------------------|------------------------------|
| <b>Governmental activities:</b>       |                            |                  |                                 |                              |
| Capital assets not being depreciated: |                            |                  |                                 |                              |
| Land                                  | \$ 1,980,743               | \$ 20,000        | \$ (20,800)                     | \$ 1,979,943                 |
| Construction in progress              | 2,046,951                  | 359,254          | (1,907,311)                     | 498,894                      |
| Total assets not being depreciated    | <u>4,027,694</u>           | <u>379,254</u>   | <u>(1,928,111)</u>              | <u>2,478,837</u>             |
| Capital assets being depreciated:     |                            |                  |                                 |                              |
| Buildings and improvements            | 26,639,391                 | 456,368          | (13,331)                        | 27,082,428                   |
| Land Improvements - Structures        | 2,785,535                  | 2,407,392        | -                               | 5,192,927                    |
| Furniture and equipment               | 11,864,930                 | 566,744          | (40,169)                        | 12,391,505                   |
| Infrastructure                        | 217,009,407                | 1,774,323        | -                               | 218,783,730                  |
| Total assets being depreciated        | <u>258,299,263</u>         | <u>5,204,827</u> | <u>(53,500)</u>                 | <u>263,450,590</u>           |
| Less accumulated depreciation for:    |                            |                  |                                 |                              |
| Buildings and improvements            | 11,112,067                 | 663,638          | (7,943)                         | 11,767,762                   |
| Land Improvements - Structures        | 158,146                    | 187,507          | -                               | 345,653                      |
| Furniture and equipment               | 6,830,433                  | 1,068,469        | (14,175)                        | 7,884,727                    |
| Infrastructure                        | 168,627,234                | 1,932,445        | -                               | 170,559,679                  |
| Total accumulated depreciation        | <u>186,727,880</u>         | <u>3,852,060</u> | <u>(22,118)</u>                 | <u>190,557,821</u>           |
| Total capital assets - net            | <u>\$ 75,599,077</u>       | <u>1,732,022</u> | <u>\$ (1,959,493)</u>           | <u>\$ 75,371,606</u>         |

Depreciation expense of \$3,852,060 for the year ended December 31, 2013, was charged to the following governmental functions:

|                            |                     |
|----------------------------|---------------------|
| General government:        |                     |
| Judicial                   | \$ 176,438          |
| Finance and administrative | 57,349              |
| Other government           | 13,501              |
| Public safety              | 197,910             |
| Public works               | 1,707,577           |
| Sanitation                 | 1,126,582           |
| Cultural and recreation    | 56,724              |
| Health and welfare         | 111,688             |
| Economic development       | 142,840             |
| Transportation             | 228,673             |
| Animal Control             | 32,778              |
| Total                      | <u>\$ 3,852,060</u> |

**DeSoto Parish Police Jury  
Mansfield, Louisiana**

**Notes to the Financial Statements  
December 31, 2013**

**6. Capital Assets (continued)**

|                                       | Balance January<br>1, 2013 | Additions | Deletions | Balance<br>December 31,<br>2013 |
|---------------------------------------|----------------------------|-----------|-----------|---------------------------------|
| <b>Business-Type Activities:</b>      |                            |           |           |                                 |
| Capital assets not being depreciated: |                            |           |           |                                 |
| Land                                  | \$ 10,175                  | \$ -      | \$ -      | \$ 10,175                       |
| Capital assets being depreciated:     |                            |           |           |                                 |
| Sewer system                          | 373,375                    | -         | -         | 373,375                         |
| Treatment plant                       | 101,180                    | -         | -         | 101,180                         |
| Total assets being depreciated        | 474,555                    | -         | -         | 474,555                         |
| Less accumulated depreciation for:    |                            |           |           |                                 |
| Sewer system                          | 373,375                    | -         | -         | 373,375                         |
| Treatment plant                       | 101,180                    | -         | -         | 101,180                         |
| Total accumulated depreciation        | 474,555                    | -         | -         | 474,555                         |
| Total capital assets - net            | \$ 10,175                  | \$ -      | \$ -      | \$ 10,175                       |

**7. Accounts Payable and Accrued Expenses**

Accounts payable and accrued expenses at December 31, 2013, consists of the following:

|                                  | Payable to<br>Vendors | Payroll<br>Liabilities | Total<br>Payables |
|----------------------------------|-----------------------|------------------------|-------------------|
| <b>Governmental Activities:</b>  |                       |                        |                   |
| General Fund                     | \$ 241,404            | \$ 29,363              | \$ 270,767        |
| Road Fund                        | 171,998               | 54,145                 | 226,143           |
| Solid Waste Fund                 | 300,381               | 29,566                 | 329,947           |
| Airport Fund                     | 68,349                | 2,639                  | 70,987            |
| Jail Fund                        | 35,469                | -                      | 35,469            |
| Sales Tax Fund                   | 10,723                | -                      | 10,723            |
| Criminal Court Fund              | 140,912               | -                      | 140,912           |
| Community Services Fund          | 14,547                | 10,832                 | 25,379            |
| Other Governmental Funds         | 58,473                | 4,956                  | 63,431            |
| Total Governmental Activities    | 1,042,258             | 131,500                | 1,173,757         |
| <b>Business-Type Activities:</b> |                       |                        |                   |
| Eastside Sewer Fund              | 2,331                 | -                      | 2,331             |
| Total accounts payable           | \$ 1,044,589          | \$ 131,500             | \$ 1,176,088      |

**8. Due to Other Governments**

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

The DeSoto Parish Police Jury collects sales taxes that are dedicated to the DeSoto Parish Library. As of December 31, 2013, \$260,162 of sales taxes collected by vendors dedicated to the library is reported in the Sales Tax Fund as "Due to Other Governments."



**DeSoto Parish Police Jury  
Mansfield, Louisiana**

**Notes to the Financial Statements  
December 31, 2013**

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**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 and all elected parish officials are eligible to participate in the System. Under Plan B, employees who retire at or after age sixty-seven (67) with at least seven (7) years of creditable service, 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 monthly salary in excess of \$100 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 salary. Final-average salary is the employee's average salary over the thirty six (36) consecutive or joined months that produce the highest average. 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 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 six percent (6.0%) 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, 2013, 2012, and 2011 were \$568,766, \$446,131, and \$448,114, equal to the required contributions for each year.

**DeSoto Parish Police Jury  
Mansfield, Louisiana**

**Notes to the Financial Statements  
December 31, 2013**

**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 benefit 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 health care 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 post employment 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 members receiving benefits contribute 20 percent of their premium costs. For the year ended December 31, 2013, the Police Jury contributed \$76,555 for healthcare for sixteen 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, 2013 was twenty-six years.

The following table shows the annual OPEB cost and the net OPEB obligation for the year ended December 31, 2013 and the two prior years:

| Year<br>Ended | Discount<br>Rate | Annual<br>OPEB Cost | Percentage of<br>OPEB Cost<br>Contributed | Net OPEB<br>Obligation |
|---------------|------------------|---------------------|---|------------------------|
| 2011          | 4.00%            | 496,318             | 5.11%                                     | 1,597,132              |
| 2012          | 4.00%            | 461,009             | 15.82%                                    | 1,985,210              |
| 2013          | 4.00%            | 557,537             | 13.70%                                    | 2,466,192              |

**DeSoto Parish Police Jury  
Mansfield, Louisiana**

**Notes to the Financial Statements  
December 31, 2013**

**11. Postemployment Benefits (continued)**

*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                          |                 | <u>92,566</u>       |
| Annual required contribution                  |                 | 605,206             |
| Determination of Net OPEB Obligation          |                 |                     |
| Net OPEB obligation - beginning of year       |                 | 1,985,210           |
| Annual OPEB cost (expense)                    | 605,206         |                     |
| Interest on net OPEB obligation               | 79,408          |                     |
| Adjustment to annual required contribution    | (127,077)       |                     |
| Contributions made                            | <u>(76,555)</u> |                     |
| Increase in net OPEB obligation               |                 | <u>480,982</u>      |
| Net OPEB obligation - end of year             |                 | <u>\$ 2,466,192</u> |

As of December 31, 2013, 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 \$5,422,390 and ratio of the unfunded actuarial accrued liability to the covered payroll was 26.67%.

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 new estimates are made about the future. The Police Jury’s actual liability will vary from these estimates 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 Healthy Mortality Table published by the Society of Actuaries.

**DeSoto Parish Police Jury  
Mansfield, Louisiana**

**Notes to the Financial Statements  
December 31, 2013**

**11. Postemployment Benefits (continued)**

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

| <u>Age</u> | <u>Male</u> | <u>Female</u> |
|------------|-------------|---------------|
| 55-58      | 18.0%       | 18.0%         |
| 59-65      | 14.0%       | 14.0%         |
| 66+        | 100.0%      | 100.0%        |

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

| <u>Years<br/>Service</u> | <u>Male</u> | <u>Female</u> |
|--------------------------|-------------|---------------|
| <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 2013 is \$586 per month. Post-65 retirees' premiums are approximately \$308 per month to BCBS.

**DeSoto Parish Police Jury  
Mansfield, Louisiana**

**Notes to the Financial Statements  
December 31, 2013**

**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, 2013:

|                     | Capital<br>Leases | Total     |
|---------------------|-------------------|-----------|
| Beginning Balances  | \$ 16,080         | \$ 16,080 |
| Additions           | -                 | -         |
| Deductions          | (5,159)           | (5,159)   |
| Ending Balances     | \$ 10,921         | \$ 10,921 |
| Due Within One Year | \$ 5,641          | \$ 5,641  |

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, 2013, the statutory limit was \$73,613,369.

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 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, 2013:

| <u>Year Ending December 31,</u>             |    |        |
|---|----|--------|
| 2014  | \$ | 5,641  |
| 2015  |    | 5,280  |
| 2016  |    | 450    |
| Total minimum lease payments                |    | 11,371 |
| Less amount representing interest           |    | (450)  |
| Present value of net minimum lease payments | \$ | 10,921 |

**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 Parish 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.

**DeSoto Parish Police Jury  
Mansfield, Louisiana**

**Notes to the Financial Statements  
December 31, 2013**

**13. Landfill Closure and Post Closure Costs (continued)**

The \$2,165,606 reported as landfill closure and post closure care liability at December 31, 2013, represents the cumulative amount reported to date based on the use of 46.5 percent of the estimated capacity of the landfill. The Parish 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 \$4,414,589 at December 31, 2013, which is a increase of \$240,150 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 \$4,414,589.

**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, 2013, the police jury's compensated absences payable in accordance with GASB Statement No. 16 for all funds amounted to 14,801 hours with a resulting liability of \$284,258.

Changes in compensated absences during 2013 are as follows:

|                         |                          |
|-------------------------|--------------------------|
| Beginning Balance       | \$ 278,966               |
| Additions               | 129,072                  |
| Deductions              | <u>(118,995)</u>         |
| Available leave         | 289,043                  |
| Adjusted for limitation | <u>(4,785)</u>           |
| Net available           | <u><u>\$ 284,258</u></u> |

**15. Operating Leases**

The Police Jury has nine (9) long-term equipment rental agreements which are classified as operating leases:

**Caterpillar D6TLGP Track-type Tractor** – forty-eight (48) month non-cancellable lease dated May 28, 2010, with a monthly rental of \$6,175.08.

**Caterpillar 12H Motor Grader** – sixty (60) month non-cancelable lease dated May 2, 2008, with a monthly rental of \$2,481.68.

**Caterpillar 12H Motor Grader** – sixty (60) month non-cancelable lease dated May 2, 2008, with a monthly rental of \$2,481.68

**Caterpillar RM-300 BWR Reclaimer** – sixty (60) month non-cancelable lease dated May 22, 2008, with a monthly rental of \$5,821.87.

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

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

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

**DeSoto Parish Police Jury  
Mansfield, Louisiana**

**Notes to the Financial Statements  
December 31, 2013**

**15. Operating Leases (continued)**

**Caterpillar CS-433E ASR Pad Foot Drum Kit** – sixty (60) month non-cancelable lease dated May 18, 2009, with a monthly rental of \$1,875.30.

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

Total cost for these leases during 2013 was \$321,712.

Following are the future minimum annual rental payments for non-cancellable operating leases as of December 31, 2013:

|   | 2014      |
|---|-----------|
| Caterpillar Track Type Tractor            | \$ 30,875 |
| Caterpillar IT38H Front-end Loader        | 6,021     |
| Caterpillar 140M Motor Grader             | 6,218     |
| Caterpillar RM-300 Road Reclaimer         | 29,983    |
| Caterpillar CS-433E ASR Pad Foot Drum Kit | 9,376     |
| Caterpillar 8515 Paver                    | 10,746    |
| Total                                     | \$ 93,219 |

**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 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.

**DeSoto Parish Police Jury  
Mansfield, Louisiana**

**Notes to the Financial Statements  
December 31, 2013**

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**16. Workforce Investment Act Program (continued)**

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 disallowance, if any, would not be significant.

Lawsuits

At December 31, 2013, the Police Jury was involved in five lawsuits seeking damages from the Police Jury. The Police Jury believes that the claims are without merit and intends to vigorously defend its position. 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 \$47,361. 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. Subsequent Events**

Management has evaluated subsequent events through June 26, 2014, which is the date the financial statements were available to be issued.

**19. Related Party Transactions**

Procedures, observations, and inquiries did not disclose any related party transactions for the fiscal year ended December 31, 2013.



**Required Supplementary Information – Part II**

## **Budgetary Comparison Schedules**

**DeSoto Parish Police Jury  
Mansfield, Louisiana**

**Budgetary Comparison Schedule  
General Fund  
For the Year Ended December 31, 2013**

|  | Budgeted Amounts     |                      | Actual               | Variance With<br>Final Budget<br>Positive<br>(Negative) |
|--|----------------------|----------------------|----------------------|---|
|  | Original             | Final                |                      |   |
| <b>REVENUES</b>  |                      |                      |                      |   |
| Program Revenues   | \$ 821,200           | \$ 576,500           | \$ 782,535           | \$ 206,035  |
| General Revenues   | 4,682,182            | 5,121,732            | 5,235,271            | 113,539.36  |
| Total revenues   | <u>5,503,382</u>     | <u>5,698,232</u>     | <u>6,017,806</u>     | <u>319,574</u>  |
| <b>EXPENDITURES</b>  |                      |                      |                      |   |
| <b>Current:</b>  |                      |                      |                      |   |
| General government:  |                      |                      |                      |   |
| Legislative  | \$ 370,811           | \$ 370,811           | \$ 371,189           | \$ (378)  |
| Judicial   | 1,114,356            | 1,254,356            | 1,258,506            | (4,150)   |
| Elections  | 85,184               | 47,184               | 46,958               | 226   |
| Finance and administrative:                                  | 1,135,299            | 957,258              | 934,925              | 22,333  |
| Other  | 776,203              | 774,244              | 769,577              | 4,667   |
| Public safety  | 108,500              | 123,500              | 123,108              | 392   |
| Culture and recreation                                       | 5,000                | 270,640              | 259,438              | 11,202  |
| Health and welfare   | 299,000              | 244,000              | 237,902              | 6,098   |
| Economic development   | 576,640              | 409,000              | 433,865              | (24,865)  |
| <b>Capital outlay</b>  | 100,000              | 241,667              | 249,792              | (8,125)   |
| Total expenditures   | <u>4,570,993</u>     | <u>4,692,660</u>     | <u>4,685,260</u>     | <u>7,398</u>  |
| Excess (Deficiency) of Revenues<br>over (Under) Expenditures | <u>932,389</u>       | <u>1,005,572</u>     | <u>1,332,546</u>     | <u>326,974</u>  |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                      |                      |                      |   |
| Transfers in   | \$ 53,835            | \$ -                 | \$ 573,448           | \$ 573,448  |
| Transfers out  | (447,877)            | (622,877)            | (647,877)            | (25,000)  |
| Total other financing sources (uses)                         | <u>(394,042)</u>     | <u>(622,877)</u>     | <u>(74,429)</u>      | <u>548,448</u>  |
| Net change in fund balance                                   | 538,347              | 382,695              | 1,258,117            | 875,422   |
| Fund balance - beginning                                     | 10,797,786           | 10,797,786           | 10,797,786           | -   |
| Fund balance - ending  | <u>\$ 11,336,133</u> | <u>\$ 11,180,481</u> | <u>\$ 12,055,903</u> | <u>\$ 875,422</u>                                       |

The notes to the financial statements are an integral part of this statement.  
See the accompanying independent auditor's report.

**DeSoto Parish Police Jury  
Mansfield, Louisiana**

**Budgetary Comparison Schedule  
Solid Waste Fund  
For the Year Ended December 31, 2013**

|  | Budgeted Amounts     |                      | Actual               | Variance With<br>Final Budget<br>Positive<br>(Negative) |
|--|----------------------|----------------------|----------------------|---|
|  | Original             | Final                |                      |   |
| <b>REVENUES</b>  |                      |                      |                      |   |
| Program Revenues   | \$ 1,100,000         | \$ 1,216,000         | \$ 1,179,593         | \$ (36,407)   |
| General Revenues   | 5,113,585            | 4,876,700            | 5,429,620            | 552,920   |
| Total revenues   | <u>6,213,585</u>     | <u>6,092,700</u>     | <u>6,609,213</u>     | <u>516,513</u>  |
| <b>EXPENDITURES</b>  |                      |                      |                      |   |
| <b>Current:</b>  |                      |                      |                      |   |
| General government:  |                      |                      |                      |   |
| Finance and administrative:                                  | -                    | 158,437              | 164,535              | (6,098)   |
| Sanitation:  | 3,057,312            | 2,522,875            | 2,489,343            | 33,532  |
| <b>Capital Outlay</b>  | <u>2,500,000</u>     | <u>1,762,565</u>     | <u>1,929,960</u>     | <u>(167,395)</u>  |
| Total Expenditures   | <u>5,557,312</u>     | <u>4,443,877</u>     | <u>4,583,838</u>     | <u>(139,961)</u>  |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures | <u>\$ 656,273</u>    | <u>\$ 1,648,823</u>  | <u>\$ 2,025,375</u>  | <u>\$ 376,552</u>                                       |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                      |                      |                      |   |
| Transfers in   | -                    | -                    | -                    | -   |
| Transfers out  | (1,100,000)          | (1,116,225)          | (1,100,000)          | 16,225  |
| Sale of capital assets                                       | -                    | -                    | 18,115               | 18,115  |
| Total other financing sources (uses)                         | <u>(1,100,000)</u>   | <u>(1,116,225)</u>   | <u>(1,081,886)</u>   | <u>34,340</u>   |
| Net Change in Fund Balance                                   | (443,727)            | 532,598              | 943,490              | 410,892   |
| Fund balance - beginning                                     | 11,475,410           | 11,475,410           | 11,475,410           | -   |
| Fund balance - ending  | <u>\$ 11,031,683</u> | <u>\$ 12,008,008</u> | <u>\$ 12,418,900</u> | <u>\$ 410,892</u>                                       |

The notes to the financial statements are an integral part of this statement.  
See the accompanying independent auditor's report.

**DeSoto Parish Police Jury  
Mansfield, Louisiana**

**Budgetary Comparison Schedule  
Road Fund  
For the Year Ended December 31, 2013**

|  | Budgeted Amounts    |                     | Actual              | Variance With<br>Final Budget<br>Positive<br>(Negative) |
|--|---------------------|---------------------|---------------------|---|
|  | Original            | Final               |                     |   |
| <b>REVENUES</b>  |                     |                     |                     |   |
| Program Revenues   | \$ 1,545,000        | \$ 596,500          | \$ 747,287          | \$ 150,787  |
| General Revenues   | 9,050,737           | 9,049,237           | 9,192,680           | 143,443   |
| Total revenues   | <u>10,595,737</u>   | <u>9,645,737</u>    | <u>9,939,967</u>    | <u>294,230</u>  |
| <b>EXPENDITURES</b>  |                     |                     |                     |   |
| <b>Current:</b>  |                     |                     |                     |   |
| <b>General government:</b>                                   |                     |                     |                     |   |
| Finance and administrative:                                  | -                   | 174,367             | 160,815             | 13,552  |
| Public works:  | 8,868,515           | 7,294,148           | 7,238,669           | 55,479  |
| <b>Capital outlay:</b>                                       | 2,736,000           | 636,000             | 372,345             | 263,655   |
| Total expenditures   | <u>11,604,515</u>   | <u>8,104,515</u>    | <u>7,771,829</u>    | <u>332,684</u>  |
| Excess (Deficiency) of Revenues<br>over (Under) Expenditures | <u>(1,008,778)</u>  | <u>1,541,222</u>    | <u>2,168,138</u>    | <u>626,916</u>  |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                     |                     |                     |   |
| Transfer in  | 1,100,000           | 1,100,000           | 1,100,000           | -   |
| Transfer out   | -                   | -                   | (475,000)           | (475,000)   |
| Total other financing sources (uses)                         | <u>1,100,000</u>    | <u>1,100,000</u>    | <u>625,000</u>      | <u>(475,000)</u>  |
| Net change in fund balance                                   | 91,222              | 2,641,222           | 2,793,138           | 151,916   |
| Fund balance - beginning                                     | 1,440,042           | 1,440,042           | 1,440,042           | -   |
| Fund balance - ending  | <u>\$ 1,531,264</u> | <u>\$ 4,081,264</u> | <u>\$ 4,233,180</u> | <u>\$ 151,916</u>                                       |

The notes to the financial statements are an integral part of this statement.  
See the accompanying independent auditor's report.

**DeSoto Parish Police Jury  
Mansfield, Louisiana**

**Budgetary Comparison Schedule  
Airport Fund  
Year Ended December 31, 2013**

|  | Budgeted Amounts    |                     | Actual              | Variance With<br>Final Budget<br>Positive<br>(Negative) |
|--|---------------------|---------------------|---------------------|---|
|  | Original            | Final               |                     |   |
| <b>REVENUES</b>  |                     |                     |                     |   |
| Program Revenues   | \$ 416,900          | \$ 240,000          | \$ 246,805          | \$ 6,805  |
| General Revenues   | 121,500             | 198,400             | 104,412             | (93,988)  |
| Total revenues   | <u>538,400</u>      | <u>438,400</u>      | <u>351,217</u>      | <u>(87,183)</u>   |
| <b>EXPENDITURES</b>  |                     |                     |                     |   |
| <b>Current:</b>  |                     |                     |                     |   |
| Finance and administrative                                   | -                   | -                   | -                   |   |
| Transportation:  | 454,193             | 524,193             | 538,071             | (13,878)  |
| <b>Capital outlay</b>  | 1,670,793           | 742,793             | 809,295             | (66,502)  |
| <b>Debt service:</b>   |                     |                     |                     |   |
| Principal retirement   | 25,000              | 5,000               | 5,159               | (159)   |
| Interest and other charges                                   | 600                 | 400                 | 241                 | 159   |
| Total expenditures   | <u>2,150,586</u>    | <u>1,272,386</u>    | <u>1,352,766</u>    | <u>(80,380)</u>   |
| Excess (Deficiency) of Revenues<br>over (Under) Expenditures | <u>(1,612,186)</u>  | <u>(833,986)</u>    | <u>(1,001,549)</u>  | <u>(167,563)</u>  |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                     |                     |                     |   |
| Transfer in  | -                   | -                   | -                   | -   |
| Transfer out   | -                   | -                   | -                   | -   |
| Total Other Financing Sources and Uses                       | <u>-</u>            | <u>-</u>            | <u>-</u>            | <u>-</u>  |
| Net Change in fund Balance                                   | <u>(1,612,186)</u>  | <u>(833,986)</u>    | <u>(1,001,549)</u>  | <u>(167,563)</u>  |
| Fund balance - beginning                                     | <u>8,404,005</u>    | <u>8,404,005</u>    | <u>8,404,005</u>    | <u>-</u>  |
| Fund balance - ending  | <u>\$ 6,791,819</u> | <u>\$ 7,570,019</u> | <u>\$ 7,402,456</u> | <u>\$ (167,563)</u>                                     |

The notes to the financial statements are an integral part of this statement.  
See the accompanying independent auditor's report.

**DeSoto Parish Police Jury  
Mansfield, Louisiana**

**Budgetary Comparison Schedule  
Jail Fund  
Year Ended December 31, 2013**

|  | Budgeted Amounts    |                     | Actual              | Variance With<br>Final Budget<br>Positive<br>(Negative) |
|--|---------------------|---------------------|---------------------|---|
|  | Original            | Final               |                     |   |
| <b>REVENUES</b>  |                     |                     |                     |   |
| General Revenues   | \$ 970,000          | \$ 870,000          | \$ 909,589          | \$ 39,589   |
| Total revenues   | <u>970,000</u>      | <u>870,000</u>      | <u>909,589</u>      | <u>39,589</u>   |
| <b>EXPENDITURES</b>  |                     |                     |                     |   |
| Current:   |                     |                     |                     |   |
| General government:  |                     |                     |                     |   |
| Public safety  | 654,000             | 689,000             | 691,572             | (2,572)   |
| Capital outlay:  | 300,000             | 250,000             | 242,376             | 7,624   |
| Total expenditures   | <u>954,000</u>      | <u>939,000</u>      | <u>933,948</u>      | <u>5,052</u>  |
| Excess (Deficiency) of Revenues<br>over (Under) Expenditures | <u>16,000</u>       | <u>(69,000)</u>     | <u>(24,359)</u>     | <u>44,641</u>   |
| Net change in fund balance                                   | 16,000              | (69,000)            | (24,359)            | 44,641  |
| Fund balance - beginning                                     | 4,732,482           | 4,732,482           | 4,732,482           | -   |
| Fund balance - ending  | <u>\$ 4,748,482</u> | <u>\$ 4,663,482</u> | <u>\$ 4,708,123</u> | <u>\$ 44,641</u>  |

The notes to the financial statements are an integral part of this statement.  
See the accompanying independent auditor's report.

**DeSoto Parish Police Jury  
Mansfield, Louisiana**

**Budgetary Comparison Schedule  
Sales Tax Fund  
Year Ended December 31, 2013**

|  | Budgeted Amounts |                | Actual         | Variance With<br>Final Budget<br>Positive<br>(Negative) |
|--|------------------|----------------|----------------|---|
|  | Original         | Final          |                |   |
| <b>REVENUES</b>  |                  |                |                |   |
| Program Revenues   | \$ -             | \$ -           | \$ -           | \$ -  |
| General Revenues   | 200,000          | 230,000        | 228,130        | (1,870)   |
| Total revenues   | <u>200,000</u>   | <u>230,000</u> | <u>228,130</u> | <u>(1,870)</u>  |
| <b>EXPENDITURES</b>  |                  |                |                |   |
| <b>Current:</b>  |                  |                |                |   |
| Finance and administrative                                   | 200,000          | 230,000        | 228,130        | 1,870   |
| Total expenditures   | <u>200,000</u>   | <u>230,000</u> | <u>228,130</u> | <u>1,870</u>  |
| Excess (Deficiency) of Revenues<br>over (Under) Expenditures | <u>-</u>         | <u>-</u>       | <u>-</u>       | <u>-</u>  |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                  |                |                |   |
| Transfer in  | 9,600,000        | 8,800,000      | 9,288,812      | 488,812   |
| Transfer out   | (9,600,000)      | (8,800,000)    | (9,288,812)    | (488,812)   |
| Sale of Asset  | -                | -              | -              | -   |
| Total Other Financing Sources and Uses                       | <u>-</u>         | <u>-</u>       | <u>-</u>       | <u>-</u>  |
| Net Change in fund Balance                                   | <u>-</u>         | <u>-</u>       | <u>-</u>       | <u>-</u>  |
| Fund balance - beginning                                     | -                | -              | -              | -   |
| Fund balance - ending  | <u>\$ -</u>      | <u>\$ -</u>    | <u>\$ -</u>    | <u>\$ -</u>   |

The notes to the financial statements are an integral part of this statement.  
See the accompanying independent auditor's report.



**DeSoto Parish Police Jury  
Mansfield, Louisiana**

**Budgetary Comparison Schedule  
Criminal Court Fund  
Year Ended December 31, 2013**

|  | Budgeted Amounts |                   | Actual           | Variance With<br>Final Budget<br>Positive<br>(Negative) |
|--|------------------|-------------------|------------------|---|
|  | Original         | Final             |                  |   |
| <b>REVENUES</b>  |                  |                   |                  |   |
| Program Revenues   | \$ 841,211       | \$ 956,211        | \$ 991,701       | \$ 35,490   |
| General Revenues   | 500              | 700               | 687              | (13)  |
| Total revenues   | <u>841,711</u>   | <u>956,911</u>    | <u>992,388</u>   | <u>35,477</u>   |
| <b>EXPENDITURES</b>  |                  |                   |                  |   |
| <b>Current:</b>  |                  |                   |                  |   |
| General government:  |                  |                   |                  |   |
| Judicial   | \$ 804,042       | \$ 854,042        | \$ 890,951       | \$ (36,909)   |
| Total expenditures   | <u>804,042</u>   | <u>854,042</u>    | <u>890,951</u>   | <u>(36,909)</u>   |
| Excess (Deficiency) of Revenues<br>over (Under) Expenditures | <u>37,669</u>    | <u>102,869</u>    | <u>101,437</u>   | <u>(1,432)</u>  |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                  |                   |                  |   |
| Transfers in   | \$ -             | \$ -              | \$ -             | \$ -  |
| Transfers out  | <u>(53,835)</u>  | <u>-</u>          | <u>(98,448)</u>  | <u>(98,448)</u>   |
| Total other financing sources (uses)                         | <u>(53,835)</u>  | <u>-</u>          | <u>(98,448)</u>  | <u>(98,448)</u>   |
| Net change in fund balance                                   | (16,166)         | 102,869           | 2,989            | (99,880)  |
| Fund balance - beginning                                     | 95,460           | 95,460            | 95,460           | -   |
| Fund balance - ending  | <u>\$ 79,294</u> | <u>\$ 198,329</u> | <u>\$ 98,449</u> | <u>\$ (99,880)</u>                                      |

The notes to the financial statements are an integral part of this statement.  
See the accompanying independent auditor's report.

**DeSoto Parish Police Jury  
Mansfield, Louisiana**

**Other Postemployment Benefits  
Schedule of Funding Progress  
Year Ended December 31, 2013**

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| Actuarial<br>Valuation<br>Date | Actuarial<br>Value of<br>Assets | Actuarial<br>Accrued<br>Liability<br>(AAL) | Unfunded<br>Actuarial<br>Accrued<br>(UAAL) | Funded<br>Ratio | Covered<br>Payroll | UAAL as a<br>Percentage<br>of Covered<br>Payroll |
|--------------------------------|---------------------------------|--|--|-----------------|--------------------|--|
| January 1, 2011                | \$ -                            | \$ 705,677                                 | \$ 705,677                                 | 0%              | \$ 5,345,371       | 13%  |
| January 1, 2012                | \$ -                            | \$ 705,677                                 | \$ 705,677                                 | 0%              | \$ 5,472,725       | 13%  |
| January 1, 2013                | \$ -                            | \$ 1,446,087                               | \$ 1,446,087                               | 0%              | \$ 5,422,390       | 27%  |

The notes to the financial statements are an integral part of this statement.  
See the accompanying independent auditor's report.

**DeSoto Parish Police Jury  
Mansfield, Louisiana**

**Notes to Required Supplementary Information  
Year Ended December 31, 2013**

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**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 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.

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.

**DeSoto Parish Police Jury  
Mansfield, Louisiana**

**Notes to Required Supplementary Information  
Year Ended December 31, 2013**

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**Other Postemployment Benefits**

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 valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

**Other Supplementary Information**

**DeSoto Parish Police Jury  
Mansfield, Louisiana**

**Other Governmental Funds  
Year Ended December 31, 2013**

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**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.

**Rental Assistance Fund**

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

**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.

**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  
Other Governmental Funds  
For the Year Ended December 31, 2013**

|   | Special Revenue |                      |                            |                      |                                 |                      | Total               |
|---|-----------------|----------------------|----------------------------|----------------------|---------------------------------|----------------------|---------------------|
|   | WIA<br>Fund     | Witness and<br>Juror | Community<br>Services Fund | Rental<br>Assistance | Animal/Mosquito<br>Control Fund | Homeland<br>Security |                     |
| <b>ASSETS</b>                                     |                 |                      |                            |                      |                                 |                      |                     |
| Cash and cash equivalents                         | \$ -            | \$ 474,076           | \$ -                       | \$ 222,017           | \$ 18,714                       | \$ 88,324            | \$ 803,131          |
| Investments                                       | -               | -                    | -                          | -                    | -                               | -                    | -                   |
| Receivables (net of allowance for uncollectibles) | -               | 21,515               | 215,077                    | -                    | 250                             | -                    | 236,842             |
| Due from other funds                              | -               | -                    | -                          | -                    | -                               | -                    | -                   |
| Total Assets                                      | <u>\$ -</u>     | <u>\$ 495,591</u>    | <u>\$ 215,077</u>          | <u>222,017</u>       | <u>\$ 18,964</u>                | <u>\$ 88,324</u>     | <u>\$ 1,039,973</u> |
| <b>LIABILITIES</b>                                |                 |                      |                            |                      |                                 |                      |                     |
| Accounts payable                                  | \$ -            | \$ 600               | \$ 25,379                  | \$ 54,192            | \$ 8,639                        | \$ -                 | \$ 88,810           |
| Advance from grantor                              | -               | -                    | -                          | 67,825               | -                               | -                    | 67,825              |
| Due to other funds                                | -               | 100,000              | -                          | 100,000              | -                               | 65,600               | 265,600             |
| Master bank overdrafts                            | -               | -                    | 182,703                    | -                    | -                               | -                    | 182,703             |
| Total Liabilities                                 | <u>-</u>        | <u>100,600</u>       | <u>208,082</u>             | <u>222,017</u>       | <u>8,639</u>                    | <u>65,600</u>        | <u>604,938</u>      |
| <b>FUND BALANCES</b>                              |                 |                      |                            |                      |                                 |                      |                     |
| Restricted to:                                    |                 |                      |                            |                      |                                 |                      |                     |
| Public safety                                     | -               | -                    | -                          | -                    | -                               | 22,724               | 22,724              |
| Health and Welfare                                | -               | -                    | 6,995                      | -                    | -                               | -                    | 6,995               |
| Witness and juror fees                            | -               | 394,991              | -                          | -                    | -                               | -                    | 394,991             |
| Assigned to:                                      |                 |                      |                            |                      |                                 |                      |                     |
| Animal Control                                    | -               | -                    | -                          | -                    | 10,325                          | -                    | 10,325              |
| Total Fund Balances                               | <u>-</u>        | <u>394,991</u>       | <u>6,995</u>               | <u>-</u>             | <u>10,325</u>                   | <u>22,724</u>        | <u>435,035</u>      |
| Total Liabilities & Fund Balances                 | <u>\$ -</u>     | <u>\$ 495,591</u>    | <u>\$ 215,077</u>          | <u>\$ 222,017</u>    | <u>\$ 18,964</u>                | <u>\$ 88,324</u>     | <u>\$ 1,039,973</u> |

Supplementary Information  
Presented for purposes of additional analysis only.

**DeSoto Parish Police Jury  
Mansfield, Louisiana**

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Other Governmental Funds  
For the Year Ended December 31, 2013**

|  | Special Revenue  |                      |                            |                      |                                 | Total            |                      |
|--|------------------|----------------------|----------------------------|----------------------|---------------------------------|------------------|----------------------|
|  | WIA<br>Fund      | Witness and<br>Juror | Community<br>Services Fund | Rental<br>Assistance | Animal/Mosquito<br>Control Fund |                  | Homeland<br>Security |
| <b>REVENUES</b>  |                  |                      |                            |                      |                                 |                  |                      |
| Intergovernmental revenues:                                  |                  |                      |                            |                      |                                 |                  |                      |
| Federal grants   | \$ 2,701,472     | \$ -                 | \$ 1,939,121               | \$ 935,646           | \$ -                            | \$ -             | \$ 5,576,239         |
| State funds:   |                  |                      |                            |                      |                                 |                  |                      |
| Fees, charges, and commissions                               | -                | -                    | -                          | -                    | 26,019                          | -                | 26,019               |
| Fines and forfeitures  | -                | 213,184              | -                          | -                    | -                               | -                | 213,184              |
| Investment earnings  | -                | 317                  | -                          | 167                  | -                               | 77               | 561                  |
| Other revenue  | -                | -                    | 13,045                     | 4,991                | -                               | -                | 18,036               |
| Contributions  | -                | -                    | 5,532                      | -                    | 5,542                           | -                | 11,074               |
| Total Revenues   | <u>2,701,472</u> | <u>213,501</u>       | <u>1,957,698</u>           | <u>940,804</u>       | <u>31,561</u>                   | <u>77</u>        | <u>5,845,113</u>     |
| <b>EXPENDITURES</b>  |                  |                      |                            |                      |                                 |                  |                      |
| Current:   |                  |                      |                            |                      |                                 |                  |                      |
| Judicial   | -                | 74,655               | -                          | -                    | -                               | -                | 74,655               |
| Public safety  | -                | -                    | -                          | -                    | -                               | 29               | 29                   |
| Health and welfare   | -                | -                    | 29,760                     | 940,804              | 103,893                         | -                | 1,074,457            |
| Community development  | -                | -                    | 2,054,244                  | -                    | -                               | -                | 2,054,244            |
| Economic development   | 2,701,472        | -                    | -                          | -                    | -                               | -                | 2,701,472            |
| Animal control   | -                | -                    | -                          | -                    | 375,603                         | -                | 375,603              |
| Capital outlay   | -                | -                    | -                          | -                    | 51,734                          | -                | 51,734               |
| Total Expenditures   | <u>2,701,472</u> | <u>74,655</u>        | <u>2,084,004</u>           | <u>940,804</u>       | <u>531,230</u>                  | <u>29</u>        | <u>6,332,194</u>     |
| Excess (Deficiency) of Revenues over<br>(Under) Expenditures | <u>-</u>         | <u>138,846</u>       | <u>(126,306)</u>           | <u>-</u>             | <u>(499,669)</u>                | <u>48</u>        | <u>(487,081)</u>     |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                  |                      |                            |                      |                                 |                  |                      |
| Transfers in   | -                | -                    | 125,000                    | -                    | 501,727                         | -                | 626,727              |
| Total Other Financing Sources and Uses                       | <u>-</u>         | <u>-</u>             | <u>125,000</u>             | <u>-</u>             | <u>501,727</u>                  | <u>-</u>         | <u>626,727</u>       |
| Net Change in Fund Balance                                   | -                | 138,846              | (1,306)                    | -                    | 2,058                           | 48               | 139,646              |
| Fund Balances - beginning (deficit)                          | -                | 256,145              | 8,301                      | -                    | 8,267                           | 22,676           | 295,389              |
| Fund Balances - ending (deficit)                             | <u>\$ -</u>      | <u>\$ 394,991</u>    | <u>\$ 6,995</u>            | <u>\$ -</u>          | <u>\$ 10,325</u>                | <u>\$ 22,724</u> | <u>\$ 435,035</u>    |

Supplementary Information  
Presented for purposes of additional analysis only.



**DeSoto Parish Police Jury  
Mansfield, Louisiana**

**Schedule of Compensation Paid to Police Jurors  
For the Year Ended December 31, 2013**

The schedule of compensation paid to police jurors is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Compensation of the police jurors is included in the legislative expenditures of the General Fund. In accordance with Louisiana Revised Statute 33:1233, The Police Jury has elected the monthly payment method of compensation. Under this method the 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<br/>Reimbursements</u> |
|-----------------------------|-------------------|-----------------------------------|
| B. D. Mitchell, President   | \$ 24,000         | \$ 543                            |
| Ernel Jones- Vice-President | 19,200            | 658                               |
| Greg Baker                  | 19,200            | 791                               |
| Jarrell O. Burch            | 19,200            | 490                               |
| Richard Fuller              | 19,200            | 1,150                             |
| Jeff Heard                  | 19,200            | 63                                |
| A. W. McDonald, Jr.         | 19,200            | 1,114                             |
| Reggie Roe                  | 19,200            | 1,065                             |
| Ricky McPhearson            | 19,200            | 781                               |
| Thomas Jones                | 19,200            | 1,026                             |
| Charlie Roberts             | 19,200            | 649                               |
| Total                       | <u>\$ 216,000</u> | <u>\$ 8,330</u>                   |

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

**DeSoto Parish Police Jury  
Mansfield, Louisiana**

**Schedule of Expenditures of Federal Awards  
For the Year Ended December 31, 2013**

| Federal Grantor/Pass-through Grantor/Program Title                         | CFDA<br>NUMBER | Pass-Through<br>Grantor's Number | Federal<br>Revenues | Federal<br>Expenditures | Amount<br>Provided<br>Subrecipients |
|--|----------------|----------------------------------|---------------------|-------------------------|-------------------------------------|
| <b>United States Department of Labor:</b>                                  |                |                                  |                     |                         |                                     |
| Passed through Department of Labor:  |                |                                  |                     |                         |                                     |
| OJT-National Emergency Grants  | 17.277         | 717258                           | 269,700             | 269,700.00              | 269,700.00                          |
| Trade Adjustment Assistance  | 17.245         | 717751                           | 573,062             | 573,062.00              | 573,062.00                          |
| WorkForce Investment Act Cluster:  |                |                                  |                     |                         |                                     |
| Adult Admin  | 17.259         | 712929                           | 56,300              | 56,300.00               | 56,300.00                           |
| Adult Program  | 17.258         | 703677                           | 576,517             | 576,517.00              | 576,517.00                          |
| Youth Admin  | 17.259         | 712929                           | 72,900              | 72,900.00               | 72,900.00                           |
| Youth Program  | 17.259         | 722005 & 712929                  | 733,709             | 733,709.00              | 733,709.00                          |
| Dislocated Workers Admin   | 17.278         | 703677/712929/722005             | 19,162              | 19,162.00               | 19,162.00                           |
| Dislocated Workers Program   | 17.278         | 703677/712929                    | 345,822             | 345,822.00              | 345,822.00                          |
| Rapid Response   | 17.278         | 712929                           | 54,300              | 54,300.00               | 54,300.00                           |
| <b>Total United States Department of Labor</b>                             |                |                                  | <b>2,701,472</b>    | <b>2,701,472</b>        | <b>2,701,472</b>                    |
| <b>United States Department of Housing and Urban Development:</b>          |                |                                  |                     |                         |                                     |
| Direct Program - Lower Income Housing Assistance Program                   | 14.871         | LA230                            | 939,646             | 939,646                 | -                                   |
| Emergency Shelter Grant Program  | 14.231         | 650102                           | 33,068              | 33,068                  | -                                   |
| HPRP Emergency Shelter Grant Program                                       | 14.262         | 685497                           |                     | -                       | -                                   |
| <b>Total United States Department of Housing and Urban Development</b>     |                |                                  | <b>972,714</b>      | <b>972,714</b>          | <b>-</b>                            |
| <b>United States Department of Transportation:</b>                         |                |                                  |                     |                         |                                     |
| Passed through the Louisiana Department of Transportation and Development: |                |                                  |                     |                         |                                     |
| Federal Transit Formula Grants (Program 5311)                              | 20.509         | LA-18-XO30                       | 117,439             | 117,439                 | 117,439                             |
| Job Access - Reverse Commutation (Program 5316)                            | 20.516         | 741-16-0124                      | 23,719              | 23,719                  | 23,719                              |
| ARRA-Federal Transit_Capital Investment Grant                              | 20.509         | U.2750086.0910                   | 1,990               | 1,990                   | 1,990                               |
| <b>Total Department of Transportation:</b>                                 |                |                                  | <b>143,148</b>      | <b>143,148</b>          | <b>143,148</b>                      |

Supplementary Information  
Presented for purposes of additional analysis only.

**DeSoto Parish Police Jury  
Mansfield, Louisiana**

**Schedule of Expenditures of Federal Awards  
For the Year Ended December 31, 2013**

| Federal Grantor/Pass-through Grantor/Program Title                     | CFDA<br>NUMBER | Pass-Through<br>Grantor's Number | Federal<br>Revenues | Federal<br>Expenditures | Amount<br>Provided<br>Subrecipients |
|--|----------------|----------------------------------|---------------------|-------------------------|-------------------------------------|
| <b>United States Department of Health and Human Services:</b>          |                |                                  |                     |                         |                                     |
| Passed through Louisiana Department of Social Services:                |                |                                  |                     |                         |                                     |
| Low-Income Energy Assistance Program                                   | 93.568         | 370700338                        | 802,216             | 802,216                 | -                                   |
| LIHEAP-Weatherization  | 93.568         | DEEE0000095                      | 712,820             | 712,820                 | -                                   |
| Emergency Food and Shelter National Board Program                      | 97.024         | None                             | 4,317               | 4,317                   | -                                   |
| Passed through Department of Labor:                                    |                |                                  |                     |                         |                                     |
| Community Service Block Grant  | 93.569         | 2011P0080 & 2012P0080            | 78,362              | 78,362                  | -                                   |
| <b>Total United States Department of Health and Human Services</b>     |                |                                  | <b>1,597,715</b>    | <b>1,597,715</b>        | <b>-</b>                            |
| <b>United States Department of Energy:</b>                             |                |                                  |                     |                         |                                     |
| Passed through the Louisiana Department of Natural Resources           |                |                                  |                     |                         |                                     |
| Renew Louisiana Energy Efficiency and Conservation Block Grant (EECBG) | 81.128         | EE-000735                        | 8,408               | 8,408                   | 8,408                               |
| Passed through the Louisiana Housing Finance Agency:                   |                |                                  |                     |                         |                                     |
| Weatherization Assistance for Low Income Persons                       | 81.042         | DEEE0000095                      | 90,993              | 90,993                  |                                     |
| ARRA Weatherization Assistance Program                                 | 81.042         | EE00000122                       | 82,412              | 82,412                  |                                     |
| <b>Total United States Department of Energy</b>                        |                |                                  | <b>181,813</b>      | <b>181,813</b>          | <b>8,408</b>                        |
| <b>Total Federal Financial Assistance</b>                              |                |                                  | <b>5,596,862</b>    | <b>5,596,862</b>        | <b>2,853,028</b>                    |

Supplementary Information  
Presented for purposes of additional analysis only.

**DeSoto Parish Police Jury  
Mansfield, Louisiana**

**Notes to the Schedule of Expenditures of Federal Awards  
For the Year Ended December 31, 2013**

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**1. Basis of Presentation**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the 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 of the 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  
Mansfield, Louisiana**

**Rental Assistance  
Financial Data Schedule  
For the Year Ended December 31, 2013**

| Line Item<br>No. | Description                             | Total<br>Project  |
|------------------|---|-------------------|
| 111              | Cash -unrestricted                      | \$ 222,017        |
| 128              | Fraud Recovery                          | -                 |
| 190              | Total Assets                            | <u>\$ 222,017</u> |
| 313              | Accounts Payable                        | \$ 54,193         |
| 342-010          | Deferred revenue- Operating Subsidy     | 67,824            |
| 347              | Inter-program Due To                    | 100,000           |
| 310              | Total Current Liabilities               | <u>\$ 222,017</u> |
| 600              | Total Liabilities and Equity/Net Assets | <u>\$ 222,017</u> |
| 70710            | Management Fee                          | \$ 94,670         |
| 70300            | Net Tenant Rental Revenue               | 840,976           |
| 71500            | Other Revenue                           | 168               |
| 71400            | Fraud Recovery                          | 4,990             |
| 70000            | Total Revenue                           | <u>\$ 940,804</u> |
| 91300            | Management Fee                          | \$ 134,933        |
| 91000            | Total Operating- Administrative         | <u>\$ 134,933</u> |
| 97300            | Housing assistance payments             | <u>\$ 805,871</u> |
| 90000            | Total Expenses                          | <u>\$ 940,804</u> |

Supplementary Information  
Presented for purposes of additional analysis only.

## 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  
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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT  
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH *GOVERNMENT AUDITING STANDARDS*

To the Jury Members of the  
DeSoto Parish Police Jury

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the *Louisiana Governmental Audit Guide*, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of DeSoto Parish Police Jury as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the DeSoto Parish Police Jury's basic financial statements and have issued our report thereon dated June 26, 2014.

### Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the DeSoto Parish 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 DeSoto Parish Police Jury's internal control. Accordingly, we do not express an opinion on the effectiveness of the DeSoto Parish Police Jury's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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.

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.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the DeSoto Parish Police Jury's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 13-01.

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

The DeSoto Parish Police Jury's response to the finding identified in our audit is 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 the audit of the financial statements and, accordingly, we express no opinion on the response.

### **Purpose of this Report**

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

  
Johnson, Thomas & Cunningham, CPA's

June 26, 2014  
Natchitoches, Louisiana



# Johnson, Thomas & Cunningham

## Certified Public Accountants

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### 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 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, 2013. 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, 2013.

## **Other Matters**

The results of our auditing procedures disclosed one instance of noncompliance, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item 13-02. Our opinion on each major federal program is not modified with respect to this matter.

The DeSoto Parish Police Jury's response to the noncompliance finding identified in our audit is 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 response.

## **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 26, 2014  
Natchitoches, Louisiana

DeSoto Parish Police Jury  
Mansfield, Louisiana

Schedule of Findings and Questioned Costs  
Year Ended December 31, 2013

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**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, 2013.
2. The audit disclosed no material weaknesses in internal control.
3. The audit disclosed one instance of noncompliance that is required to be reported under *Government Auditing Standards* (13-01).
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 one finding related to federal awards that is required to be reported under OMB Circular A-133 (13-02).
7. The following programs were major for the year ended December 31, 2013:
  - Workforce Investment Act Cluster (CFDA #17.258, 17.259, and 17.278)
  - Trade Adjustment Assistance (CFDA # 17.245)
  - 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**

The following finding relates to the financial statements and is required to be reported in accordance with *Government Auditing Standards*.

Compliance-

*13-01 Local Government Budget Act*

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

DeSoto Parish Police Jury  
Mansfield, Louisiana

Schedule of Findings and Questioned Costs  
Year Ended December 31, 2013

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*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.

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

*Cause* - The Airport Fund was under-budget on revenues due to failure to properly budget for losses on investments and for the decrease in oil and gas royalties. The Airport Fund was over-budget on expenditures due to failure to budget for capital outlay projects which were in excess of the original budget.

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

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

**C. FINDINGS AND QUESTIONED COSTS FOR MAJOR FEDERAL AWARDS PROGRAMS**

The following finding relates to the major federal programs and is required to be reported in accordance with *OMB A-133*.

Compliance-

*13-02 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 and 2012, 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 figures submitted for FY 2009 contain reporting errors which must be corrected before financial information for FY 2010, 2011 and 2012 can be validated by HUD.

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

DeSoto Parish Police Jury  
Mansfield, Louisiana

Schedule of Findings and Questioned Costs  
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*Management's 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.

DeSoto Parish Police Jury  
Mansfield, Louisiana

Management's Summary Schedule of Prior Audit Findings  
Year Ended December 31, 2013

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COMPLIANCE:

*12-01 Public Bid Law*

*Condition* – During the year ended December 31, 2012, the Jury entered into an agreement with a road construction company to perform road improvements on several parish roads. The company performed additional services in excess of \$150,000, which were not included in the original per unit contract. Since the additional services exceeded \$150,000, the Jury should have followed the Public Bid Law requirements to award this additional work, but failed to do so.

*Current Status* – For the year ended December 31, 2013, this condition was cleared.

*12-02 Financial Reporting*

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

*Current Status* – For the year ended December 31, 2013, this condition was not cleared. See finding 13-02.

*12-03 Special Tests and Provisions*

*Condition* – For the year ended December 31, 2012, the Jury failed to determine reasonable rent and to review and update the utility allowance schedule on an annual basis.

*Current Status* – For the year ended December 31, 2013, this condition was cleared.