

**DESOTO PARISH ASSESSOR  
MANSFIELD, LOUISIANA  
ANNUAL FINANCIAL REPORT**

**DECEMBER 31, 2007**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date

7/16/08

DeSoto Parish Assessor  
Mansfield, Louisiana

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# DESOTO PARISH ASSESSOR

P. O. Box 1168

Mansfield, LA 71052-1168

## MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the DeSoto Parish Assessor's (the Assessor or Office) annual financial report presents our discussion and analysis of the Assessor's financial performance during the fiscal year that ended on December 31, 2007. Please read it in conjunction with the Assessor's financial statements, which follow this section.

### Financial Highlights

The Assessor's revenues increased \$200,919 (21%) while expenses decreased by \$6,115 (1%) during the year ended December 31, 2007.

### Overview of Financial Statements

The basic financial statements include government-wide financial statements and fund financial statements. These two types of financial statements present the Assessor's Office's financial position and results of operations from differing perspectives, which are described as follows:

#### Government-wide Financial Statements

The government-wide financial statements report information about the Assessor's Office as a whole using accounting methods similar to those used by private-sector companies. These report all revenues and expenses regardless of when cash is received or paid. Furthermore, the government-wide statements include all of the Office's assets and all of its liabilities. All of the Office's activities are classified as governmental activities in the government-wide financial statements. The governmental activities are financed primarily by property taxes and related revenue sharing.

#### Fund Financial Statements

Fund financial statements provide detailed information regarding the Office's most significant activities and are not intended to provide information for the Office as a whole. Funds are accounting devices that are used to account for specific sources of funds. All of the Office's funds are limited to its general fund, which is classified as a Governmental Fund. This fund is used to account for essentially the same functions that are reported as governmental activities in the government-wide financial statements. However, unlike government-wide financial statements, the governmental fund uses a modified accrual basis of accounting that provides a short-term view of the Office's finances. Assets reported by the governmental fund are limited to amounts that are available for current needs. In addition, liabilities are limited to amounts that are expected to be paid from currently available assets.

Financial Analysis of the Assessor's Office as a Whole

An analysis of the government-wide Statement of Net Assets is presented as follows:

	<u>2007</u>	<u>2006</u>
ASSETS:		
Cash	\$ 415,039	\$ 355,681
Investments	1,830,145	1,644,560
Tax Receivables	754,944	624,475
Accrued Interest	12,406	6,786
Prepaid Lease	28,500	33,060
Capital Assets, net of accumulated depreciation	<u>24,567</u>	<u>42,772</u>
Total Assets	<u>\$3,065,601</u>	<u>\$2,707,334</u>
LIABILITIES:		
Accounts Payable	\$ 1,709	\$ 2,008
Salaries & Benefits Payable	<u>5,539</u>	<u>3,735</u>
Total Liabilities	<u>\$ 7,248</u>	<u>\$ 5,743</u>
NET ASSETS:		
Unrestricted	\$3,033,786	\$2,658,819
Invested in Capital Assets, net of related debt	<u>24,567</u>	<u>42,772</u>
Total Net Assets	<u>\$3,058,353</u>	<u>\$2,701,591</u>

As the presentation appearing above demonstrates, the net assets of the Assessor's Office are unrestricted and may be used to meet the Office's ongoing obligations.

An analysis of the government-wide Statement of Activities is presented as follows:

## Summary of Statement of Activities

	<u>2007</u>	<u>2006</u>
REVENUES:		
Program Revenue	\$ 13,681	\$ 12,192
General Revenue	<u>941,907</u>	<u>742,477</u>
Total Revenues	<u>\$ 955,588</u>	<u>\$ 754,669</u>
EXPENSES:		
General Government	<u>\$ 598,826</u>	<u>\$ 604,941</u>
Change in Net Assets	\$ 356,762	\$ 149,728
Net Assets Beginning	2,701,591	2,510,252
Restate Beginning Net Assets	<u>0</u>	<u>41,611</u>
Net Assets Ending	<u>\$3,058,353</u>	<u>\$2,701,591</u>

As the accompanying presentation demonstrates, the Assessor's Office has increased its reserves by \$356,762 or 12%. The Office continues to have a substantial amount of net assets. This financial trend is expected to continue in the near future. Net assets for 2006 are restated because deferred revenue was recognized as a liability but should have been recorded as a revenue.

## FINANCIAL ANALYSIS OF THE ASSESSOR'S FUND

For the year ended December 31, 2007, differences between the government-wide presentation and the fund financial statements were due to depreciation changes associated with capital assets and differences in deferred property tax revenue.

## BUDGETARY HIGHLIGHTS

Formal budgetary integration is employed as a management control device during the fiscal year. The budget policy of the Assessor complies with state law, as amended, and as set forth in Louisiana Revised Statutes Title 39, Chapter 9, Louisiana Local Government Budget Act (LSA-RS 39:1301 et seq.). The Assessor's budget was not amended during 2007. The actual revenues were \$243,846 above the budgeted amounts and the actual expenditures were \$126,250 less than the budgeted amounts.

## CAPITAL ASSET ADMINISTRATION

For the year ended December 31, 2007, capital asset activity was limited to the depreciation of existing property and equipment.

DEBT ADMINISTRATION

For the year ended December 31, 2007, there was no debt activity and no debts are outstanding at year end.

ECONOMIC FACTORS EXPECTED TO EFFECT FUTURE OPERATIONS

At the present time, no known issues are expected to have a significant impact on future operations.

REQUEST FOR INFORMATION

This report is designed to provide a general overview of the DeSoto Assessor's finances for all with an interest in the entity's operations. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Jimmy Stephens, Assessor, 212 Adams Street, Mansfield, Louisiana, 71052.

# Johnson, Thomas & Cunningham

## Certified Public Accountants

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### INDEPENDENT AUDITOR'S REPORT

Jimmy Stephens  
DeSoto Parish Assessor  
P. O. Box 1168  
Mansfield, LA 71052-1168

We have audited the accompanying financial statements of the governmental activities and the major fund of the DeSoto Parish Assessor (Assessor), a component unit of the DeSoto Parish Police Jury, as of and for the year ended December 31, 2007, which collectively comprise the Assessor's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the Assessor's management. Our responsibility is to express opinions on these basic 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Assessor, as of December 31, 2007, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 18, 2008, on our consideration of the Assessor's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in conjunction with this report in considering the results of our audit.

The Management's Discussion and Analysis and budgetary comparison information on pages 1 through 4 and 29, respectively, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the other required supplementary information. However, we did not audit the information and express no opinion on it.

*Johnson, Thomas & Cunningham, CPA's*

Johnson, Thomas & Cunningham, CPA's

June 18, 2008

Natchitoches, Louisiana



BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE  
FINANCIAL STATEMENTS

DeSoto Parish Assessor  
Statement of Net Assets  
December 31, 2007

	Governmental <u>Activities</u>
ASSETS:	
Current Assets-	
Cash & Cash Equivalents	\$ 415,039
Investments	1,830,145
Receivables	767,350
Prepaid Lease	<u>28,500</u>
Total Current Assets	\$3,041,034
Non-current Assets-	
Capital Assets (Net)	<u>24,567</u>
Total Assets	<u>\$3,065,601</u>
LIABILITIES:	
Accounts Payable	\$ 1,709
Payroll Liabilities	<u>5,539</u>
Total Liabilities	\$ <u>7,248</u>
NET ASSETS:	
Invested in Capital Assets	\$ 24,567
Unrestricted	<u>3,033,786</u>
Total Net Assets	<u>\$3,058,353</u>

See notes to financial statements.

DeSoto Parish Assessor  
Statement of Activities  
December 31, 2007

<u>Activities</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Assets Governmental Activities</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
Governmental Activities:				
General Government-				
Personnel Services	\$488,338	\$ 0	\$0	\$ (488,338)
Operating Expenses	75,778	13,681	0	(62,097)
Materials & Supplies	16,972	0	0	(16,972)
Travel & Other Charges	<u>17,738</u>	<u>0</u>	<u>0</u>	<u>(17,738)</u>
Total Governmental Activities	<u>\$598,826</u>	<u>\$13,681</u>	<u>\$0</u>	<u>\$ (585,145)</u>
General Revenues:				
Taxes:				
Property Taxes				\$ 801,425
State Revenue Sharing				20,947
Interest & Miscellaneous				<u>119,535</u>
Total General Revenues				<u>\$ 941,907</u>
Change in Net Assets				\$ 356,762
Net Assets January 1, 2007				<u>2,701,591</u>
Net Assets December 31, 2007				<u>\$3,058,353</u>

See notes to financial statements.

FUND FINANCIAL STATEMENTS

DeSoto Parish Assessor  
Balance Sheet-Governmental Fund  
December 31, 2007

Assets:

Cash & Cash Equivalents	\$ 415,039
Investments	1,830,145
Receivables	767,350
Prepaid Lease	<u>28,500</u>
Total Assets	<u>\$3,041,034</u>

Liabilities:

Accounts Payable	\$ 1,709
Payroll Liabilities	5,539
Deferred Revenue	<u>35,490</u>
Total Liabilities	<u>\$ 42,738</u>

Fund Balance:

Unreserved-Undesignated	<u>\$2,998,296</u>
Total Liabilities and Fund Balance	<u>\$3,041,034</u>

See notes to financial statements.

DeSoto Parish Assessor  
Reconciliation of the Governmental Fund  
Balance Sheet to the Statement of Net Assets  
December 31, 2007

Total Fund Balance for the Governmental Fund at December 31, 2007	\$2,998,296
Total Net Assets reported for Governmental Activities in the Statement of Net Assets is different because:	
Capital Assets used in Governmental Activities are not financial resources and, therefore, are not reported in the fund. Those assets consist of:	
Equipment and Vehicles, Net of Accumulated Depreciation	24,567
Deferred revenues are reported as liabilities in the Governmental Funds, but are reflected as income in the Government-wide Financial Statements	<u>35,490</u>
Total Assets of Governmental Activities at December 31, 2007	<u>\$3,058,353</u>

See notes to financial statements.

DeSoto Parish Assessor  
Statement of Revenues, Expenditures and Changes in Fund Balance-  
Governmental Fund  
Year Ended December 31, 2007

REVENUES:

Taxes-	
Property Taxes	\$ 796,554
State Revenue Sharing	20,947
Charges for Services	13,681
Interest & Miscellaneous	<u>119,535</u>
 Total Revenues	 \$ <u>950,717</u>

EXPENDITURES:

Current:	
General Government-	
Personnel Services	\$ 488,338
Operating Expenses	57,573
Materials & Supplies	16,972
Travel & Other Charges	<u>17,738</u>
 Total Expenditures	 \$ <u>580,621</u>

Excess of Revenues over Expenditures	\$ 370,096
 Fund Balance-Beginning of Year	 <u>2,628,200</u>
 Fund Balance-End of Year	 <u>\$2,998,296</u>

See notes to financial statements.



DeSoto Parish Assessor  
Reconciliation of the Statement of Revenues, Expenditures  
and Changes in Fund Balance of the Governmental Fund  
to the Statement of Activities  
for the Year Ended December 31, 2007

Total Net Change in Fund Balance at December 31, 2007 per Statement of Revenues, Expenditures and Changes in Fund Balance	\$370,096
The Change in Net Assets reported for Governmental Activities in the Statement of Activities is different because:	
Depreciation expense is reported in the government- wide Statement of Activities, but does not require the use of current financial resources. Therefore, depreciation expense is not reported as an expenditure in the governmental funds. Current year depreciation expense is	(18,205)
Revenue in the Statements of Activities that do not provide current financial resources are not reported as revenues in the funds:	
Change in Deferred Revenue	<u>4,871</u>
Total changes in Net Assets at December 31, 2007 per Statement of Activities	<u>\$356,762</u>

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

DeSoto Parish Assessor  
Notes to Financial Statements  
December 31, 2007

1. Introduction:

As provided by Article VII, Section 24 of the Louisiana Constitution of 1974, the Assessor is elected by the voters of the parish and serves a four-year term. The Assessor assesses all real and movable property in the parish, subject to ad valorem taxation. The Assessor is authorized to appoint as many deputies as necessary for the efficient operation of the office and provides assistance to the taxpayers of the parish. The deputies are authorized to perform all functions of the office, but the Assessor is officially and pecuniarily responsible for the actions of the deputies.

The Assessor's office is located in the DeSoto Parish Courthouse in Mansfield, Louisiana. In accordance with Louisiana law, the Assessor bases real and movable property assessments on conditions existing on January 1 of the tax year. The Assessor completes an assessment listing by May 1 of the tax year and submits the list to the parish governing authority and the Louisiana Tax Commission as prescribed by law. Once the assessment listing is approved, the Assessor submits the assessment roll to the parish tax collector who is responsible for collecting and distributing taxes to the various taxing bodies.

2. Summary of Significant Accounting Policies:

The accompanying general purpose financial statements of the DeSoto Parish Assessor have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

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 primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the DeSoto Parish Police Jury for financial reporting purposes. 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. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
  - a. The ability of the DeSoto Parish Police Jury to impose its will on that organization and/or

DeSoto Parish Assessor  
Notes to Financial Statements  
December 31, 2007

- b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the DeSoto Parish Police Jury.
2. Organizations for which the DeSoto Parish Police Jury does not appoint a voting majority but are fiscally dependent on the DeSoto Parish 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 or significance of the relationship.

Because of item number 2 above, the DeSoto Parish Assessor was determined to be a component unit of the DeSoto Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the Assessor and do not present information on the DeSoto Parish Police Jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

**B. Basis of Presentation-**

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

The Statement of Net Assets and Statement of Activities report information about the reporting government as a whole. They include all funds of the reporting entity. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the Assessor's governmental activities. Direct expenses are those that are specifically associated with a program or function. Program revenues include (a) fees and charges paid by the recipient for goods or services offered by the program, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

**C. Fund Accounting-**

The accounts of the Assessor are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The minimum number of funds maintained is consistent with legal and managerial requirements.

The Assessor maintains only one fund. It is categorized as a governmental fund. The emphasis on fund financial statements is on major governmental and enterprise funds; each displayed in a separate column. A fund is considered major if it is the primary operating fund of the entity.

DeSoto Parish Assessor  
Notes to Financial Statements  
December 31, 2007

The major fund of the Assessor is described below:

Governmental Fund-

General Fund

The General Fund is the general operating fund of the Assessor. It is used to account for all financial resources except those required to be accounted for in another fund.

D. Measurement Focus/Basis of Accounting-

Basis of accounting refers to when revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Accrual Basis - Government-Wide Financial Statements (GWFS)

The Statement of Net Assets and the Statement of Activities display information about the Assessor as a whole. Both of these statements have been prepared using the economic measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Modified Accrual Basis - Fund Financial Statements (FFS)

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., when they are 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 Assessor considers all revenues "available" if they are collected within 60 days after year-end. Expenditures are generally recorded under the modified accrual basis of accounting when the related liability is incurred. The exceptions to this general rule are that (1) unmatured principal and interest on long-term debt, if any, are recorded when due and (2) claims and judgments and compensated absences are recorded as expenditures when paid with expendable available financial resources.

DeSoto Parish Assessor  
Notes to Financial Statements  
December 31, 2007

E. Assets, Liabilities and Equity-

Cash and Interest-Bearing Deposits-

For purposes of the Statement of Net Assets, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposit of the Assessor.

Investments-

Under state law, the Assessor may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed six months; however, if the original maturities are six months or less, they are classified as cash equivalents. Investments are stated at cost.

Capital Assets-

Capital assets, which include property, plant and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Assessor maintains a threshold level of \$1,000 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of that asset or materially extend the life of that asset are not capitalized.

Depreciation of all exhaustible capital assets is recorded as an expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of useful lives by type of asset is as follows:

Furniture, fixtures and equipment	5-10 years
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Compensated Absences-

Employees of the DeSoto Parish Assessor do not accrue or "carry forward" any type of leave from year to year. Therefore, no entry is made to record compensated absences.

DeSoto Parish Assessor  
Notes to Financial Statements  
December 31, 2007

Equity Classification-

In the government-wide statements, equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt---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 assets---Consists of net assets with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provision or enabling legislation.
- c. Unrestricted net assets---All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt".

In the fund statements, governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated.

F. Budget-

Prior to the beginning of each fiscal year, the DeSoto Parish Assessor adopts a budget for the next fiscal year. The budget is open for public inspection. All budgetary appropriations lapse at the end of the fiscal year. The budget is prepared on the modified accrual basis of accounting.

G. 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 disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures and expenses during the reported period. Actual results could differ from those estimates.

DeSoto Parish Assessor  
Notes to Financial Statements  
December 31, 2007

3. Capital Assets:

Capital asset balances and activity for the year ended December 31, 2007 is as follows:

<u>Governmental Activities</u>	<u>Balance 01-01-07</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance 12-31-07</u>
<b>Capital Assets:</b>				
Furniture, computers, equipment	\$173,944	\$ 0	\$0	\$173,944
Auto	<u>9,463</u>	<u>0</u>	<u>0</u>	<u>9,463</u>
Total Assets	<u>\$183,407</u>	<u>\$ 0</u>	<u>\$0</u>	<u>\$183,407</u>
<b>Less: Accumulated Depreciation:</b>				
Furniture, computers, equipment	\$131,803	\$ 17,574	\$0	\$149,377
Auto	<u>8,832</u>	<u>631</u>	<u>0</u>	<u>9,463</u>
Total Depreciation	<u>\$140,635</u>	<u>\$ 18,205</u>	<u>\$0</u>	<u>\$158,840</u>
Net Capital Assets	<u>\$ 42,772</u>	<u>\$(18,205)</u>	<u>\$0</u>	<u>\$ 24,567</u>

Depreciation expense of \$18,205 was charged to the general government function.

4. Ad Valorem Taxes:

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

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

Property Tax Calendar

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



DeSoto Parish Assessor  
Notes to Financial Statements  
December 31, 2007

The Assessor is permitted to levy taxes up to 10% of the assessed property valuation for each specified purpose or, in the aggregate for all purposes 25% of the assessed valuation for the payment of principal and interest on long-term debt after the approval by the voters of the Parish. Property taxes are recorded as receivables and revenues in the year assessed.

Assessed values are established by the DeSoto Parish Tax Assessor each year on a uniform basis at the following ratios to fair market value:

10% land	15% machinery
10% residential improvements	15% commercial improvements
15% industrial improvements	25% public service properties, excluding land

A revaluation of all property is required to be completed no less than every four years. The last revaluation was completed for the roll of January 1, 2004. Total assessed value was \$273,137,915 in 2007. Louisiana state law exempts the first \$7,500 of assessed value of a taxpayer's primary residence from parish property taxes. This homestead exemption was a total of \$36,296,280 of the assessed value in 2007. For the year ended December 31, 2007, taxes of 3.38 mils were levied on the property.

The following are the principal taxpayers for the parish:

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Assessed Valuation</u>	<u>Percentage of Total Assessed Valuation</u>
International Paper Co.	Manufacturing	\$ 68,527,496	25.09%
Southwestern Electric	Utility	24,253,545	8.88%
CLECO Power LLC	Utility	<u>24,132,194</u>	<u>8.84%</u>
Total		<u>\$116,913,235</u>	<u>42.80%</u>

5. Leases:

The Assessor has an operating lease of the following nature: an auto lease for a 36-month term, with monthly payments of \$489.41 dated June 7, 2006. The purchase option at the end of the lease of \$11,879. There is a possible early termination charge and a possible charge of mileage in excess of 21,672 total miles at \$.15 per mile.

The minimum annual commitments under noncancelable operating leases are: \$5,873 for 2008 and \$2,447 for 2009.

6. Litigation:

The DeSoto Parish Assessor is not a party to any litigation seeking damages at December 31, 2007.

DeSoto Parish Assessor  
Notes to Financial Statements  
December 31, 2007

7. Expenses Paid by the DeSoto Parish Police Jury:

Certain expenses of the Assessor's office are paid by the DeSoto Parish Police Jury. In addition to furnishing the building where the Assessor's office is located, the Police Jury pays all utility bills and furnishes some of the equipment in the Assessor's office.

8. Cash and Cash Equivalents:

The Assessor has cash and cash equivalents (book balances) in interest-bearing demand and time deposits of \$162,984 and LAMP deposits of \$252,060 for a total of \$415,044 at December 31, 2007. These deposits are stated at cost, which approximates market. 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 bank. The Assessor's deposits are secured from risk as follows:

At December 31, 2007, the Assessor had \$415,203 in deposits (collected bank balances). These deposits are secured from risk by \$100,000 of federal deposit insurance and \$62,984 of pledged securities. The funds deposited with LAMP do not require security deposits as they are invested in obligations of the United States Government or other investments allowed by Louisiana Law.

Even though the pledged securities are considered uncollateralized (Category #3) under the provisions of GASB Statement No. 3, 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 Assessor that the fiscal agent has failed to pay deposited funds upon demand.

At December 31, 2007, investments held by the Assessor consist of \$252,060 in the Louisiana Asset Management Pool (LAMP), the local government investment pool. In accordance with GASB Codification Section I50.126, the investment in LAMP by the Assessor is not categorized in the three risk categories provided by GASB Codification Section I50.125 because the investment is in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form.

LAMP 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. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities.

DeSoto Parish Assessor  
Notes to Financial Statements  
December 31, 2007

Effective August 1, 2001, LAMP's investment guidelines were amended to permit the investment in government-only money market funds. In its 2001 Regular Session, the Louisiana Legislature (Senate Bill No. 512, Act 701) enacted LSA-R.S. 33:2955(A)(1)(h) which allows all municipalities, parties, school boards, and any other political subdivisions of the State to invest in "Investment grade (A-1/P-1) commercial paper of domestic United States corporations". Effective October 1, 2001, LAMP's Investment Guidelines were amended to allow the limited investment in A-1 or A-1+ commercial paper.

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. The investments in LAMP are stated at fair value based on 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. Therefore, under GASB No. 9, the Assessor classifies this account as cash.

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.

10. Investments:

Investments are categorized into these three categories of credit risk:

1. Insured or registered, or securities held by the Assessor or its agent in the Assessor's name.
2. Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the Assessor's name.
3. Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the Assessor's name.

The investments for the DeSoto Parish Assessor are categorized as a credit risk 1. At year-end, the Assessor's investment balances were as follows:

<u>Type of Investment</u>	<u>Carrying Amount</u>	<u>Federally Secured</u>	<u>Pledged</u>
One-year Certificates of Deposit	<u>\$1,839,338</u>	<u>\$500,000</u>	<u>\$1,636,288</u>

The fair value of the investment approximates the carrying value.

DeSoto Parish Assessor  
Notes to Financial Statements  
December 31, 2007

11. Employees Retirement System:

*Plan Description.* Substantially all employees of the DeSoto Parish Assessor's office are members of the Louisiana Assessors' Retirement System (System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees.

All full-time employees who are under the age of 60 at the time of original employment and are not drawing retirement benefits from any other public retirement system in Louisiana are required to participate in the System. Employees who retire at or after age 55 with at least 12 years of credited service or at or after age 50 with at least 30 years of credited service are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of the final-average salary for each year of credited service, not to exceed 100 percent of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average.

Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 and receive the benefit 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 Louisiana Assessors' Retirement System, Post Office Box 1786, Shreveport, Louisiana 71166-1786, or by calling (318) 425-4446.

*Funding Policy.* Plan members are required by state statute to contribute 8.0 percent of their annual covered salary and the DeSoto Parish Assessor is required to contribute at an actuarially determined rate. The current rate is 14.5 percent of annual covered payroll. Contributions to the System also include one-fourth of one percent (one percent for Orleans Parish) of the taxes shown to be collectible by the tax rolls of each parish, plus revenue sharing funds appropriated by the legislature. The contribution requirements of plan members and the DeSoto Parish Assessor are established and may be amended by 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 Assessor's contributions to the System for the year ending December 31, 2007, 2006, and 2005 were \$46,371, \$47,667, and \$42,337, respectively, equal to the required contributions for each year.

DeSoto Parish Assessor  
Notes to Financial Statements  
December 31, 2007

12. Receivables:

The following is a summary of receivables at December 31, 2007:

<u>Class of Receivable</u>	<u>General Fund</u>
Taxes-	
Ad Valorem	\$754,945
Other-	
Accrued Interest	<u>12,406</u>
Total	<u>\$767,351</u>

Substantially all receivables are considered to be fully collectible, and no allowance for uncollectibles is used.

13. Post Employment Benefits:

Retired employees are eligible to participate in the Health Insurance Program offered by the DeSoto Parish Tax Assessor's Office. The cost of this benefit to the Assessor's Office for 2007 was \$24,015.

14. Prepaid Lease/Cooperative Endeavor:

In December of 2003, the DeSoto Parish Assessor entered into a cooperative endeavor with the Town of Stonewall to construct offices for a satellite Tax Assessor's office in northern DeSoto Parish. Authorization for such endeavor is allowed by statutes La. R.S. 33:1461 and Louisiana Constitution of 1974, Article 7, Section 14(c). In 2006, the DeSoto Parish Assessor transferred \$45,600 to the Town of Stonewall as prepayment for a ten-year lease for this office. The Assessor recognized lease expense of \$4,560 for 2007.

15. Deferred Compensation Plan:

Certain employees of the DeSoto Parish Assessor participate in the Louisiana Public Employees Deferred Compensation Plan adopted under the provisions of the Internal Revenue Code Section 457. Complete disclosures relating to the Plan are included in the separately issued audit report for the Plan, available from the Louisiana Legislative Auditor, P. O. Box 94397, Baton Rouge, Louisiana 70804-9397.

OTHER REQUIRED  
SUPPLEMENTARY INFORMATION

DeSoto Parish Assessor  
General Fund  
Budgetary Comparison Schedule  
For the Year Ended December 31, 2007

	<u>Budget</u> <u>Original/Final</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES:			
Taxes:			
Property Taxes	\$620,000	\$796,554	\$176,554
State Revenue Sharing	20,471	20,947	476
Investment Earnings	58,000	119,302	61,302
Other Revenues	<u>8,400</u>	<u>13,914</u>	<u>5,514</u>
Total Revenues	<u>\$706,871</u>	<u>\$950,717</u>	<u>\$243,846</u>
EXPENDITURES:			
Current:			
Personnel Services & Related Benefit	\$542,823	\$488,338	\$ 54,485
Operating Expenses	79,275	57,573	21,702
Materials & Supplies	22,000	16,972	5,028
Travel & Other Charges	22,773	17,738	5,035
Capital Outlay	<u>40,000</u>	<u>0</u>	<u>40,000</u>
Total Expenditures	<u>\$706,871</u>	<u>\$580,621</u>	<u>\$126,250</u>

# 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  
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### 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*

Jimmy Stephens  
DeSoto Parish Assessor  
P. O. Box 1168  
Mansfield, LA 71052-1168

We have audited the financial statements of the governmental activities and the major fund of the DeSoto Parish Assessor (Assessor), as of and for the year ended December 31, 2007, which collectively comprise the Assessor's basic financial statements and have issued our report thereon dated June 18, 2008. 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*.

#### Internal Control over Financial Reporting

In planning and performing our audit, we considered the Assessor's internal control over financial reporting as a basis for designing our auditing procedures 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 Assessor's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Assessor's internal control over financing reporting.

A control deficiency exists when the design or operations of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Assessor's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Assessor's financial statements that is more than inconsequential will not be prevented or detected by the Assessor's internal control.



A material weakness is a significant deficiency, or combination of significant deficiencies, that result in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Assessor's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

This report is intended solely for the information and use of the DeSoto Parish Assessor's management, the Louisiana Legislative Auditor, and interested state and federal agencies and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

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

June 18, 2008  
Natchitoches, Louisiana

DeSoto Parish Assessor  
Schedule of Findings & Questioned Costs  
Year Ended December 31, 2007

I. Summary of Audit Reports

1. The auditor's reports express an unqualified opinion on the financial statements of the DeSoto Parish Assessor.
2. There were no significant deficiencies noted during the audit of the financial statements.
3. No instances of noncompliance material to the financial statements of the DeSoto Parish Assessor were disclosed during the audit.

II. Financial Statements Audit

No findings.

III. Prior Year Findings

No findings.