

**DeSoto Parish Sales and Use Tax Commission
Mansfield, Louisiana**

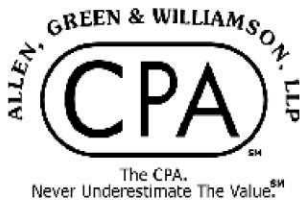
**Annual Financial Report
For the Year Ended June 30, 2015**

**DeSoto Parish Sales and Use Tax Commission
Mansfield, Louisiana**

**Annual Financial Report
As of and for the Year Ended June 30, 2015**

CONTENTS

	<u>Statement</u>	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT		5-7
REQUIRED SUPPLEMENTARY INFORMATION		8
Management's Discussion and Analysis (MD&A)		9-14
GOVERNMENT-WIDE FINANCIAL STATEMENTS		15
Statement of Net Position	A	16
Statement of Activities	B	17
FUND FINANCIAL STATEMENTS		18
Governmental Funds Balance Sheet	C	19
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	D	20
Governmental Funds – Statement of Revenues, Expenditures and Changes in Fund Balance	E	21
Reconciliation of the Governmental Funds – Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statements of Activities	F	22
General Fund – Budgetary Comparison Schedule	G	23
Fiduciary Fund – Statement of Fiduciary Assets and Liabilities	H	24
NOTES TO THE FINANCIAL STATEMENTS		
Index		25
Notes		26-37
REQUIRED SUPPLEMENTARY INFORMATION		38
Schedule of Funding Progress for Other Post Employment Benefits		39
Schedule of Employer Contributions for Other Post Employment Benefit Plan		40
SUPPLEMENTAL INFORMATION		
Schedule of Compensation, Benefits, and Other Payments to Agency Head		41
OTHER REPORT REQUIRED BY GOVERNMENT AUDITING STANDARDS		
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>		42-43



ALLEN, GREEN & WILLIAMSON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

P. O. Box 6075

Monroe, LA 71211-6075

2441 Tower Drive
Monroe, LA 71201

Telephone: (318) 388-4422

Fax: (318) 388-4664

Toll-free: (888) 741-0205

Partners: Tim Green, CPA
Amy Tynes, CPA, CFE
Aimee Buchanan, CPA
Nicia Mercer, CPA, CFE
Principal: Cindy Thomason, CPA

Audit Manager: Margie Williamson, CPA
Matt Carmichael, CPA
Diane Ferschoff, CPA

Ernest L. Allen, CPA
(Retired) 1963 - 2000

Independent Auditor's Report

Board Members
DeSoto Parish Sales and Use Tax Commission
Mansfield, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the DeSoto Parish Sales and Use Tax Commission, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Commission'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. 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 Commission'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 Commission'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.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the DeSoto Parish Sales and Use Tax Commission, as of June 30, 2015, and the respective changes in financial position and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of Funding Progress for Other Post Employment Benefits and the Schedule of Employer Contributions for Other Post Employment Benefit Plan, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is 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 required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Commission's basic financial statements. The accompanying supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The accompanying supplementary information, as listed in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information, as listed in the table of contents, is 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 December 30, 2015 on our consideration of the DeSoto Parish Sales and Use Tax Commission'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 Commission's internal control over financial reporting and compliance.

Allen, Green + Williamson, LLP

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
December 30, 2015

REQUIRED SUPPLEMENTARY INFORMATION:

**MANAGEMENT'S DISCUSSION
AND ANALYSIS (MD&A)**

DeSoto Parish Sales and Use Tax Commission
Management's Discussion and Analysis
June 30, 2015

Our discussion and analysis of the DeSoto Parish Sales and Use Tax Commission's financial performance provides an overview of the Commission's financial activities for the fiscal year ended June 30, 2015.

FINANCIAL HIGHLIGHTS Our government-wide financial statements provide these insights into the results of this year's operations:

The assets of the DeSoto Parish Sales and Use Tax Commission exceeded its liabilities at the close of the most recent fiscal year by \$201,598 (net position). This is a decrease of \$8,814 from the \$210,412 reported at June 30, 2014.

As of the close of the current fiscal year, the unrestricted net position of the Commission was a deficit of \$64,404 or (10.5%) of total operating expenses for the fiscal year.

The Commission's revenue received from charges for services for the year ended June 30, 2015 was \$603,400, this is an increase of \$53,827 from the revenue received from charges for services of \$549,573 in 2014. This was mainly due to an increase in total tax collections and expenses, which caused the collection fee percentage to remain about the same.

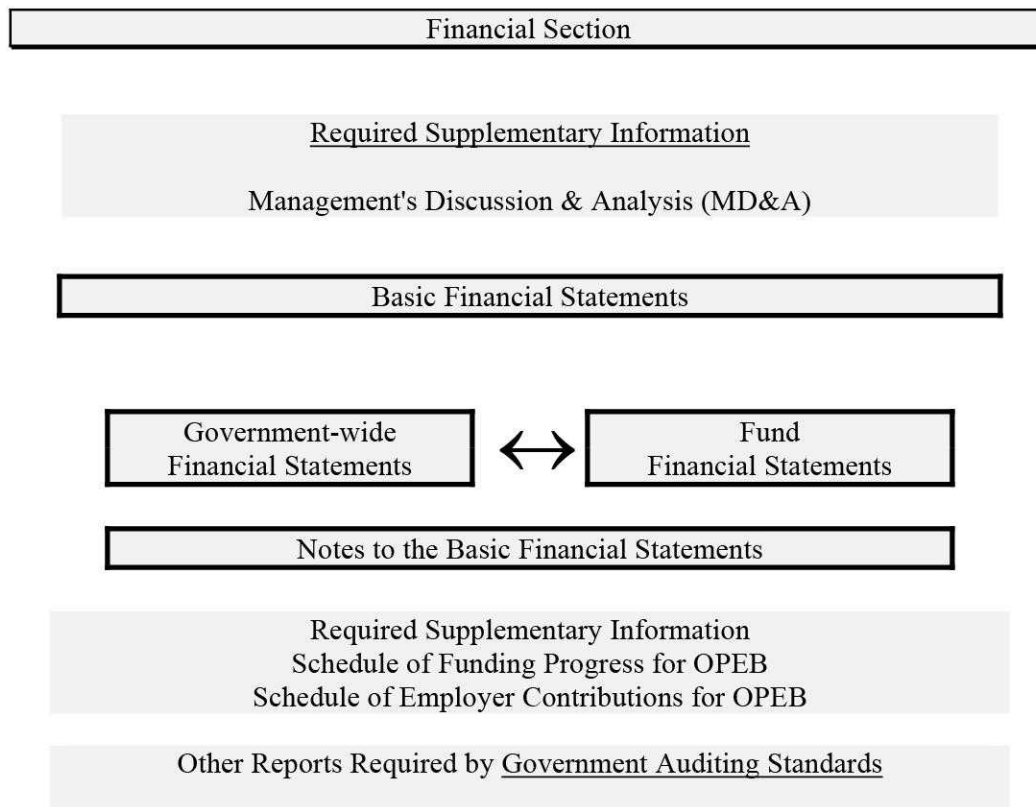
The Commission's total expenses for the year ended June 30, 2015 was \$612,269, this is an increase of \$22,156 from the expenses of \$590,113 in 2014. This increase of expenses was mainly due to personnel service cost and annual step increases in compensation for the commission employees and an increase in legal expenses.

USING THIS ANNUAL REPORT

The DeSoto Parish Sales and Use Tax Commission's annual report consists of a series of financial statements that show information for the DeSoto Parish Sales and Use Tax Commission as a whole, and its funds. The Statement of Net Position and the Statement of Activities provide information about the activities of the Commission as a whole and present a longer-term view of the Commission's finances. For our governmental activities, the fund financial statements tell how we financed our services in the short-term as well as what remains for future spending. Fund statements also may give you some insights into the Commission's overall financial health. Fund financial statements also report the Commission's operations in more detail than the government-wide financial statements by providing information about the Commission's General Fund.

DeSoto Parish Sales and Use Tax Commission
Management's Discussion and Analysis
June 30, 2015

The following chart reflects the information included in this annual report.



Our auditor has provided assurance in the independent auditor's report, located immediately preceding this Management's Discussion and Analysis, that the Basic Financial Statements are fairly stated. Varying degrees of assurance are being provided by the auditor regarding the Required Supplementary Information identified above. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts of this report.

Reporting the Commission as a Whole

Our analysis of the DeSoto Parish Sales and Use Tax Commission as a whole begins with the government-wide financial statements. One of the most important questions asked about the Commission's finances is, "Is the Commission as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities, which appear first in the Commission's financial statements, report information about the Commission as a whole and its activities in a way that helps answer this question. We prepare these statements to include all assets, liabilities, and deferred outflow/inflows of resources using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

DeSoto Parish Sales and Use Tax Commission
Management's Discussion and Analysis
June 30, 2015

These two statements report the Commission's net position - the difference between assets and liabilities, as reported in the Statement of Net Position - as one way to measure the DeSoto Parish Sales and Use Tax Commission's financial health, or financial position. Over time, increases or decreases in the Commission's net position as reported in the Statement of Activities are one indicator of whether its financial health is improving or deteriorating. The relationship between revenues and expenses is the Commission's operating results. However, the Commission's goal is to increase sales tax collections and decrease operating expense.

In the Statement of Net Position and the Statement of Activities, the Commission's activities are shown as:

Governmental Activities - All of the Commission's basic services are reported here, including salaries and contract labor, employee benefits, professional fees, operations and maintenance, repairs and upkeep, and administrative expenses. Sales tax collection fee revenue finances these activities.

Reporting the Commission's Most Significant Funds

Fund Financial Statements

The DeSoto Parish Sales and Use Tax Commission reports all of its activity in one governmental fund which uses the following approach:

Governmental fund reporting focuses on showing how money flows into and out of funds and the balances left at year-end that are available for spending. They are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Commission's operations and the services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Commission's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in the reconciliations (Statements D and F).

The DeSoto Parish Sales and Use Tax Commission reports a fiduciary fund. The Commission is the trustee, or fiduciary, for the sales and occupancy tax agency fund which is reported in the statement of fiduciary assets and liabilities. We exclude these activities from the Commission's other financial statements because the Commission cannot use these assets to finance its operations. The Commission is responsible for ensuring that the assets reported in these funds are used for their intended purpose.

DeSoto Parish Sales and Use Tax Commission
Management's Discussion and Analysis
June 30, 2015

THE COMMISSION AS A WHOLE

Our analysis below focuses on the net Position (Table 1) and changes in net position (Table 2) of the Commission's governmental activities.

Table 1
Net Position
June 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>	<u>Variance</u>
ASSETS			
Other assets	\$ 73,173	\$ 38,900	\$ 34,273
Capital assets (net of accumulated depreciation)	<u>266,002</u>	<u>276,018</u>	<u>(10,016)</u>
Total Assets	<u>339,175</u>	<u>314,918</u>	<u>24,257</u>
LIABILITIES			
Other liabilities	-	-	-
Long-term liabilities	<u>137,577</u>	<u>104,506</u>	<u>33,071</u>
Total Liabilities	<u>137,577</u>	<u>104,506</u>	<u>33,071</u>
NET POSITION			
Net investment in capital assets	266,002	276,018	(10,016)
Unrestricted	<u>(64,404)</u>	<u>(65,606)</u>	<u>1,202</u>
Total Net Position	<u>\$ 201,598</u>	<u>\$ 210,412</u>	<u>\$ (8,814)</u>

Net position of the Commission's governmental activities for June 30, 2015 was \$201,598. Unrestricted net position that is the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements was a deficit of \$64,404.

DeSoto Parish Sales and Use Tax Commission
Management's Discussion and Analysis
June 30, 2015

Table 2
Changes in Net Position
For the Years Ended June 30

	<u>2015</u>	<u>2014</u>	<u>Variance</u>
Program revenues:			
Fees, charges, and commissions for services	\$ 603,400	\$ 549,573	\$ 53,827
General revenues - Interest earned	<u>55</u>	<u>11</u>	<u>44</u>
Total Revenues	603,455	549,584	53,871
Sales tax collections:			
Personnel services and related benefits	505,033	496,033	9,000
Operating services	81,810	64,538	17,272
Materials and supplies	6,257	7,648	(1,391)
Travel	7,248	7,989	(741)
Depreciation expense	<u>11,921</u>	<u>13,905</u>	<u>(1,984)</u>
Total Program Expenses	<u>612,269</u>	<u>590,113</u>	<u>22,156</u>
Change in Net Position	(8,814)	(40,529)	31,715
Net Position - Beginning of year	<u>210,412</u>	<u>250,941</u>	<u>(40,529)</u>
Net Position - End of year	<u>\$ 201,598</u>	<u>\$ 210,412</u>	<u>\$ (8,814)</u>

Governmental Activities

The cost of all governmental activities this year was \$612,269. The increase of \$22,156 is due mainly to Commission employees' annual step increase in salary and increased legal fees.

THE DESOTO PARISH SALES AND USE TAX COMMISSION'S FUNDS

As the DeSoto Parish Sales and Use Tax Commission completed the year, its governmental funds reported a fund balance of \$73,173, which increased \$34,273 from prior year. Collection fees increased \$53,827 due to an increase in the total collections and expenditures. In addition, total expenditures increased \$26,298 due to annual step increases for the Commission employees and related personnel services.

GENERAL FUND BUDGETARY HIGHLIGHTS

Actual revenues exceeded budgeted revenues by \$30,913. This positive variance was due to the ratio of actual costs to collect the tax to actual collections.

Budgeted expenditures exceeded actual expenditures by \$7,233. This positive variance was due to a decrease in actual capital, personnel and operating expenditures.

The final budgeted revenues increased \$22,402 from the original budgeted revenues due to an increase in tax collections, personnel expenditures and operating expenditures.

DeSoto Parish Sales and Use Tax Commission
Management's Discussion and Analysis
June 30, 2015

CAPITAL ASSET

At June 30, 2015, the Commission had \$266,002 invested in capital assets, including equipment, and furniture and fixtures. This amount represents a net decrease (including additions, deductions, and depreciation) of \$10,016 or 3.6%, from last year.

Capital Assets at Year-end

	2015	2014	Variance
Building	\$389,607	\$389,607	\$ -
Equipment and furniture	111,816	111,618	198
Total	501,423	501,225	198
Less Accumulated Depreciation	235,421	225,207	10,214
Net Capital Assets	\$266,002	\$276,018	\$(10,016)

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS Our elected and appointed officials and citizens consider many factors when setting the DeSoto Parish Sales and Use Tax Commission's budget and tax rates. One of the most important factors affecting the budget is sales tax collections. 99% of our total revenues are from collection fees charged to collect the tax. We have budgeted no significant changes in revenue and expenditures for the year ending June 30, 2016.

CONTACTING THE COMMISSION'S FINANCIAL MANAGEMENT Our financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the Commission's finances and to show the Commission's accountability for the money it receives. If you have questions about this report or wish to request additional financial information, contact Mr. Chris Robinette, Administrator, P. O. Box 927, Mansfield, LA 71052 or at (318) 872-3343.

**GOVERNMENT-WIDE FINANCIAL
STATEMENTS**

DESOTO PARISH SALES & USE TAX COMMISSION

STATEMENT OF NET POSITION
June 30, 2015

Statement A

	<u>GOVERNMENTAL ACTIVITIES</u>
ASSETS	
Cash	\$ 72,148
Prepaid expenses	1,025
Capital assets, net of accumulated depreciation	<u>266,002</u>
TOTAL ASSETS	<u>339,175</u>
LIABILITIES	
Long-term liabilities:	
Due within one year	24,564
Due within more than one year	<u>113,013</u>
TOTAL LIABILITIES	<u>137,577</u>
NET POSITION	
Net investment in capital assets	266,002
Unrestricted	<u>(64,404)</u>
TOTAL NET POSITION	<u>\$ 201,598</u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

DESOTO PARISH SALES & USE TAX COMMISSION

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2015

	Statement B
	<u>GOVERNMENTAL ACTIVITIES</u>
EXPENSES	
Sales Tax Collections:	
Personnel services and related benefits	\$ 505,033
Operating services	81,810
Materials and supplies	6,257
Travel expense	7,248
Depreciation	11,921
	<hr/>
TOTAL PROGRAM EXPENSES	612,269
	<hr/>
PROGRAM REVENUES	
Charges for services	603,400
	<hr/>
NET PROGRAM EXPENSE	(8,869)
	<hr/>
GENERAL REVENUES	
Interest earned	55
	<hr/>
TOTAL GENERAL REVENUES	55
	<hr/>
INCREASE (DECREASE) IN NET POSITION	(8,814)
NET POSITION - BEGINNING OF YEAR	210,412
	<hr/>
NET POSITION - END OF YEAR	\$ 201,598
	<hr/> <hr/>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

FUND FINANCIAL STATEMENTS

DESOTO PARISH SALES & USE TAX COMMISSION

GOVERNMENTAL FUNDS
BALANCE SHEET
June 30, 2015

	Statement C
ASSETS	
Cash	\$ 72,148
Prepaid expenses	1,025
	<hr/>
TOTAL ASSETS	73,173
	<hr/> <hr/>
LIABILITIES AND FUND BALANCES	
Liabilities:	
Accounts payable	-
	<hr/>
Total Liabilities	-
	<hr/> <hr/>
Fund balances:	
Non-spendable	1,025
Committed	41,204
Unassigned	30,944
	<hr/>
Total Fund Balances	73,173
	<hr/> <hr/>
TOTAL LIABILITIES AND FUND BALANCE	\$ 73,173
	<hr/> <hr/>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

DESOTO PARISH SALES & USE TAX COMMISSION

**Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Position
June 30, 2015**

Statement D

Total fund balances - governmental funds \$ 73,173

The cost of capital assets (land, buildings, furniture and equipment and infrastructure) purchased or constructed is reported as an expenditure in governmental funds. The Statement of Net Position includes those capital assets among the assets of the Commission as a whole. The cost of those capital assets is allocated over their estimated useful lives (as depreciation expense) to the various programs reported as governmental activities in the Statement of Activities. Because depreciation expense does not affect financial resources, it is not reported in governmental funds.

Costs of capital assets	\$ 501,423	
Accumulated depreciation	<u>(235,421)</u>	266,002

Long-term liabilities applicable to the Commission's governmental are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities - both current and long term - are reported in the Statement of Net Position.

Balances at June 30, 2015 are:

OPEB liability		(113,013)
Compensated absences payable		<u>(24,564)</u>

Net position of governmental activities \$ 201,598

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

DESOTO PARISH SALES & USE TAX COMMISSION

**GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures,
and Changes in Fund Balance
For the Year Ended June 30, 2015**

Statement E

REVENUES	
Local sources:	
Collection fees	\$ 603,400
Interest earned	55
	603,455
TOTAL REVENUES	603,455
EXPENDITURES	
Current:	
Sales tax collections:	
Personnel services and related benefits	471,962
Operating services	81,810
Materials and supplies	6,257
Travel expense	7,248
Capital outlay	1,905
	569,182
TOTAL EXPENDITURES	569,182
Net Change in Fund Balances	34,273
FUND BALANCE - BEGINNING OF YEAR	38,900
FUND BALANCE - END OF YEAR	\$ 73,173

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

DESOTO PARISH SALES & USE TAX COMMISSION

**Reconciliation of the Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
to the Statement of Activities
For the Year Ended June 30, 2015**

		Statement F
Net change in fund balances - governmental funds	\$	34,273
<p>Amounts reported for governmental activities in the Statement of Activities are different because:</p>		
<p>Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeds capital outlays in the period:</p>		
Capital outlay	\$ 1,905	
Depreciation	(11,921)	(10,016)
<p>In the Statement of Activities, certain operating expenses-compensated absences (vacations and sick leave) - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This year, vacation time earned (\$16,732) exceeded the amounts used (\$12,309) by \$4,423.</p>		
		(4,423)
<p>The increase in OPEB liability is reported in the Statement of Activities and not reported as expenditures in governmental funds.</p>		
		<u>(28,648)</u>
Change in net position of governmental activities	\$	<u><u>(8,814)</u></u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

DESOTO PARISH SALES & USE TAX COMMISSION

GENERAL FUND
Budgetary Comparison Schedule
For the Year Ended June 30, 2015

Statement G

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
Resources (inflows)				
Local sources:				
Collection fees	\$ 550,107	\$ 572,530	\$ 603,400	\$ 30,870
Interest earned	33	12	55	43
Amounts available for appropriations	550,140	572,542	603,455	30,913
Charges to appropriations (outflows)				
Sales tax collections:				
Personnel services and related benefits	468,816	473,088	471,962	1,126
Operating services	64,933	82,457	81,810	647
Materials and supplies	6,500	6,500	6,257	243
Travel expense	7,500	7,500	7,248	252
Capital outlay	2,370	6,870	1,905	4,965
Total charges to appropriations	550,119	576,415	569,182	7,233
Changes in Fund Balances	21	(3,873)	34,273	38,146
BUDGETARY FUND BALANCE, BEGINNING	41,197	38,900	38,900	-
BUDGETARY FUND BALANCE, ENDING	\$ 41,218	\$ 35,027	\$ 73,173	\$ 38,146

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

DESOTO PARISH SALES & USE TAX COMMISSION
 FIDUCIARY FUND
 STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
 June 30, 2015

Statement H

	AGENCY FUND
ASSETS	
Cash	\$ -
Sales tax receivable	3,693,926
Occupancy tax receivable	9,673
Cash restricted for taxes paid under protest	7,702,449
Total assets	11,406,048
 LIABILITIES	
Deposits due others	3,703,599
Taxes paid under protest from restricted assets	7,702,449
Total liabilities	\$ 11,406,048

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

DeSoto Parish Sales and Use Tax Commission
Notes to the Financial Statements
June 30, 2015

<u>INDEX</u>		<u>Page</u>
NOTE	1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES.....	26
	A. REPORTING ENTITY	26
	B. FUNDS	26
	<u>Governmental Funds</u>	26
	<u>Fiduciary Funds</u>	26
	<u>Agency Funds</u>	27
	C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING.....	27
	<u>Government-Wide Financial Statements (GWFS)</u>	27
	<u>Fund Financial Statements (FFS)</u>	27
	<u>Governmental Funds</u>	27
	<u>Fiduciary Funds</u>	28
	D. BUDGETS.....	28
	E. DEPOSITS	29
	F. CAPITAL ASSETS.....	29
	G. COMPENSATED ABSENCES	29
	H. USE OF ESTIMATES	29
	I. FUND EQUITY OF FUND FINANCIAL STATEMENTS	29
	J. LONG-TERM LIABILITIES.....	30
NOTE	2 - DEPOSITS	30
NOTE	3 - CAPITAL ASSETS.....	31
NOTE	4 - RETIREMENT SYSTEMS.....	31
NOTE	5 - COMPENSATED ABSENCES	32
NOTE	6 - LONG-TERM OBLIGATIONS.....	32
NOTE	7 - RISK MANAGEMENT	32
NOTE	8 - LITIGATION AND CLAIMS	33
NOTE	9 - AGENCY FUND DEPOSITS DUE OTHERS	33
NOTE	10 - OCCUPANCY TAX COLLECTION FUND PAYMENTS.....	33
NOTE	11 - SALES TAX AND OCCUPANCY TAX COLLECTIONS AND DISBURSEMENTS.....	34
NOTE	12 - FUND BALANCE CLASSIFICATION DETAILS	35
NOTE	13 - LIENS OVER SALES TAX REMITTER	35
NOTE	14 - OTHER POST EMPLOYMENT BENEFITS (OPEB).....	35

DeSoto Parish Sales and Use Tax Commission
Notes to the Financial Statements
June 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES As provided by Article VII, Section 3 of the Louisiana Constitution of 1974, the DeSoto Parish Sales and Use Tax Commission serves as the collector of sales and use taxes for the parish. The commission is comprised of five members, two each selected from the DeSoto Parish School Board and the DeSoto Parish Police Jury and one selected from the City of Mansfield, in accordance with a joint agreement of the agencies. The commissioners serve for indefinite terms and without benefit of compensation. The accompanying financial statements of the Commission have been prepared in conformity with U.S. 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

The DeSoto Parish Sales and Use Tax Commission was created as a political subdivision of the state under the provisions of Article VII, Section 3, of the Louisiana Constitution of 1974. Commission board members are appointed by taxing authorities imposing sales taxes within the parish and are solely accountable for fiscal matters, which include fiscal management for controlling the collection and disbursement of funds. Additionally, the Commission is the collector for all sales and use and occupancy taxes within the parish. Based on the above, the Commission was determined to be a separate governmental reporting entity. The Commission includes all funds that are within the primary responsibility of the Commission. Certain units of local government over which the Commission exercises no primary responsibility, such as the DeSoto Parish Police Jury, School Board, Assessor, Clerk of Court, and municipalities within the parish, are excluded from the accompanying financial statements. These units of local government are governed by independently elected officials. They are neither controllable by nor answerable to the Commission. Further, their operations do not require the approval of the Commission nor is the Commission legally or morally responsible for their actions. They are considered separate reporting entities and issue financial statements separate from those of the DeSoto Parish Sales and Use Tax Commission.

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

Funds of the Commission are classified into two categories: governmental and fiduciary. In turn, each category is divided into separate fund types. The fund and a description of each existing fund type follow:

Governmental Funds Governmental funds are used to account for the Commission's general government activities, including the collection and disbursement of specific or legally restricted monies, the acquisition of capital assets, and the servicing of long-term debt. Governmental funds include:

General fund - the primary operating fund of the Commission. It accounts for all financial resources of the Commission.

Fiduciary Funds Fiduciary funds account for assets held by the government in a trustee capacity or as an agent on behalf of outside parties, including other governments, or on behalf of other funds within the Commission.

DeSoto Parish Sales and Use Tax Commission
Notes to the Financial Statements
June 30, 2015

Agency Funds are custodial in nature (assets equal liabilities) and do not present results of operations or have a measurement focus. These funds are used to account for assets that the government holds for others in an agency capacity. The agency funds are as follows:

Sales tax collection agency fund - accounts for sales tax monies collected on behalf of other taxing authorities within the parish.

Occupancy tax collection agency fund - accounts for occupancy tax monies collected on behalf of other taxing authorities within the parish.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Government-Wide Financial Statements (GWFS) The Statement of Net Position and the Statement of Activities displays information about the reporting government as a whole. The Statement of Net Position and the Statement of Activities was prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, liabilities, and deferred outflows/inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, liabilities, and deferred outflows/inflows of resources resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33 "Accounting and Financial Reporting for Non-exchange Transactions." Fiduciary funds are not included in the government-wide financial statements.

Program revenues Program revenues included in the Statement of Activities derive directly from the program itself or from parties outside the Commission's taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the Commission's general revenues.

Allocation of indirect expenses The Commission reports all direct expenses by object in the Statement of Activities. Direct expenses are those that are clearly identifiable with an object.

When both restricted and unrestricted resources are available for use, it is the government's policy to use unrestricted resources first, then restricted as needed.

Fund Financial Statements (FFS)

Governmental Funds 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 recognized when susceptible to accrual (i.e., when they are "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 government considers all revenues available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

DeSoto Parish Sales and Use Tax Commission
Notes to the Financial Statements
June 30, 2015

With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Fees for the collection of sales and use taxes are recorded when the commission is entitled to the funds which are when the taxes are collected.

Fees for the collection of occupancy taxes are recorded when the commission is entitled to the funds which are when the taxes are collected.

Interest income is recorded monthly as interest is earned.

Other receipts become measurable and available when cash is received by the Commission and are recognized as revenue at that time.

Expenditures

Salaries are recorded as earned.

Other Financing Sources (Uses) Transfers between funds that are not expected to be repaid (or any other types, such as capital lease transactions, sale of fixed assets, debt extinguishments, long-term debt proceeds, et cetera) are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying events occur.

Fiduciary Funds The agency fund is custodial in nature and does not present results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting.

D. BUDGETS

General Budget Policies The Commission follows these procedures in establishing the budgetary data reflected in the combined financial statements:

During March and April the administrator prepares a preliminary budget for presentation to the Commission. In accordance with adopted policies of the Commission, the budget document must include the following:

1. A budget message, signed by the administrator, which includes a summary description of the most important features and objectives of the budget.
2. A budget summary listing.
3. A proposed budget adoption resolution for the City of Mansfield, DeSoto Parish School Board, and Desoto Parish Police Jury.

The Commission then reviews the proposed budget, makes any changes it deems appropriate, and approves the budget for submission to the taxing bodies on or before May 1. The City, School Board, and Police Jury, no later than June 15, approve or reject the budget.

During the year, the administrator is authorized, subject to approval of the Commission, to make changes within budget classifications as he may deem appropriate. However, any reallocation of budgeted amounts in excess of 5% of total revenues, total expenditures, and/or beginning fund balance, must be approved in advance by the City, School Board, and Police Jury.

DeSoto Parish Sales and Use Tax Commission
Notes to the Financial Statements
June 30, 2015

Appropriations lapse at year-end and must be reappropriated for the following year to be expended. Budgeted amounts included in the accompanying financial statements include the original budget amounts and any subsequent amendments.

Formal budget integration (within the accounting records) is not employed. Budget amounts included in the accompanying financial statements include the original and amended adopted budget.

Encumbrances Encumbrance accounting, under which purchase orders are recorded in order to reserve that portion of the applicable appropriation, is not employed. However, outstanding purchase orders are taken into consideration before expenditures are incurred in order to assure that applicable appropriations are not exceeded.

E. DEPOSITS Cash includes amounts in demand deposits and interest-bearing demand deposits, and time deposit accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the Commission may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

F. CAPITAL ASSETS Capital assets are recorded at cost or estimated historical cost if purchased or constructed and depreciated over their estimated useful lives. The capitalization threshold is \$100. Donated capital assets are recorded at their estimated fair value at the date of donation. Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Straight line depreciation is used, based on the following estimated useful lives:

Buildings	40 years
Furniture and Equipment	5-12 years

G. COMPENSATED ABSENCES All employees earn up to 20 days vacation leave each year depending on length of service. Unused vacation leave may be carried forward to the succeeding year up to a maximum of 60 days and is paid to employees upon separation from service. All employees receive one day of sick leave per month. Sick leave may be accumulated, however upon separation from service, all unused sick leave is forfeited.

H. USE OF ESTIMATES The preparation of financial statements in conformity with generally accepted accounting principles requires 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 statement and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

I. FUND EQUITY OF FUND FINANCIAL STATEMENTS:

GASB 54 requires the fund balance amounts to be reported within the fund balance categories as follows:

Non-spendable: Fund balance that is not in spendable form or legally or contractually required to be maintained intact. This category includes items that are not easily converted to cash such as inventories and prepaid items.

Restricted: Fund balance that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

DeSoto Parish Sales and Use Tax Commission
Notes to the Financial Statements
June 30, 2015

Committed: Fund balance that can only be used for specific purposes determined by the Commission's highest level of decision making authority. The Board is the highest level of decision making authority for the Commission which can commit fund balance prior to the close of the fiscal year through the submission and adoption of a resolution. Committed amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action it employed to previously commit the funds.

Assigned: Fund balance that is constrained by the Commission's intent to be used for specific purposes, but are neither restricted nor committed. The Commission's policy does not address assignment of fund balance.

Unassigned: Fund balance that is the residual classification for the general fund.

Restricted amounts are considered to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available. The Commission reduces unassigned amounts, followed by committed amounts when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

J. LONG-TERM LIABILITIES The Commission provides certain continuing medical, dental, vision and life insurance benefits for its retired employees. The OPEB Plan is a single-employer defined benefit "substantive plan" as understood by past practices of the Commission.

NOTE 2 - DEPOSITS Deposits are stated at cost, which approximates fair value. 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 fair 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. At year-end, the Commission's carrying amount of deposits was \$7,774,597 and the bank balance was \$10,756,901.

These deposits are reported as follows: Statement A-cash and cash equivalents, \$72,148; Statement H-restricted cash, \$7,702,449. Of the bank balance, \$250,000 was collateralized with FDIC Insurance. The remaining balance of \$10,506,901 was collateralized by pledged securities. Even though the pledged securities are considered uncollateralized 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 Commission that the fiscal agent has failed to pay deposited funds upon demand.

Interest rate risk: The Commission's policy does not address interest rate risk.

Custodial credit risk: The Commission's policy does not address custodial credit risk.

DeSoto Parish Sales and Use Tax Commission
Notes to the Financial Statements
June 30, 2015

NOTE 3 - CAPITAL ASSETS The changes in capital assets follow:

	<u>Balance Beginning</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance Ending</u>
Governmental activities:				
Building	\$ 389,607	\$ -	\$ -	\$ 389,607
Furniture and equipment	111,618	1,905	1,707	111,816
Total	<u>501,225</u>	<u>1,905</u>	<u>1,707</u>	<u>501,423</u>
Less accumulated depreciation:	225,207	11,921	1,707	235,421
Capital assets, net	<u>\$ 276,018</u>	<u>\$ (10,016)</u>	<u>\$ -</u>	<u>\$ 266,002</u>

NOTE 4 - RETIREMENT SYSTEMS All Commission employees participate in the Teachers' Retirement System of Louisiana, which is a cost-sharing, multiple-employer public employee retirement system (PERS). Benefit provisions are ultimately approved and amended by the Louisiana Legislature. Employees of the Commission are reported to the retirement system as employees of DeSoto Parish School Board; therefore, the proportionate share of the pension liability is reported by DeSoto Parish School Board. The Commission does not report a pension liability, deferred outflow, or deferred inflows. The Commission reports as an expenditure the amount that has been paid to the School Board which is the actuarially required contribution. Pertinent information relative to the plan is as follows:

General Information about the Pension Plan

Plan Descriptions/Benefits Provided:

Teachers' Retirement System of Louisiana: TRSL administers a plan to provide retirement, disability, and survivor benefits to employees who meet the legal definition of a “teacher” as provided for in R.S 11:701. Eligibility for retirement benefits and the calculation of retirement benefits are provided for in R.S. 11:761. Statutory changes closed existing, and created new, sub-plans for members hired on or after January 1, 2011.

Most members are eligible to receive retirement benefits 1) at the age of 60 with 5 years of service, 2) at the age of 55 with at least 25 years of service, or 3) at any age with at least 30 years of service. Retirement benefits are calculated by applying a percentage ranging from 2% to 3% of final average salary multiplied by years of service. Average compensation is defined as the member’s average annual earned compensation for the highest 36 consecutive months of employment for members employed prior to January 1, 2011, or highest 60 consecutive months of employment for members employed after that date.

Under R.S. 11:778 and 11:779, members who have suffered a qualified disability are eligible for disability benefits if employed prior to January 1, 2011 and attained at least 5 years of service or if employed on or after January 1, 2011 and attained at least 10 years of service. Members employed prior to January 1, 2011 receive disability benefits equal to 2½% of average compensation multiplied by the years of service, but not more than 50% of average compensation subject to statutory minimums. Members employed on or after January 1, 2011 receive disability benefits equivalent to the regular retirement formula without reduction by reason of age.

Survivor benefits are provided for in R.S. 11:762. In order for survivor benefits to be paid, the deceased member must have been in state service at the time of death and must have a minimum of five years of service, at least two of which were earned immediately prior to death, or must have had a minimum of twenty years of service regardless of when earned in order for a benefit to be paid to a minor or handicapped child. Survivor benefits are equal to 50% of

DeSoto Parish Sales and Use Tax Commission
Notes to the Financial Statements
June 30, 2015

the benefit to which the member would have been entitled if retired on the date of death using a factor of 2½% regardless of years of service or age, or \$600 per month, whichever is greater. Benefits are payable to an unmarried child until age 18, or age 23 if the child remains a full-time student. The minimum service credit requirement is ten years for a surviving spouse with no minor children, and benefits are to be paid for life to the spouse or a qualified handicapped child.

TRSL has established a DROP plan. When members enter DROP, their status changes from active member to retiree even though they continue to work and draw their salary for a period up to three years. The election is irrevocable once participation begins. During participation, benefits otherwise payable are fixed and deposited in an individual DROP account. Upon leaving DROP, members must choose among available alternatives for the distribution of benefits that have accumulated in their DROP accounts

Contribution rates (as a percentage of covered salaries) for active plan members as established by the Louisiana Legislature for the year ended June 30, 2015, are as follows:

	<u>Employee</u>	<u>Employer</u>
Louisiana Teachers' Retirement System, Regular	8%	28%

Total covered payroll of the Commission for TRS - Regular Plan for the year ended June 30, 2015, amounted to \$299,864. Employer contributions to the DeSoto Parish School Board were \$83,996 which was the annual actuarial required contribution for the Commissions employees.

NOTE 5 - COMPENSATED ABSENCES At June 30, 2015, employees of the Commission have accumulated and vested \$24,564 of employee leave benefits, which was computed in accordance with GASB Codification Section C60.

NOTE 6 - LONG-TERM OBLIGATIONS The following is a summary of the long-term obligation transactions for the year ended June 30, 2015:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balances</u>	<u>Due within One year</u>
Governmental activities:					
Compensated Absences	\$ 20,141	\$ 16,732	\$ 12,309	\$ 24,564	\$ 24,564
OPEB Liability	84,365	43,648	15,000	113,013	-
Total	<u>\$ 104,506</u>	<u>\$ 60,380</u>	<u>\$ 27,309</u>	<u>\$ 137,577</u>	<u>\$ 24,564</u>

NOTE 7 - RISK MANAGEMENT The Commission is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and injuries to employees. To handle such risk of loss, the commission maintains commercial insurance policies covering; automobile liability, medical payments, uninsured motorist, and collision; business liability; property coverage; workers compensation; and surety bond coverage. No claims were paid on any of the policies during the past three years which exceeded the policies' coverage amounts. In addition to the above policies, the commission also maintains an errors and omissions claims paid policy.

DeSoto Parish Sales and Use Tax Commission
Notes to the Financial Statements
June 30, 2015

NOTE 8 - LITIGATION AND CLAIMS

Taxes Paid Under Protest At June 30, 2015, the Commission is involved in litigations regarding taxes paid under protest. These funds have been placed in an escrow account. A liability of \$7,702,449 for taxes paid under protest is included in the deposits due others in the agency fund.

Other Claims In addition, there are refund requests where lawsuits have been filed for the recovery of taxes that were remitted without being paid under protest and distributed to the respective taxing authorities totaling \$35,319,435. Also, refund claims have been made in which lawsuits have not yet been filed totaling \$2,481,078.

NOTE 9 - AGENCY FUND DEPOSITS DUE OTHERS The following is a summary of the collections and payments made to local governmental entities for sales tax collections during the year ended June 30, 2015:

BALANCE, Beginning	\$ 10,326,075
<u>Receipts:</u>	
Sales Tax Collections	43,741,200
<u>Disbursements:</u>	
DeSoto Parish School Board	23,774,976
DeSoto Parish Police Jury	9,510,480
DeSoto Parish Law Enforcement District	4,755,736
City of Mansfield	1,683,622
Town of Logansport	213,666
Village of South Mansfield	73,315
Town of Stonewall	362,098
Village of Grand Cane	79,022
Town of Keachi	26,980
Collection fees	601,802
Audit fees (sales tax vendors)	1,579,530
Total Disbursements	42,661,227
BALANCE, Ending	\$ 11,406,048

NOTE 10 - OCCUPANCY TAX COLLECTION FUND PAYMENTS The following is a summary of the collections and payments made to local governmental entities for occupancy tax collections during the year ended June 30, 2015:

<u>Receipts:</u>	
Occupancy Tax Collections	\$ 96,995
<u>Disbursements:</u>	
City of Mansfield	95,515
Collection Fee	1,480
Total Disbursements	\$ 96,995

DeSoto Parish Sales and Use Tax Commission
Notes to the Financial Statements
June 30, 2015

NOTE 11 - SALES TAX AND OCCUPANCY TAX COLLECTIONS AND DISBURSEMENTS The following are schedules of the sales tax and occupancy tax collections and disbursements on a cash basis collected on behalf of and distributed to local governmental entities for fiscal year ended June 30, 2015:

	SALES TAX			
	Total Collections	Collection Fees	Audit Fees	Total Distribution
DeSoto Parish School Board (2.5%)				
School Board 5/1/68 (1%)	\$ 10,044,817	\$ 141,479	\$ 393,347	\$ 9,509,991
School Board 7/1/86 (.5%)	5,022,408	70,740	196,673	4,754,995
School Board 7/1/86 (.5%)	5,022,408	70,740	196,673	4,754,995
School Board 7/1/01 (.5%)	5,022,408	70,740	196,673	4,754,995
	<u>25,112,041</u>	<u>353,699</u>	<u>983,366</u>	<u>23,774,976</u>
DeSoto Parish Police Jury (1%)				
Police Jury 7/1/81 (.25%)	2,511,328	35,372	98,337	2,377,619
Police Jury 7/1/81 (.50%)	5,022,657	70,744	196,673	4,755,240
Police Jury 7/1/81 (.10%)	1,004,531	14,149	39,335	951,047
Police Jury 7/1/81 (.15%)	1,506,797	21,223	59,002	1,426,572
	<u>10,045,313</u>	<u>141,488</u>	<u>393,347</u>	<u>9,510,478</u>
Law Enforcement District (.5%)	5,023,161	70,751	196,673	4,755,737
City of Mansfield (1.5%)				
Mansfield 7/1/80 (1%)	1,139,013	16,449	94	1,122,470
Mansfield 1/1/09 (.5%)	569,421	8,223	47	561,151
	<u>1,708,434</u>	<u>24,672</u>	<u>141</u>	<u>1,683,621</u>
Town of Logansport (1%)	216,925	3,243	15	213,667
Village of South Mansfield (1%)	74,420	1,104	-	73,316
Town of Stonewall (1%)	373,412	5,333	5,981	362,098
Village of Grand Cane (1%)	80,147	1,119	6	79,022
Town of Keachi (1%)	27,374	393	1	26,980
Total	<u>\$ 42,661,227</u>	<u>\$ 601,802</u>	<u>\$ 1,579,530</u>	<u>\$ 40,479,895</u>
OCCUPANCY TAX				
	Total Collections	Collection Fees	Audit Fees	Total Distribution
City of Mansfield (3%)	\$ 96,995	\$ 1,480	\$ -	\$ 95,515

DeSoto Parish Sales and Use Tax Commission
Notes to the Financial Statements
June 30, 2015

NOTE 12 - FUND BALANCE CLASSIFICATION DETAILS: The following are details of the fund balance classifications.

Non spendable:	General
Prepaid items	\$ 1,025
Committed to:	
Sick and annual leave pay	41,204
Unassigned	30,944
Total	\$ 73,173

NOTE 13 - LIENS OVER SALES TAX REMITTERS The Commission has outstanding liens against sales tax remitters who have not submitted sales tax reports to the Commission. The Commission cannot determine the exact amounts owed by the sales tax remitters, since no sales tax returns were submitted and processed into the Commission’s accounting records. The lien amounts recorded at the Clerk of Court’s Office are based on estimates determined by the frequency of sales tax returns submitted and the tax liability owed by the remitter in past sales tax returns. Therefore, no amounts are recorded on the Commission’s agency fund, since the collection of the estimates is not probable.

NOTE 14 - OTHER POST EMPLOYMENT BENEFITS (OPEB) The Desoto Parish Sales and Use Tax Commission has elected to provide post retirement benefits to its employees. Employees of the Commission are included in the health insurance benefit plan of the DeSoto Parish School Board. The School Board does have a trust established for their OPEB plan.

Plan description - The Commission’s OPEB plan is a single-employer defined benefit “substantive plan” as understood by past practices of the Commission and its employees. Although no written plan currently exists or is sanctioned by law, the OPEB plan is reported based on communication to plan members. The plan provides lifetime healthcare insurance for eligible retirees through the Commission’s group health insurance plan. Also, no stand-alone financial report was prepared. Substantially all of the Commission’s employees become eligible for these benefits if they reach normal retirement age while working for the Commission, and if the employee chooses to obtain health care benefits from the Commission.

Funding Policy - The contribution requirements of plan members and the Commission are established and comply with LRS 42:801-883. Employees do not contribute to their post-employment benefits cost until they become retirees and begin receiving those benefits. The contribution rates are as follows:

Years of Employment	Medical		Dental		Vision	
	% Paid by Retiree	% Paid by School Board	% Paid by Retiree	% Paid by School Board	% Paid by Retiree	% Paid by School Board
	Less than 10	80	20	100	0	100
10 to 14.99	60	40	75	25	100	0
15 to 19.99	40	60	50	50	100	0
20 or more	15	85	25	75	0	100

- Medical - grandfathering provisions apply to those employees hired before January 1, 2010.
- Dental - grandfathering provisions apply to those employees hired before January 1, 2011.
- Vision - grandfathering provisions apply to those employees retired before January 1, 2011.

DeSoto Parish Sales and Use Tax Commission
Notes to the Financial Statements
June 30, 2015

For those hired prior to January 1, 2010, the Board pays 100% of the life insurance premium for retired employees with coverage ending at age 99. Employees that retire after January 1, 2010 are eligible for the following life insurance benefits paid based on their years of service working for the School Board when they retire with coverage ending at 80:

<u>Years of Employment</u>	<u>Life Insurance</u>
Less than 20	No insurance
20 to 30	\$5,000
30 or more	\$10,000

The plan is currently financed on a “pay as you go basis”, with the Commission contributing \$15,000 for the year ended June 30, 2015. There were no retired employees as of June 30, 2015.

Annual Other Post Employment Benefit Cost and Liability - The Commission’s annual other post employment benefit (OPEB) cost (expense) is calculated on the annual required contributions of the employer (ARC). The Commission has elected to calculate the ARC and related information using the alternative measurement method permitted by GASB Statement 45 for employers in plans with fewer than one hundred total plan members. The ARC represents a level of funding that, if paid on an ongoing basis, would cover normal cost each year and amortize any unfunded actuarial liabilities (UAL) over the average remaining life expectancy of the plan’s participants. A 30 year closed amortization period was used for post employment benefits. The total ARC for fiscal year 2015 is \$44,657 as set forth below:

Normal Cost	\$ 25,918
30-year UAL amortization amount	18,739
Annual required contribution (ARC)	<u>\$ 44,657</u>

The following table presents the Commission’s OPEB Obligation for fiscal year 2015:

	2015	2014	2013
Beginning Net OPEB Obligation July 1	\$ 84,365	\$ 53,626	\$ 24,592
Annual required contribution	44,657	43,058	42,804
Interest on prior year Net OPEB Obligation	4,218	2,681	1,230
Adjustment to ARC	(5,227)	-	-
Annual OPEB Cost	43,648	45,739	44,034
Less current year retiree premiums (payment made to Trust)	15,000	15,000	15,000
Increase in Net OPEB Obligation	28,648	30,739	29,034
Ending Net OPEB Obligation at June 30	113,013	84,365	53,626

The \$15,000 payment was made to the DeSoto Parish School Board Other Post-Employment Benefits Trust. Utilizing the pay as you go method, the Commission contributed 34% of the annual post employment benefits cost during 2015, 33% during 2014, and 34% during 2013.

DeSoto Parish Sales and Use Tax Commission
Notes to the Financial Statements
June 30, 2015

Funded Status and Funding Progress - The Commission's actuarial accrued liability of \$261,317 was partially funded.

The funded status of the plan, as determined by using the alternative measurement method as of June 30, 2015, was as follows:

	2015
Actuarial accrued liability (AAL)	261,317
Estimated fair value of plan assets	67,885
Unfunded actuarial accrued liability (UAAL)	\$ 193,432
Funded ratio (actuarial value of plan assets/AAL)	26.0%
Covered payroll	299,864
UAAL as a percentage of covered payroll	64.5%

The Schedule of Funding Progress and Schedule of Employer Contributions required supplemental information follows the notes. The Schedule of Funding Progress presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing relative to the actuarial accrued liability for benefits over time.

Alternative Measurement Method and Assumptions - The projection of future benefits payments for 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. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

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. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities consistent with the long-term perspective of the calculations.

The plan covers employees and their spouses. Based on the historical average retirement age for the covered group, active plan members were assumed to retire at age 55, or the first subsequent year in which the member would qualify for benefits. Marital status of plan members at the calculation date was expected to continue throughout retirement. Life expectancy assumptions were based on mortality tables at the U.S. Census Bureau website (www.census.gov). The *Expectation of Life at Birth, 1960 to 2008 and Projections, 2010 to 2020 by Age, Sex and Race Table* was used. The assumption rate of turnover ranged from 18% at age 18 to 6% at age 55 and over. All participants were eligible to receive benefits. The 2015 health insurance premiums for current employees were used as the basis for calculation of the present value of total benefits to be paid. The expected rate on increase in healthcare costs was based on Pre-Medicare and Medicare eligible graduated down from 8% to an ultimate annual rate of 5% which includes an inflation rate of 2.50% based on the OPEB valuation report. The alternative measure assumptions included a 5% rate of return on investments. The unfunded actuarial accrued liability is being amortized as a level dollar amount. The remaining amortization period at June 30, 2015 for other post employment benefits (OPEB) is twenty-six years.

**REQUIRED SUPPLEMENTARY
INFORMATION**

DeSoto Parish Sales and Use Tax Commission

**Schedule of Funding Progress for Other Post Employment Benefits
June 30, 2015**

<u>Fiscal Year End</u>	<u>Valuation Date*</u>	<u>(1) Actuarial Value of Assets</u>	<u>(2) Actuarial Accrued Liability (AAL) Entry-Age Normal</u>	<u>(3) Funded Ratio (1) / (2)</u>	<u>(4) Unfunded Actuarial Accrued Liability (UAAL) (2) - (1)</u>	<u>(5) Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll (4) / (5)</u>
June 30, 2012	June 30, 2012	\$ 15,750	\$ 193,902	8.1%	\$ 178,152	\$ 327,803	54.3%
June 30, 2013	June 30, 2013	32,288	224,690	14.4%	192,402	289,679	66.4%
June 30, 2014	June 30, 2014	49,652	224,690	22.1%	175,038	293,000	59.7%
June 30, 2015	June 30, 2015	67,885	261,317	26.0%	193,432	299,864	64.5%

* The Commission uses the alternative method; therefore the date of valuation is used.

DeSoto Parish Sales and Use Tax Commission

**Schedule of Employer Contributions
For Other Post Employment Benefit Plan
June 30, 2015**

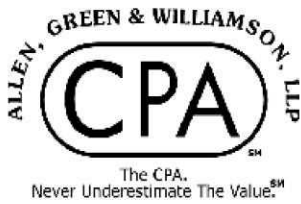
<u>Year Ended June 30</u>	<u>Required Contribution</u>	<u>Percentage Contributed</u>
2012	\$ 39,592	37.89%
2013	42,804	35.04%
2014	43,058	34.84%
2015	44,657	33.59%

DeSoto Parish Sales and Use Tax Commission

**Schedule of Compensation, Benefits, and Other Payments to Agency Head
For the Year Ended June 30, 2015**

Agency Head : Chris Robinette, Administrator

<u>Purpose</u>		<u>Amount</u>
Salary	\$	100,216
Benefits - Insurance		19,184
Benefits - Retirement		27,860
Per Diem (Cell Phone Allowance)		720
Travel		636
Registration Fees		450
Conference Travel		1,095
Continuing Professional Education Fees		150
Conference (Hotel)		654
Conference (Meals)		31



ALLEN, GREEN & WILLIAMSON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

P. O. Box 6075

Monroe, LA 71211-6075

2441 Tower Drive
Monroe, LA 71201

Telephone: (318) 388-4422

Fax: (318) 388-4664

Toll-free: (888) 741-0205

Partners: Tim Green, CPA
Amy Tynes, CPA, CFE
Aimee Buchanan, CPA
Nicia Mercer, CPA, CFE
Principal: Cindy Thomason, CPA

Audit Manager: Margie Williamson, CPA
Matt Carmichael, CPA
Diane Ferschoff, CPA

Ernest L. Allen, CPA
(Retired) 1963 - 2000

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*

Independent Auditor's Report

Board Members
DeSoto Parish Sales and Use Tax Commission
Mansfield, Louisiana

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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of DeSoto Parish Sales and Use Tax Commission as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements, and have issued our report thereon dated December 30, 2015.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Commission's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Commission'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 Commission's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Although the intended use of these reports may be limited, under Louisiana Revised Statute 24:513, this report is distributed by the Office of the Legislative Auditor as a public document.

Allen, Green + Williamson, LLP

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
December 30, 2015