

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

DECEMBER 31, 2011

DeSoto Parish Tax Assessor
Mansfield, Louisiana

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DESOTO PARISH TAX ASSESSOR
Mansfield, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ending December 31, 2010

Within this section of the DeSoto Parish Tax Assessor's (the Assessor or Office) annual financial report, the Assessor's management is pleased to provide this narrative overview and analysis of the financial activities of the Assessor as of and for the fiscal year ended December 31, 2011. The Assessor's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section. We encourage readers to consider the information presented here in conjunction with the Assessor's basic financial statements and supplementary information provided in this report in assessing the efficiency and effectiveness of our stewardship of public resources.

FINANCIAL HIGHLIGHTS

- The DeSoto Parish Tax Assessor's net assets increased by \$1,233,793 or 26% in December 31, 2011 compared to an increase of \$727,309 or 18% in 2010.
- Property taxes increased \$531,558 (37.69%) to \$1,942,023 during the year ended December 31, 2011 compared to \$1,410,465 during 2010.
- The DeSoto Parish Tax Assessor's total general and program revenues increased \$502,150 or 33.19%.
- During the year ended December 31, 2011, the DeSoto Parish Tax Assessor had total expenses of \$773,577, excluding depreciation of \$7,871, compared to \$775,534 in 2010. This reflects a decrease of \$1,957 or 0.25% during the year ended December 31, 2011.
- In 2009, DeSoto Parish Tax Assessor implemented Governmental Accounting Standards Board Statement No. 45 entitled "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions (GASB 45). The major change under GASB 45 is to attribute the cost of postretirement benefits (medical, dental and life insurance) to the time which the employee is working for the employer. This standard does not require the funding of these benefits, but it does require recognizing the liability and expense in the financial statements. The Assessor recognizes a noncurrent liability of \$195,995 for 2011 in the Statement of Net Assets. A \$61,851 expense was included in personal services and related benefits expense in the Statement of Activities for 2011. See a full explanation in Note 7 Other Post-Employment Benefits (OPEB).

OVERVIEW OF FINANCIAL STATEMENTS

This Management Discussion and Analysis document introduces the basic financial statements which 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.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Supplementary Information

The basic financial statements are followed by a section of required supplementary information. This section includes budgetary comparison schedules for the General Fund. Annual budgets are prepared on the cash basis. There is also a schedule of funding progress for the retiree health plan.

FINANCIAL ANALYSIS OF THE ASSESSOR'S OFFICE AS A WHOLE

Net assets may serve over time as a useful indicator of the DeSoto Parish Tax Assessor's financial position. The total net assets changed from a year ago, increasing from \$4,731,967 to \$5,965,760.

The DeSoto Parish Tax Assessor continues to maintain a high level of liquidity with \$4,189,798 (70%) of net assets invested in demand deposits, LAMP securities, and certificates of deposit with various financial institutions as of December 31, 2011.

At December 31, 2011, \$16,389 (0.3%) of the Assessor's net assets reflects capital assets with a historical cost of \$196,792 and accumulated depreciation of \$180,403.

Taxes receivable increased \$576,517, reflecting an increase in property tax revenue.

The largest portion of the Assessor's net assets \$5,949,371 (99.7%) as of December 31, 2011, and \$4,707,707 (99.5%) as of December 31, 2010, is unrestricted and may be used to meet the ongoing obligations to the citizens of DeSoto Parish.

Assets	2011	2010
Cash	\$ 1,873,714	\$ 1,163,283
Investments	2,316,084	2,287,622
Taxes Receivables	1,961,477	1,384,960
Intergovernmental Receivable	-	7,000
Accrued Interest	1,424	7,365
Prepaid Expenses	13,801	19,158
Capital Assets, Net of Depreciation	16,389	24,260
Total Assets	<u>\$ 6,182,889</u>	<u>\$ 4,893,648</u>
Liabilities		
Current Liabilities		
Accounts Payable	5,209	14,076
Salaries and Benefits Payable	837	837
Long-term Liabilities		
Net Pension Obligation	195,995	134,144
Accrued Compensated Absences	15,088	12,624
Total Liabilities	<u>\$ 217,129</u>	<u>\$ 161,681</u>
Net Assets		
Unrestricted	5,949,371	4,707,707
Invested in Capital Assets, Net of Related Debt	16,389	24,260
Total Net Assets	<u>\$ 5,965,760</u>	<u>\$ 4,731,967</u>

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

Revenues	<u>2011</u>	<u>2010</u>
Program Revenue		
Charges for Services	\$ 20,482	\$ 45,716
General Revenue		
Property taxes	1,942,023	1,410,465
State Revenue Sharing	22,829	21,093
Investment Earnings	29,813	35,022
Miscellaneous	94	795
Total Revenue	<u>2,015,241</u>	<u>1,513,091</u>
Program Expenses		
General Government	<u>781,448</u>	<u>785,782</u>
Change in Net Assets	1,233,793	727,309
Net Assets Beginning	<u>4,731,967</u>	<u>4,004,658</u>
Net Assets Ending	<u>\$ 5,965,760</u>	<u>\$ 4,731,967</u>

As the above presentation demonstrates, the Assessor's Office has increased its reserves by \$1,233,793 or 26%.

The DeSoto Assessor received \$1,942,023 (96%) and \$1,410,465 (93%) of its total revenues through property taxes during 2011 and 2010, respectively.

Approximately 1% (\$20,482) of the Fund's total revenues were derived through charges for services compared to 3% (\$45,716) in 2010.

The Office continues to have a substantial amount of net assets. This financial trend is expected to continue in the near future.

FINANCIAL ANALYSIS OF THE ASSESSOR'S FUND

For the year ended December 31, 2011, differences between the government-wide presentation and the fund financial statements were due to prepaid insurance, depreciation changes associated with capital assets, differences in deferred property tax revenue, changes in accrued compensated absences, and the GASB 45 OPEB expense.

GENERAL BUDGET 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 2011. The Assessor's budget is based on the Government Fund's Statement of Revenues, Expenditures, and Changes in Fund Balance. The actual revenues were \$748,327 above the budgeted amounts primarily due to the increase in property taxes. The actual expenditures were \$194,377 less than the budgeted amounts.

CAPITAL ASSET ADMINISTRATION

For the year, ended December 31, 2011, capital asset activity was limited to the depreciation of existing property and equipment.

DEBT ADMINISTRATION

For the year ended December 31, 2011, 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 and seeks to demonstrate the Assessor's accountability for the money he receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Anne Gannon, Assessor, 212 Adams Street, Mansfield, Louisiana, 71052.

Johnson, Thomas & Cunningham

Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

Anne Gannon
DeSoto Parish Tax Assessor
212 Adams Street
Mansfield, LA 71052

We have audited the accompanying financial statements of the governmental activities and the major fund of the DeSoto Parish Tax Assessor (Assessor) as of and for the year ended December 31, 2011, 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 an opinion 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, 2011, 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 15, 2012, 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.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 1 through 5 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, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the management's discussion and analysis in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. However, the introductory section has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Assessor's financial statements as a whole. The budgetary comparison listed as required supplemental information in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The budgetary comparison statement is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Johnson, Thomas & Cunningham, CPA's

Johnson, Thomas & Cunningham, CPA's

June 15, 2012

Natchitoches, Louisiana

BASIC FINANCIAL STATEMENTS

DeSoto Parish Tax Assessor
Mansfield, Louisiana
Governmental Funds Balance Sheet/Statement of Net Assets
December 31, 2011

	<u>Governmental Funds</u> Balance Sheet	Adjustments	Statement of Net Assets
ASSETS			
Cash & cash equivalents	\$1,873,714	\$ 0	\$1,873,714
Investments	2,316,084	0	2,316,084
Ad valorem tax receivables	1,961,477	0	1,961,477
Accrued interest	1,424	0	1,424
Prepaid expenses	10,260	3,541	13,801
Capital assets, net of accumulated depreciation (see note 6)	<u>0</u>	<u>16,389</u>	<u>16,389</u>
TOTAL ASSETS	<u>\$6,162,959</u>	<u>\$ 19,930</u>	<u>\$6,182,889</u>
LIABILITIES			
Accounts payable	\$ 5,209	\$ 0	\$ 5,209
Salaries and benefits payable	837	0	837
Deferred ad valorem revenue	82,081	(82,081)	0
Other postemployment benefit obligations	0	195,995	195,995
Compensated absences	<u>0</u>	<u>15,088</u>	<u>15,088</u>
TOTAL LIABILITIES	<u>\$ 88,127</u>	<u>\$ 129,002</u>	<u>\$ 217,129</u>
FUND BALANCES/NET ASSETS			
Fund Balances:			
Nonspendable-			
Prepaid expenses	\$ 10,260	\$ (10,260)	\$ 0
Unassigned	<u>6,064,572</u>	<u>(6,064,572)</u>	<u>0</u>
TOTAL FUND BALANCES	<u>\$6,074,832</u>	<u>\$(6,074,832)</u>	<u>\$ 0</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$6,162,959</u>	<u>\$(5,945,830)</u>	<u>\$ 0</u>
Net Assets:			
Invested in capital assets, net of related debt		\$ 16,389	\$ 16,389
Unrestricted		<u>5,949,371</u>	<u>5,949,371</u>
TOTAL NET ASSETS		<u>\$ 0</u>	<u>\$5,965,760</u>

Reconciliation of Fund Balances on the Balance Sheet for Governmental Funds
to Net Assets of Governmental Activities on the Statement of Net Assets

Fund Balance	\$6,074,832
Prepaid expenses involve payment with current financial resources that are attributable to fiscal periods beyond the end of the current fiscal year.	3,541
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	16,389
Deferred revenues are reported as liabilities in the Governmental Funds, but are reflected as income in the Government-Wide Financial Statements.	82,081
OPEB obligations are not due and payable in the current period and therefore are not reported in the funds.	(195,995)
Long-term Liabilities are not due and payable in the current period and are not reported in the funds.	<u>(15,088)</u>
Total Net Assets	<u>\$5,965,760</u>

The accompanying notes are an integral part of the financial statements.

DeSoto Parish Tax Assessor
Mansfield, Louisiana
Governmental Fund Revenues, Expenditures, and Changes in Fund Balance/
Statement of Activities
December 31, 2011

	Governmental Funds	Adjustments	Statement of Activities
EXPENDITURES/EXPENSES			
General Government-Taxation			
Personal services & related benefits	\$ 584,745	\$ 64,315	\$ 649,060
Operating expenses	72,315	797	73,112
Materials & supplies	30,869	0	30,869
Travel & other charges	20,536	0	20,536
Depreciation	<u>0</u>	<u>7,871</u>	<u>7,871</u>
TOTAL EXPENDITURES/EXPENSES	<u>\$ 708,465</u>	<u>\$ 72,983</u>	<u>\$ 781,448</u>
PROGRAM REVENUES			
Charges for services	<u>\$ 20,482</u>	<u>\$ 0</u>	<u>\$ 20,482</u>
NET PROGRAM EXPENSE	<u>\$ 687,983</u>	<u>\$ 72,983</u>	<u>\$ 760,966</u>
GENERAL REVENUES			
Property taxes	\$1,938,002	\$ 4,021	\$1,942,023
State revenue sharing	22,829	0	22,829
Miscellaneous income	94	0	94
Investment earnings	<u>29,813</u>	<u>0</u>	<u>29,813</u>
TOTAL GENERAL REVENUES	<u>\$1,990,738</u>	<u>\$ 4,021</u>	<u>\$1,994,759</u>
NET CHANGE IN FUND BALANCE/ CHANGE IN NET ASSETS	\$1,302,755	\$(68,962)	\$1,233,793
FUND BALANCE/NET ASSETS:			
Beginning of the Year	4,772,077	0	4,731,967
End of Year	<u>\$6,074,832</u>	<u>\$(68,962)</u>	<u>\$5,965,760</u>

Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balance of Governmental Funds to the Statement of Activities

Net change in Fund Balance	\$1,302,755
Governmental funds report expenses that involve payments with current financial resources, such as insurance, in the year in which it is paid. In the Statement of Activities, payments that are attributable to current periods are recognized.	
Decrease in prepaid insurance	(797)
Governmental funds report expenses that involve payments with current financial resources, such as insurance, in the year in which it is paid. In the Statement of Activities, payments that are attributable to current periods are recognized.	
Capital outlays	0
Depreciation	(7,871)
Revenue in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. The change in deferred revenue is, therefore, not included.	4,021
OPEB expenses reported in the Statement of Activities does not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	(61,851)
Increases in accrued compensated absences are reflected as a decrease in expenses on the Statement of Activities, but are not reported in the Governmental Funds.	<u>(2,464)</u>
Change in Net Assets	<u>1,233,793</u>

The accompanying notes are an integral part of the financial statements.

NOTES TO FINANCIAL STATEMENTS

DeSoto Parish Tax Assessor
Notes to Financial Statements
December 31, 2011

1. Introduction:

As provided by LSA-RS 47:1901, the Assessor is elected by the voters of the parish and serves a four-year term. The Assessor enumerates, lists, and assesses all real and movable property in the parish, subject to ad valorem taxation. The Assessor is authorized to appoint as many deputies as may be necessary for the efficient operation of the office and to provide assistance to the taxpayers of the parish. The deputies are authorized to perform all functions of the office, but the Assessor is officially and pecuniary responsible for the actions of the deputies.

The Assessor's office is located in the DeSoto Parish Courthouse annex in Mansfield, Louisiana. The Assessor employs eleven employees, including seven deputies. 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 Tax 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-

Governmental Accounting Standards Board Statement No. 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. The basic criterion for including a potential component unit within the reporting entity is financial accountability. For financial reporting purposes, in conformance with GASB Statement No. 14, the DeSoto Parish Tax Assessor includes all funds that are within the oversight responsibility of the Assessor. Oversight responsibility is determined on the basis of appointment of governing body, ability to significantly influence operations, accountability for fiscal matters, and the nature and significance of an organization's relationship with the primary government. Based on consideration of the foregoing criteria, the Assessor is deemed to be a separate reporting entity.

For financial reporting purposes, the Assessor includes all funds and activities that are controlled by the Assessor as an independently elected official. The Assessor is solely responsible for the operations of his office, which includes the hiring and retention of employees, authority over budgeting, responsibility for deficits, and the receipt and disbursement of funds. The DeSoto Parish Police Jury maintains and operates the building which the Assessor's office is located.

DeSoto Parish Tax Assessor
Notes to Financial Statements
December 31, 2011

B. 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 have been prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed).

Modified Accrual Basis - Fund Financial Statements (FFS)

The amounts reflected in the Governmental Funds of Statements A and B are accounted for using a current financial resources measurement focus. With this measurement focus only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of the Assessor's operations.

The amounts reflected in the Governmental Funds of Statements A and B use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Assessor considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on long-term debt which is recognized when due, and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures.

Revenues

Ad valorem taxes are recorded in the year the taxes are assessed. Ad valorem taxes are assessed on a calendar year basis, attach as an enforceable lien, and become due and payable on the date the tax rolls are filed with the recorder of mortgages. Louisiana Revised Statute 47:1993 requires that the tax roll be filed on or before November 15 of each year. Ad valorem taxes become delinquent if not paid by December 31, 2011. The taxes are normally collected in December of the current year and January and February of the ensuing year.

DeSoto Parish Tax Assessor
Notes to Financial Statements
December 31, 2011

State revenue sharing is recorded in the year the Assessor is entitled to the funds. Fees for preparing tax rolls are recognized in the period in which they are paid. Interest income on demand deposits is recorded monthly when the interest is earned and credited to the Assessor's account. Interest income on time deposits is accrued at year end.

Expenditures

Salaries and related benefits are recorded when employee services are provided. Purchases of various operating supplies are recorded as expenditures in the accounting period in which they are purchased. Substantially all other expenditures are recognized when the related fund liability is incurred.

C. Budgets-

The Assessor uses the following budget practices:

The proposed budget for the General Fund, prepared on the modified accrual basis of accounting, is made available for public inspection at least fifteen days prior to the beginning of each fiscal year. The budget is then legally adopted by the Assessor and amended during the year, as necessary. The budget is established and controlled by the Assessor at the object level of expenditure. Appropriations lapse at year-end and must be re-appropriated for the following year to be expended. All changes or amendments to the budget must be approved by the Assessor.

Formal budgetary integration is employed as a management control device during the year, and encumbrance accounting is not used by the Assessor. Budgeted amounts included in the accompanying financial statements include the original adopted budget amounts. No amendments to the budget were made during the year.

D. Cash and Investments-

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts or nonnegotiable certificates of deposit. Under state law, the Assessor may deposit funds with a fiscal agent organized under the laws of Louisiana, the laws of any other state in the union, or the laws of the United States. The Assessor may invest in United States bonds, treasury notes and bills, government-backed agency securities, or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool, Inc. (LAMP), a non-profit corporation formed by the State Treasurer and organized under the laws of the State of Louisiana, which operates a local government investment pool.

DeSoto Parish Tax Assessor
Notes to Financial Statements
December 31, 2011

E. Prepaid Expenses-

Payments made to vendors for services that will benefit periods beyond December 31, 2011, are recorded as prepaid expenses.

F. Accounts Receivable-

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

G. Capital Assets-

Capital assets which include property, plant, equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are capitalized at historical cost. 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 the asset or materially extend asset lives are not capitalized.

Capital assets are recorded in the Statement of Net Assets and Statement of Activities. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Auto	5 years
Computers and Peripherals	5 years
Office Equipment, Furniture, and Fixtures	5 years

Depreciation of all exhaustible capital assets is reported as an expense in the statement of activities, with accumulated depreciation reflected in the statement of net assets.

H. Deferred Revenues-

Deferred Revenues arise when resources are received by the assessor before it has a legal claim to them, as when ad valorem taxes are paid under protest to the tax collector. In subsequent periods, when the assessor has a legal claim to the resource and the revenue becomes available, the liability for deferred revenue is removed from the combined balance sheet and the revenue is recognized.

DeSoto Parish Tax Assessor
Notes to Financial Statements
December 31, 2011

I. Compensated Absences-

The Assessor has the following policy relating to vacation and sick leave:

Employees of the Assessor's office receive 5 to 10 days of noncumulative vacation leave each year. Full-time employees earn five days of sick leave each year. Upon termination, employees may be paid for sick leave up to thirty days. At December 31, 2011, there are no accumulated or vested benefits relating to vacation.

The cost of leave privileges, computed in accordance with GASB Codification Section C60, is recognized as current-year expenditures in the General Fund when leave is actually taken.

J. Equity Classifications-

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

Invested in Capital Assets, net of related debt-

This category consists of capital assets net of accumulated depreciation and reduced by any outstanding balances of bonds, mortgages, notes or other borrowing attributable to the acquisition, construction or improvement of capital assets.

Restricted Net Assets-

This category consists of net assets with constraints placed on the use by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted Net Assets-

This category represents net assets not appropriable for expenditures or legally segregated for a specific future use.

Beginning with fiscal year ending December 31, 2011, the Assessor implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

Nonspendable-Amounts that are not in spendable form (such as prepaid expenses) because they are legally or contractually required to be maintained intact.

DeSoto Parish Tax Assessor
Notes to Financial Statements
December 31, 2011

Restricted-Amounts constrained to specific purposes by their providers (such as grantors or higher levels of government).

Committed-Amounts constrained by the Assessor herself. To be reported as committed, amounts cannot be used for any other purpose unless the Assessor takes the action to remove or change the constraint.

Assigned-Amounts the Assessor intends to use for a specific purpose.

Unassigned-All amounts not included in other spendable.

Beginning fund balances for the Assessor's governmental funds have been restated to reflect the above classifications.

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

K. Use of Estimates-

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

3. 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
Tax sale	May 16

DeSoto Parish Tax Assessor
Notes to Financial Statements
December 31, 2011

A revaluation of all property is required to be completed not less than every four years. The last revaluation was completed for the roll of January 1, 2008. Total assessed value was \$595,761,003 in 2011. Louisiana state law exempts the first \$75,000 of assessed value of a taxpayer's primary residence from parish property taxes. This homestead exemption was a total of \$39,328,962 of the assessed value in 2011. For the year ended December 31, 2011 the Assessor authorized an ad valorem tax millages of 3.26 mills and levied taxes of 3.26 mills.

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Assessed Valuation</u>	<u>Percentage of Total Assessed Valuation</u>	<u>Ad Valorem Tax Revenue for Assessor</u>
International Paper Co.	Manufacturing	\$ 66,914,911	11.23%	\$218,125
Exco Production Company	Oil & Gas	48,217,876	8.09%	157,177
El Paso E&P Company	Oil & Gas	36,012,407	6.04%	117,391
Chesapeake Operating	Oil & Gas	25,576,738	4.29%	83,373
Enterprise Gathering LLC	Oil & Gas	22,819,881	3.83%	74,387
Southwestern Electric Co.	Utility	21,805,495	3.66%	71,080
Chesapeake Midstream	Oil & Gas	18,504,445	3.11%	60,320
Cleco Power, LLC	Utility	17,334,343	2.91%	56,505
Trinidad Drilling LP	Oil & Gas	15,920,044	2.67%	51,895
ETC Tiger Pipeline LLC	Oil & Gas	<u>13,737,830</u>	<u>2.31%</u>	<u>44,782</u>
Total		<u>\$286,843,970</u>	<u>\$48.15%</u>	<u>\$935,035</u>

4. Cash and Investments:

Cash-

At December 31, 2011, the DeSoto Parish Tax Assessor has cash (book balances) totaling \$1,726,724 and LAMP deposits of \$146,990 for a total of \$1,873,714.

The LAMP deposits are stated at fair value based upon quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares.

Investments-

At December 31, 2011, the DeSoto Parish Tax Assessor has the following investments and maturities:

<u>Type of Investment</u>	<u>Fair Value</u>
One-year Certificates of Deposit	\$2,316,084

DeSoto Parish Tax Assessor
Notes to Financial Statements
December 31, 2011

The certificates of deposit are stated at cost, which approximates fair market value.

The cash and investments of the DeSoto Parish Tax Assessor are subject to the following risks:

Custodial Credit Risk: Custodial credit risk is the risk that, in the event of the failure of a depository financial institution, the government will not be able to recover its deposits. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the fiscal agent. Louisiana Revised Statute 39:1229 imposes a statutory requirement of 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. Further, Louisiana Revised Statute 39:1224 states that securities held by a third party shall be deemed to be held in the Assessor's name.

At December 31, 2011, the Assessor had \$4,042,905 in deposits (collected bank balances). These deposits are secured from risk by \$970,301 of federal deposit insurance, and the remaining \$3,072,604 is adequately pledged by marketable securities held by the custodial bank.

Cash equivalent investments held at December 31, 2011 include \$146,990 with the Louisiana Asset Management Pool (LAMP), a local government investment pool. The Louisiana Asset Management Pool is administered by LAMP Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds, in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LSA-R.S. 33:2955. LAMP, Inc. is subject to the regulatory oversight of the state treasurer and a board of directors. LAMP is not registered with the SEC as an investment company.

Interest Rate Risk: This is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Assessor does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, as a means of offsetting exposure to interest rate risk the Assessor' certificates of deposit have maturities of one year or less which limits exposure to fair value losses arising from rising interest rates. 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.

DeSoto Parish Tax Assessor
Notes to Financial Statements
December 31, 2011

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

5. Prepaid Lease/Cooperative Endeavor:

In December of 2003 the DeSoto Parish Tax 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 2004, the DeSoto Parish Tax Assessor transferred \$45,600 to the Town of Stonewall as prepayment for a 10-year lease for this office. The Assessor recognized lease expense of \$4,560 for 2011.

6. Capital Assets:

Capital asset balances and activity for the year ended December 31, 2011 is as follows:

Governmental Activities	12-31-10	Additions	Deletions	12-31-11
Capital Assets:				
Autos	\$ 16,453	\$ 0	\$0	\$ 16,453
Computers & peripherals	143,856	0	0	143,856
Furniture & fixtures	24,769	0	0	24,769
Office equipment	<u>11,714</u>	<u>0</u>	<u>0</u>	<u>11,714</u>
Total Assets	<u>\$196,792</u>	<u>\$ 0</u>	<u>\$0</u>	<u>\$196,792</u>
Less: Accumulated Depreciation:				
Auto	\$ 5,210	\$ 3,290	\$0	\$ 8,500
Computers & peripherals	131,106	4,314	0	135,420
Furniture & fixtures	24,769	0	0	24,769
Office equipment	<u>11,447</u>	<u>267</u>	<u>0</u>	<u>11,714</u>
Total Depreciation	<u>\$172,532</u>	<u>\$ 7,871</u>	<u>\$0</u>	<u>\$180,403</u>
Net Capital Assets, Net	<u>\$ 24,260</u>	<u>\$(7,871)</u>	<u>\$0</u>	<u>\$ 16,389</u>

Depreciation expense of \$7,871 was charged to the general government taxation function.

DeSoto Parish Tax Assessor
Notes to Financial Statements
December 31, 2011

7. Pension Plan:

Plan Description. Substantially all employees of the DeSoto Parish Tax 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 their 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 within 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 Tax Assessor is required to contribute at an actuarially determined rate. The current rate is 13.5 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 Tax 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 Tax Assessor's contributions to the System for the years ending December 31, 2011, 2010, and 2009, were, \$52,890, \$53,298, and \$56,738, respectively, equal to the required contributions for each year.

8. Other Post-Employment Benefits (OPEB):

Plan Description. The DeSoto Parish Tax Assessor provides certain continuing health and dental care and life insurance benefits for its retired employees. Eligibility for medical coverage is based on the following:

- 55 years old and 12 years of service, or
- 30 years of service at any age

DeSoto Parish Tax Assessor
Notes to Financial Statements
December 31, 2011

Spouses' coverage is also provided to those who are currently receiving benefits. If the retiree predeceases the spouse, coverage for the surviving spouse continues.

Funding Policy. These benefits for the retirees are provided through an insurance company on a pay-as-you-go basis. The Assessor contributes 100% of the cost of current-year premiums for the five retirees and one spouse. The Assessor recognizes the cost of providing these benefits (Assessor's cost of premiums) as an expenditure when the monthly premiums are paid. For the year ended December 31, 2011, the total amount of premiums paid for retirees totaled \$57,804.

Annual OPEB Cost and Net OPEB Obligation. The Assessors annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC). The Assessor has elected to calculate the ARC and related information using the Unit Credit Actuarial Cost Method. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (of funding excess) over a period not to exceed thirty years. The following table shows the components of the Assessor's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Assessor's net OPEB obligation to the Retiree Health Plan for year ended December 31, 2011:

<u>DISCOUNT RATE</u>	<u>4.00%</u>
Determination of Annual Required Contribution-	
Normal Cost at Fiscal Year End	\$ 47,598
Amortization of UAAL	<u>69,689</u>
Annual Required Contribution (ARC)	<u>\$117,287</u>
Determination of Net OPEB Obligation-	
Annual Required Contribution	\$117,287
Interest on Prior Year Net OPEB Obligation	5,422
Adjustment to ARC	<u>(6,429)</u>
Annual OPEB Cost	\$116,280
Assumed Contributions Made	<u>(54,429)</u>
Estimated Increase in Net OPEB Obligation	\$ 61,851
Net OPEB Obligation - Beginning of Year	<u>134,144</u>
Estimated Net OPEB Obligation - End of Year	<u>\$195,995</u>

The Assessor's estimated annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net obligation for year ended 2011 and the two preceding fiscal years assuming the plan is not prefunded (4% discount rate):

<u>Fiscal</u> <u>Year Ended</u>	<u>Discount</u> <u>Rate</u>	<u>Annual</u> <u>OPEB Cost</u>	<u>% of OPEB</u> <u>Cost Contributed</u>	<u>Net OPEB</u> <u>Obligation</u>
12/31/2009	4.00%	\$117,287	43%	\$ 67,072
12/31/2010	4.00%	\$117,287	43%	\$134,144
12/31/2011	4.00%	\$117,287	43%	\$195,995

DeSoto Parish Tax Assessor
Notes to Financial Statements
December 31, 2011

Funded Status and Funding Progress. The Assessor's actuarial accrued liability for benefits was \$1,205,069, all of which was unfunded for the year ended 2011. The covered payroll (annual payroll of active employees covered by the plan) was \$224,821, and the ratio of the unfunded actuarial accrued liability (UAAL) to the covered payroll was 536 percent.

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about rates of interest, 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.

Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The unit credit actuarial cost method was used with the estimates based to an important degree on the assumptions made relative to various occurrences, such as rate of expected investment earnings by the fund, rates of mortality among active and retired employees, rates of termination from employment, and retirement rates. In the current valuation, the actuarial assumptions used for the calculation of costs and liabilities are:

MEASUREMENT DATE

Benefit liabilities are valued as of January 1, 2009

DISCOUNT RATE FOR VALUING LIABILITIES

Without prefunding - 4.0% per annum, compounded annually

MORTALITY RATES

Male - RP 2000 system table with floating Scale AA projections for Males
Female - RP 2000 system table with floating Scale AA projections for Females

9. Leases:

The Assessor has operating leases of the following nature:

An auto lease for a 46-month term, with monthly payments of \$605 dated June 30, 2010. The purchase option at the end of the lease is \$6,500. There is a possible early termination charge and there are no mileage restrictions.

DeSoto Parish Tax Assessor
Notes to Financial Statements
December 31, 2011

A copier lease for 60-month term, with monthly payments of \$254 dated April 21, 2008. The purchase option at the end of the lease is fair market value.

The minimum annual commitments under noncancelable operating leases are:

2012	\$10,314
2013	<u>3,692</u>
Total	<u>\$14,006</u>

10. Expenditures of the Assessor Not Included in the Financial Statements:

Certain operating expenditures of the Assessor's office are paid by the parish police jury as required by Louisiana Revised Statute 33:4714. These expenditures are summarized as follows and are not included in the accompanying financial statements:

Janitorial services, utilities, and capital—building expenditures

11. Commitments and Contingencies:

During 2011, the DeSoto Parish Tax Assessor was not involved in any litigation nor is she aware of any unasserted claims.

12. Risk Management:

The Assessor is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions, and injuries to employees. To handle some risk of loss, the Assessor has workers' compensation insurance for any employee injured on the job and surety bond coverage. No settled claims from these risks have exceeded insurance coverage for the past three years. There are no significant reductions in insurance coverage from the prior year.

13. Deferred Compensation Plan:

Certain employees of the DeSoto Parish Tax 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, Post Office Box 94397, Baton Rouge, Louisiana 70804-9397.

DeSoto Parish Tax Assessor
Notes to Financial Statements
December 31, 2011

14. Related Party Transactions:

There were no material related party transactions for the year ended December 31, 2011.

15. Long-Term Debt:

The following is a summary of changes in long-term debt for the year ended December 31, 2011:

	<u>2010</u>	<u>Additions</u>	<u>Balance Reduction</u>	<u>2011</u>
Compensated Absences	<u>\$12,624</u>	<u>\$2,464</u>	<u>\$0</u>	<u>\$15,088</u>

16. Subsequent Events:

Management has performed an evaluation of the Assessor's activities through June 15, 2012, and has concluded that there are no significant events requiring recognition or disclosure through the date and time these financial statements were available to be issued.

OTHER REQUIRED
SUPPLEMENTARY INFORMATION

SCHEDULE 1

DeSoto Parish Tax Assessor
Mansfield, Louisiana
Schedule of Revenues, Expenditures, and Changes in Fund Balance-
Budget (GAAP) and Actual
For the Year Ended December 31, 2011

	<u>Budgeted Amounts</u>		<u>Budget to Actual</u>	<u>Positive(Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
REVENUES				
Property taxes	\$1,168,000	\$1,168,000	\$1,938,002	\$770,002
State revenue sharing	20,913	20,913	22,829	1,916
Charges for services	61,600	61,600	20,482	(41,118)
Miscellaneous Income	380	380	94	(286)
Investment earnings	12,000	12,000	29,813	17,813
TOTAL REVENUES	<u>\$1,262,893</u>	<u>\$1,262,893</u>	<u>\$2,011,220</u>	<u>\$748,327</u>
EXPENDITURES				
Personnel services & related benefit	\$ 754,261	\$ 754,261	\$ 584,745	\$169,516
Operating expenses	96,015	96,015	72,315	23,700
Materials & supplies	29,400	29,400	30,869	(1,469)
Travel & other charges	23,166	23,166	20,536	2,630
Capital outlay	0	0	0	0
TOTAL EXPENDITURES	<u>\$ 902,842</u>	<u>\$ 902,842</u>	<u>\$ 708,465</u>	<u>\$194,377</u>
NET CHANGE IN FUND BALANCE	\$ 360,051	\$ 360,051	\$1,302,755	\$942,704
FUND BALANCE/NET ASSETS				
Beginning of Year	<u>4,772,077</u>	<u>4,772,077</u>	<u>4,772,077</u>	<u>0</u>
End of Year	<u>\$5,132,128</u>	<u>\$5,132,128</u>	<u>\$6,074,832</u>	<u>\$942,704</u>

The accompanying notes are an integral part of the financial statements.

DeSoto Parish Tax Assessor
Mansfield, Louisiana

Schedule of Funding Progress for Retiree Health Plan

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Discount Rate</u>	<u>Actuarial Accrued Liabilities (AAL)</u>	<u>Unfunded Actuarial Accrued Liabilities (UAAL)</u>	<u>Funded Ratio</u>
January 1, 2009	0	4.00%	\$1,205,069	\$1,205,069	0.0%
January 1, 2010	0	4.00%	\$1,205,069	\$1,205,069	0.0%
January 1, 2011	0	4.00%	\$1,205,069	\$1,205,069	0.0%

The accompanying notes are an integral part of the financial statements.

DeSoto Parish Tax Assessor
Notes to Required Supplementary Information
As of and for the Year Ended December 31, 2011

Budgetary Information

The DeSoto Parish Tax Assessor's budget is prepared in accordance with accounting principles accepted in the United States of America. The DeSoto Parish Tax Assessor's budget is adopted annually on the modified accrual basis of accounting.

The Louisiana Local Government Budget Act provides that “the total proposed expenditures shall not exceed the total of estimated funds available for the ensuing year.” The “total estimated funds available” is the sum of the respective estimated fund balances at the beginning of the year and the anticipated revenues for the current year.

Schedule of Funding Progress for Retiree Health Plan

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

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*

Anne Gannon
DeSoto Parish Tax Assessor
212 Adams Street
Mansfield, LA 71052

We have audited the financial statements of the governmental activities and the major fund of the DeSoto Parish Tax Assessor (Assessor) as of and for the year ended December 31, 2011, which collectively comprise the Assessor's basic financial statements and have issued our report thereon dated June 15, 2012. 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.

Internal Control over Financial Reporting

Management of the Assessor is responsible for establishing and maintaining effective 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 opinion 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 deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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 is required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the 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 15, 2012
Natchitoches, Louisiana

DeSoto Parish Tax Assessor
Schedule of Findings & Questioned Costs
Year Ended December 31, 2011

I. Summary of Audit Results

1. The auditor's report expresses an unqualified opinion on the financial statements of the DeSoto Parish Tax 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 Tax Assessor were disclosed during the audit.

II. Financial Statements Audit

No findings.

III. Prior Year Findings

No findings.