

LINCOLN PARISH ASSESSOR
RUSTON, LOUISIANA

FINANCIAL STATEMENTS
DECEMBER 31, 2015

LINCOLN PARISH ASSESSOR
DECEMBER 31, 2015

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INDEPENDENT AUDITORS' REPORT

Honorable Sheila Bordelon, C. L. A.
Lincoln Parish Assessor
Ruston, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of Lincoln Parish Assessor as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Assessor'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.

Auditors' 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund, of the Lincoln Parish Assessor, as of December 31, 2015, and the respective changes in financial position 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 (pages 5-12), budgetary comparison information (page 37), the Schedule of Funding Progress for the Other Postemployment Benefits Plan (page 38), the Schedule of Required Pension Contribution (page 41), and the Schedule of Proportional Share of the Net Pension Liability and Related Ratios (page 42) 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Lincoln Parish Assessor's basic financial statements. The accompanying other financial information consisting of the schedule of compensation, reimbursements, benefits and other payments to the agency head on page 40 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Schedule of Compensation Benefits and Other Payments to Agency Head 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 Schedule of Compensation Benefits and Other Payments to Agency Head 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 June 10, 2016, on our consideration of the Lincoln Parish Assessor'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 Lincoln Parish Assessor's internal control over financial reporting and compliance.

COCHRAN, CLARK, ROBINSON & THOMASON

Cochran, Clark, Robinson & Thomason

Rayville, LA
June 10, 2016

**REQUIRED SUPPLEMENTARY
INFORMATION**

LINCOLN PARISH ASSESSOR
Ruston, Louisiana

Management's Discussion and Analysis (Unaudited)

Within this section of the Lincoln Parish Assessor, Ruston, Louisiana (the Parish Assessor) annual financial report, the Parish Assessor's management is pleased to provide this narrative discussion and analysis of the financial activities of the Parish Assessor for the calendar year ended December 31, 2015. The Parish Assessor's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

FINANCIAL HIGHLIGHTS

- The Parish Assessor's assets exceeded its liabilities (net position) by \$404,532 for 2015.
- Total net position is comprised of the following:

December 31, 2015

- (1) Capital assets of \$65,836 include property and equipment, net of accumulated depreciation.
 - (2) Unrestricted assets of \$338,696 represent the portion available to maintain the Parish Assessor's continuing obligations to citizens and creditors.
- The Parish Assessor's governmental funds reported total ending fund balance of \$2,305,865 for 2015. The total fund balance is unreserved.
 - At the end of the current calendar year, unreserved fund balance for the General Fund was \$2,305,865 or 325% of total General Fund expenditures.
 - Overall, the Parish Assessor continues to maintain a strong financial position, in spite of a somewhat depressed economy.

The above financial highlights are explained in more detail in the "financial analysis" section of this document.

INDEPENDENT AUDITORS' REPORT

The first item in this report is the Independent Auditors' Report. This report tells the reader what the auditor audited and if the Parish Assessor has followed the accounting and financial reporting rules. For the year ended in 2015, the auditor has given the Parish Assessor what is commonly called "a clean opinion". This means that the Parish Assessor is following the accounting rules and the following financial statements reflect the financial position and the financial activity for the year ended December 31, 2015. The auditors' report is signed by the independent auditor. The auditors' report may be found on pages 1 to 3 of this financial report.

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

This Management Discussion and Analysis document introduces the Parish Assessor's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, (3) notes to the basic financial statements, and (4) other supplementary information as may be applicable. Other than the MD&A, in the Assessor's case, there are additional statements and schedules required by GASB. The Parish Assessor also includes in this report additional information to supplement the basic financial statements, such as required supplementary information, other required supplementary information, and other financial information. The table of contents list the additional statements and schedules.

Government-wide Financial Statements

The Parish Assessor's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the Parish Assessor's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

In 2015 the Parish Assessor implemented GASB 68 which impacted the pension related cost and liability. The beginning net position was restated because of the implementation.

The first of these government-wide statements is the Statement of Net Position. This is the government-wide statement of position presenting information that includes all of the Parish Assessor's assets and liabilities, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Parish Assessor as a whole is improving or deteriorating. Evaluation of the overall health of the Parish Assessor would extend to other nonfinancial factors such as diversification of the taxpayer base, in addition to the financial information provided in this report.

The second government-wide statement is the Statement of Activities, which reports how the Parish Assessor's net position changed during the current calendar year. All current year revenues and expenses are included regardless of when the Parish Assessor receives or pays cash. An important purpose of the design of the statement of activities is to show the financial reliance of the Parish Assessor's distinct activities or functions on revenues provided by the Parish Assessor's taxpayers.

The government-wide financial statements are presented on pages 15 through 16 of this report.

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The Parish Assessor uses a single fund to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the Parish Assessor's only fund, the general fund.

The Parish Assessor uses only one fund type:

The Government fund is reported in the fund financial statements and encompasses the same function reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the Parish Assessor's governmental fund. These statements report short-term calendar accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the differences between these two perspectives.

The basic governmental fund financial statements are presented on pages 18 through 21 of this report.

Notes to the basic financial statements

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 22 of this report.

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. Other required supplementary information is information that the accounting rules strongly suggest be presented within the Assessor's financial report. The general fund's budgetary comparison statement is included as "other required supplementary information". This statement demonstrates compliance with the Parish Assessor's adopted and final budget. The other required supplementary information includes a schedule of funding progress for the other postemployment benefits, a schedule of required pension contributions and a schedule of proportional share of net pension liability and related ratios.

FINANCIAL ANALYSIS OF THE PARISH ASSESSOR AS A WHOLE

The following table provides a summary of the Parish Assessor's net positions:

| | Summary of Net Positions | | | |
|--|--------------------------|--------------|---------------------|--------------|
| | <u>2015</u> | | <u>2014</u> | |
| | <u>Governmental</u> | <u>%</u> | <u>Governmental</u> | <u>%</u> |
| | <u>Activities</u> | <u>of</u> | <u>Activities</u> | <u>of</u> |
| | | <u>Total</u> | | <u>Total</u> |
| Assets: | | | | |
| Current Assets | 2,372,660 | 96% | 2,118,887 | 95% |
| Capital Assets | <u>65,836</u> | <u>3%</u> | <u>101,918</u> | <u>5%</u> |
| Total Assets | <u>2,438,496</u> | <u>99%</u> | <u>2,220,805</u> | <u>100%</u> |
| Deferred Outflow | <u>26,363</u> | <u>1%</u> | - | - |
| Total Assets and Deferrals | <u>2,464,859</u> | <u>100%</u> | <u>2,220,805</u> | <u>100%</u> |
| Liabilities: | | | | |
| Current Liabilities | 7,062 | 0% | 7,478 | 1% |
| Long-Term Other Postemployment Benefits and Retirement Payable | <u>2,053,265</u> | <u>100%</u> | <u>1,435,814</u> | <u>99%</u> |
| Total Liabilities | <u>2,060,327</u> | <u>100%</u> | <u>1,443,292</u> | <u>100%</u> |
| Net Position: | | | | |
| Net Investment in Capital Assets | 65,836 | 15% | 101,918 | 13% |
| Unrestricted | <u>338,696</u> | <u>85%</u> | <u>675,595</u> | <u>87%</u> |
| Total Net Position | <u>404,532</u> | <u>100%</u> | <u>777,513</u> | <u>100%</u> |

The Parish Assessor continues to maintain an extremely high current ratio. The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. The current ratio for governmental activities are as follows:

| | <u>2015</u> | <u>2014</u> |
|---------------|-------------|-------------|
| Current Ratio | 336 to 1 | 283 to 1 |

These are strong ratios.

The Parish Assessor reports a positive balance in the net position for its governmental activities. Net positions have changed as follows:

2015 Increase 29,894
 2014 Decrease (96,145)

Note that 3%-5% of the governmental activities' assets are tied up in capital in both years. The Parish Assessor uses these capital assets to provide services to its citizens.

The following data is presented on the accrual basis of accounting which means that all costs are presented, however, the purchase of capital assets is not included but depreciation on the capital assets is included.

The following table provides a summary of the Parish Assessor's changes in net positions:

| | Summary of Changes in Net Positions | | | |
|--------------------------------------|-------------------------------------|--------------|---------------------|--------------|
| | <u>2015</u> | | <u>2014</u> | |
| | <u>Governmental</u> | <u>%</u> | <u>Governmental</u> | <u>%</u> |
| | <u>Activities</u> | <u>of</u> | <u>Activities</u> | <u>of</u> |
| | | <u>Total</u> | | <u>Total</u> |
| Revenues: | | | | |
| Program: | | | | |
| Charges for Services | 45,429 | 5% | 36,765 | 4% |
| General: | | | | |
| Taxes | 868,651 | 90% | 839,986 | 90% |
| State revenue sharing | 46,776 | 5% | 47,721 | 5% |
| Sale of Capital Asset | - | | 5,800 | 1% |
| Interest | <u>2,376</u> | <u>0%</u> | <u>4,016</u> | <u>0%</u> |
| Total Revenues | <u>963,232</u> | <u>100%</u> | <u>934,288</u> | <u>100%</u> |
| Program Expenses: | | | | |
| Operational: | | | | |
| Salaries and benefits | 563,319 | 60% | 595,087 | 60% |
| Other Postemployment | | | | |
| Benefits | 109,331 | 12% | 244,942 | 25% |
| Operating Services | 132,229 | 14% | 113,927 | 11% |
| Materials and Supplies | 14,949 | 2% | 12,934 | 1% |
| Travel and Other | 18,856 | 2% | 17,565 | 2% |
| Depreciation | 15,772 | 2% | 14,856 | 1% |
| Retirement Allocation | <u>78,882</u> | <u>8%</u> | <u>-</u> | |
| Total Expenses: | <u>933,338</u> | <u>100%</u> | <u>999,311</u> | <u>100%</u> |
| Disposal of Assets | - | | 31,122 | |
| Change in Net Position | 29,894 | | (96,145) | |
| Beginning Net Position (restated) | <u>374,638</u> | | <u>873,658</u> | |
| Ending Net Position | <u>404,532</u> | | <u>777,513</u> | |

GOVERNMENTAL REVENUES

The Parish Assessor is heavily reliant on property taxes to support its operations. As a result, the general economy and local businesses have a major impact on the Parish Assessor's revenue streams.

Sources of revenue are shown below by percentage:

| | | |
|------------------------|-------------|-------------|
| General Revenues | <u>2015</u> | <u>2014</u> |
| Property Tax | 90% | 90% |
| State Revenue Sharing | 5% | 5% |
| Sale of Capital Asset | 0% | 1% |
| Total General Revenues | <u>95%</u> | <u>96%</u> |
| Program Revenues | 5% | 4% |
| Total Revenues | 100% | 100% |

GOVERNMENTAL FUNCTIONAL EXPENSES

Since assessor operations are staff oriented, a major portion of the budget is used for employee salaries and benefits each year.

The following is a summary of the major operational expenses as a percentage of total expenses:

| | | |
|-------------------------------|-------------|-------------|
| | <u>2015</u> | <u>2014</u> |
| Salaries and Benefits | 60% | 60% |
| Other Postemployment Benefits | 12% | 25% |
| Operating Services | 14% | 11% |
| Retirement Allocation | 8% | 0% |
| Materials and Supplies | 2% | 1% |

FINANCIAL ANALYSIS OF THE PARISH ASSESSOR'S GENERAL FUND

The General Fund is the Parish Assessor's operating fund and the source of day-to-day service delivery. As discussed, the General Fund is reported in the fund statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. The data presented in the fund financial statements is presented on the modified accrual basis. This means that capital assets purchased during the year are reported as expenditures and no depreciation on these capital assets is reported as an expenditure in the same year.

In 2006 through 2011, the fund balance increased. In 2012, technology was expanded resulting a decrease in the fund balance. In 2013, 2014 and 2015 the fund balance increased.

The total fund balance and change per year is reported in the following chart:

| | | | | |
|------------------------|-------------|-------------|-------------|-------------|
| | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> |
| Total fund balance | 2,305,865 | 2,049,969 | 1,872,315 | 1,738,449 |
| Change from prior year | 255,896 | 177,654 | 133,866 | (34,511) |

The total fund balance is unreserved indicating availability for continuing Parish Assessor service requirements.

As indicated below, property taxes and state revenue sharing provide most of the resources for the Assessor's office:

| | <u>2015</u> | <u>2014</u> |
|-----------------------|-------------|-------------|
| Property Tax | 870,358 | 851,539 |
| State Revenue Sharing | 46,776 | 47,721 |

The following table shows the % of change (+ increase or - decrease) in expenditures for each year:

| | <u>2015</u> | <u>2014</u> |
|------------------------|-------------|-------------|
| Salaries and Benefits | -10% | +13% |
| Operating services | - 2% | -36% |
| Materials and supplies | +15% | - 9% |

As a percentage of annual expenditures the General Fund's ending fund balance is considered very adequate. The percentages each year are as follows:

| | <u>2015</u> | <u>2014</u> |
|--|-------------|-------------|
| Fund balance as a % of Annual expenditures | 325% | 267% |

Though some might consider this percentage high, it is necessary for the Parish Assessor to maintain a strong financial position in order to cover its cash flow needs and any unforeseen costs that might occur in the future. Note that the Parish Assessor is financing its operations on a "pay-as-you-go" system, which means currently there is no outstanding long-term debt (e.g., bonded debt) for capital purposes. In other words, all capital items are free and clear of debt.

BUDGETARY HIGHLIGHTS

The General Fund budget was not amended. In 2015, the Parish Assessor realized 108% of the revenue budget and the actual expenditures were only 86% of the budgeted amounts.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

| | <u>Governmental Activities</u> | |
|-----------------------------------|--------------------------------|----------------|
| | <u>2015</u> | <u>2014</u> |
| Capital assets: | | |
| Equipment, furniture and fixtures | 157,538 | 218,917 |
| Less accumulated depreciation | (91,702) | (116,999) |
| Book value-capital assets | <u>65,836</u> | <u>101,918</u> |

The depreciable capital assets for governmental activities were 73% depreciated at the end of 2015 and 70% depreciated at the end of 2014. The total percentage of depreciated capital assets is quite high, (i.e. over three-fourths of the value of these assets is used) which means that additional resources will be required to replace these capital assets in the future.

Long-term debt

At year-end, the Parish Assessor had no long-term debt outstanding. The Parish Assessor may issue general obligation debt to meet its capital needs but has elected to fund these needs on a "pay-as-you-go" basis. Financing capital on a current basis eliminates the deferral of capital costs to future periods.

ECONOMIC CONDITIONS AFFECTING THE PARISH ASSESSOR

Since the primary revenue stream for the Parish Assessor is property taxes, this type of tax is not subject to changes in the economy, in the short-term. However, in the long-term property tax revenues suffer if the economy does not maintain growth. Obviously, the "911" tragedy in New York has had a nationwide negative impact on most places in our country, including the State of Louisiana.

Accrued cost for "other postemployment benefits" (OPEB payable and the related expense) were recorded pursuant to GASB No. 45. These calculations are determined by an actuary for presentation in the Assessor's annual financial report. This liability is significant in comparison to the Assessor's total assets and has substantially reduced the net position.

In 2015, GASB 68 was implemented. The accrued cost and liabilities are reported in the government wide statements. The calculations are provided in the audited financial statements of the Louisiana Assessor's Retirement Fund. The related cost and liability are significant in comparison to the Assessor's total assets and has substantially reduced the net position.

CONTACTING THE PARISH ASSESSOR'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Parish Assessor's finances, comply with finance-related laws and regulations, and demonstrate the Parish Assessor's commitment to public accountability. If you have any questions about the contents of this report or would like to request additional information, please contact Ms. Sheila Bordelon, at the Lincoln Parish Assessor's Office, Post Office Box 1218, Ruston, Louisiana, 71273.

BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS (GWFS)**

LINCOLN PARISH ASSESSOR
Ruston, Louisiana

Statement of Net Position - Government Activities
December 31, 2015

ASSETS

| | |
|------------------------------------|-------------------------|
| Cash and interest-bearing deposits | 1,504,024 |
| Taxes Receivable (net) | 868,458 |
| Interest Receivable | 178 |
| Capital assets (net) | <u>65,836</u> |
| Total Assets | 2,438,496 |
| Deferred Outflows of Resources | <u>26,363</u> |
| Total Assets and Deferred Outflows | <u><u>2,464,859</u></u> |

LIABILITIES

| | |
|--|-------------------------|
| Accounts Payable | 7,062 |
| Net Pension Liabilities | 508,120 |
| Other Post Employment Benefits Payable | <u>1,545,145</u> |
| Total Liabilities | <u><u>2,060,327</u></u> |

NET POSITION

| | |
|----------------------------------|-----------------------|
| Net Investment in Capital Assets | 65,836 |
| Unrestricted | <u>365,059</u> |
| Total Net Position | <u><u>404,532</u></u> |

See Auditors' Report. The accompanying notes are an integral part of the basic financial statements.

LINCOLN PARISH ASSESSOR
Ruston, Louisiana

Statement of Net Position - Government Activities
December 31, 2015

| Activities | Expenses | <u>Program Revenues</u> Charges for Services | Net (Expense) Revenues and Changes in Net Positions Governmental Activities |
|---|----------------|---|---|
| Governmental Activities: | | | |
| General Government | <u>933,338</u> | <u>45,429</u> | <u>887,909</u> |
| General revenues: | | | |
| Taxes: | | | |
| Property taxes, levied for general purpose: | | | 868,651 |
| State revenue sharing | | | 46,776 |
| Interest and Investment Earnings | | | <u>2,376</u> |
| Total General Revenues | | | <u>917,803</u> |
| Change in Net Position | | | 29,894 |
| Net Position - Beginning (Restated) | | | <u>374,638</u> |
| Net Position - Ending | | | <u>404,532</u> |

See Auditors' Report. The accompanying notes are an integral part of the basic financial statements.

FUND FINANCIAL STATEMENTS (FFS)

LINCOLN PARISH ASSESSOR
Ruston, Louisiana

Balance Sheet - Governmental Fund
December 31, 2015

ASSETS

| | |
|------------------------------------|-------------------------|
| Cash and interest-bearing deposits | 1,504,024 |
| Taxes Receivable (net) | 868,458 |
| Interest Receivable | <u>178</u> |
| Total Assets | <u><u>2,372,660</u></u> |

LIABILITIES AND FUND BALANCE

Liabilities:

| | |
|-------------------|--------------|
| Accounts Payable | <u>7,062</u> |
| Total Liabilities | <u>7,062</u> |

Deferred Inflows of Resources

| | |
|-------------------------------------|---------------|
| Unavailable Taxes | <u>59,733</u> |
| Total Deferred Inflows of Resources | <u>59,733</u> |

Fund Balance:

| | |
|----------------------------|------------------|
| Non-spendable fund balance | - |
| Restricted fund balance | - |
| Unrestricted fund balance | - |
| Committed fund balance | - |
| Assigned fund balance | - |
| Unassigned fund balance | <u>2,305,865</u> |
| Total Fund Balance | <u>2,305,865</u> |

| | |
|---|-------------------------|
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | <u><u>2,372,660</u></u> |
|---|-------------------------|

See Auditors' Report. The accompanying notes are an integral part of the basic financial statements.

LINCOLN PARISH ASSESSOR
Ruston, Louisiana

Reconciliation of the Governmental Fund Balance Sheet
to the Statement of Net Position
December 31, 2015

| | |
|--|-----------------------|
| Total fund balance for the Governmental Fund | 2,305,865 |
| Total net position reported for Governmental activities in the Statement of Net Position is different because: | |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of: | |
| Equipment, furniture and fixtures, net of accumulated depreciation | 65,836 |
| Retirement payments are reported as expenditures in the governmental funds. In the government-wide statements the payments represents Deferred Outlay of Resources | 26,363 |
| Fund liabilities include deferred earned revenues. However, the following liabilities are excluded from the statement of net position: | |
| Deferred Revenue | 59,733 |
| Long-term liabilities are not due and payable in the current period, and therefore, are not reported in the governmental funds. Those liabilities consist of: | |
| Net Pension Obligations | (508,120) |
| Other Post Employment Benefits Payable | <u>(1,545,145)</u> |
| Total Net Position of Governmental Activities | <u><u>404,532</u></u> |

See Auditors' Report. The accompanying notes are an integral part of the basic financial statements.

LINCOLN PARISH ASSESSOR
Ruston, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balances -
Governmental Fund
For the Year Ended December 31, 2015

| | |
|---|-------------|
| Revenues | |
| Ad Valorem Taxes | 870,358 |
| State Revenue Sharing | 46,776 |
| Other Revenue - preparing tax rolls, etc. | 45,429 |
| Interest | 2,376 |
| | <hr/> |
| Total Revenues | 964,939 |
| | |
| Expenditures: | |
| Current - | |
| General Government: | |
| Intergovernmental | 25,000 |
| Personnel Services and Related Benefits | 563,319 |
| Operating Service | 86,919 |
| Materials and Supplies | 14,949 |
| Travel and Other Charges | 18,856 |
| Capital Outlay | - |
| | <hr/> |
| Total Expenditures | 709,043 |
| | |
| Net Change in Fund Balance | 255,896 |
| | |
| Fund Balance - Beginning of Year | 2,049,969 |
| | <hr/> |
| Fund Balance - End of Year | 2,305,865 |
| | <hr/> <hr/> |

See Auditors' Report. The accompanying notes are an integral part of the basic financial statements.

LINCOLN PARISH ASSESSOR
Ruston, Louisiana

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balance of the Governmental Fund
to the Statement of Activities
For the Year Ended December 31, 2015

| | | |
|--|-------------|-----------|
| Total net changes in fund balance per Statement of Revenues, Expenditures, and Changes in Fund Balance | | 255,896 |
| The change in net position reported for Governmental Activities in the Statement of Activities is different because: | | |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expenses. | | |
| Disposal of Capital Assets | (20,310) | |
| Less Current Year Depreciation | (15,772) | (36,082) |
| Governmental funds report deferred earned revenue as liabilities. However, in the statement of activities these revenues are fully accrued as follows: | | |
| Current Year Deferrals | 59,733 | |
| Prior Year Deferrals | (61,440) | (1,707) |
| Other post-employment benefits are reported in the governmental funds as expenditures when paid. The unfunded annual contribution is reported in the Statement of Activities fully accrued as follows: | | |
| Prior Year Payable | 1,435,814 | |
| Current Year Payable | (1,545,145) | (109,331) |
| Governmental funds report retirement expenditures as payment is remitted to the retirement system. However, in the government-wide statement of activities, retirement is reported based on the allocation stated in the retirement system report. | | |
| Retirement expenditures paid | 53,569 | |
| Allocation from the Retirement System | (132,451) | (78,882) |
| Total Changes in Net Position per Statement of Activities | | 29,894 |

See Auditors' Report. The accompanying notes are an integral part of the basic financial statements.

LINCOLN PARISH ASSESSOR
Ruston, Louisiana

Notes to Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As provided by Article VII, Section 24 of the Louisiana Constitution of 1974, the Assessor is elected by the voters of the parish and serves a term of four years. The Assessor assesses all real and movable property in the parish, subject to ad valorem taxation. The Assessor is authorized to appoint as many deputies as necessary for the efficient operation of this 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 accounting and reporting policies of the Assessor conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:513, as well as any applicable requirements set forth by *Audits of State and Local Governments*, the industry audit guide issued by the American Institute of Certified Public Accountants, and the *Louisiana Governmental Audit Guide*.

The following is a summary of certain significant accounting policies:

A. Financial Reporting Entity

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

Because the Police Jury maintains and operates the parish building in which the Assessor's office is located, the Assessor was determined to be a component unit of the Lincoln Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the Assessor and do not present information on the Police Jury, the general government services provided by the Police Jury, or the other governmental units that comprise the financial reporting entity.

See Auditors' Report.

LINCOLN PARISH ASSESSOR
Ruston, Louisiana

Notes to Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues.

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

C. Fund Accounting

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

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

- a. Total assets, liabilities, or revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and.
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

See Auditors' Report.

LINCOLN PARISH ASSESSOR
Ruston, Louisiana

Notes to Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The major fund of the Assessor is described below:

Governmental Fund -

General Fund

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

D. Measurement Focus/Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide statement of net position and the statement of activities, governmental activities are presented using the economic resources measurement focus as defined in item b. below.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate:

- a. The governmental fund utilizes a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on its balance sheet. Their operating statement presents sources and uses of available spendable financial resources during a given period. This fund uses fund balance as its measure of available spendable financial resources at the end of the period.
- b. The government-wide financial statement utilizes an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery) and financial position. All assets and liabilities (whether current or noncurrent) associated with its activities are reported. Government-wide fund equity is classified as net position.

Basis of Accounting

In the government-wide statement of net position and statement of activities, the government activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

See Auditors' Report.

LINCOLN PARISH ASSESSOR
Ruston, Louisiana

Notes to Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

E. Assets, Liabilities And Equity

Cash and interest-bearing deposits

For purposes of the statement of net position, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposits of the Assessor.

Capital Assets

Capital Assets, which include property, plant and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Assessor maintains a threshold level of \$2,500 or more for capitalizing these assets.

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

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

| | |
|-----------------------------------|------------|
| Furniture, fixtures and equipment | 5-10 years |
|-----------------------------------|------------|

Compensated Absences

Depending on length of service, all employees receive from ten to fifteen days of noncumulative vacation leave each year. Sick leave, which is noncumulative, is earned at the rate of five days each year and one day for every working year over three years, not to exceed fifteen days. There are no accumulated and vested benefits related to vacation and sick leave that require accrual or disclosure.

See Auditors' Report.

LINCOLN PARISH ASSESSOR
Ruston, Louisiana

Notes to Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Equity Classifications

In the current year the Assessor implemented GASB Statement No. 68 (Accounting and Financial Reporting for Pensions - an amendment of GASB No. 27). To implement this change, the beginning net position was restated.

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

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

The Lincoln Parish Assessor has implemented GASB 54. The Assessor assumes that when amounts are expended for purposes for which funds in any of the unrestricted classifications could be used, committed amounts are reduced first, followed by assigned amounts and then unassigned amounts.

Committed Fund Balance: The Assessor's highest level of decision making authority is through the process of adopting an ordinance. As such, a proposed ordinance is advertised to be presented in an open session for discussion. Once the discussion session is closed, a vote is taken on the proposed ordinance.

Assigned Fund Balance: The Assessor has no assigned fund balance.

F. Revenues, Expenditures, And Expenses

Revenues

Ad valorem and the related state revenue sharing taxes are recorded in the year the taxes are due and payable. 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. The taxes are normally collected in December of the current year and January and February of the ensuing year.

See Auditors' Report.

LINCOLN PARISH ASSESSOR
Ruston, Louisiana

Notes to Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fees for preparing tax rolls are recorded in the year prepared. Interest income is recorded monthly when the interest is earned and credited to the account.

Based on the above criteria, ad valorem taxes, state revenue sharing, and fees for preparing tax rolls have been treated as susceptible to accrual.

The Lincoln Parish Assessor reports deferred inflows of resources on its balance sheet. Deferred inflows arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. In subsequent periods, when both revenue recognition criteria are met, the deferred inflows is removed from the balance sheet and revenue is recognized.

Expenditures/Expenses

In the government-wide financial statements, expenses are classified by character and function. In the fund financial statements, expenditures are classified by character.

G. Budgetary 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 reappropriated for the following year to be expended. All changes in the budget must be approved by the Assessor. Formal budgetary integration is employed as a management control device during the year. The budget was not amended for the fiscal year ended December 31, 2015.

H. Use of Estimates

The preparation of financial statements in conformity with U.S. 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 statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

I. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Louisiana Assessors' Retirement Fund and Subsidiary (LARF) and additions to/deductions from LARF's fiduciary net position have been determined on the same basis as they are reported by LARF.

See Auditors' Report.

LINCOLN PARISH ASSESSOR
Ruston, Louisiana

Notes to Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J. Change in Accounting Principle

Financial reporting information pertaining to the Assessor's participation in the LARF is prepared in accordance with GASB Statement No. 68, "Accounting and Financial Reporting for Pensions", as amended by GASB Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date", which have been adopted by the Assessor for the fiscal year ended December 31, 2015.

The fiduciary net position, as well as additions to and deductions from the fiduciary net position, of LARF have been determined on the same basis as they are reported by LARF. The financial statements were prepared using the accrual basis of accounting, member and employer contributions are recognized when due, pursuant to formal commitments and statutory requirements. Benefits and refunds of employee contributions are recognized when due and payable in accordance with the statutes governing LARF. Expenses are recognized when the liability is incurred, regardless of when payment is made. Investments are reported at fair value on a trade date basis. The fiduciary net position is reflected in the measurement of the Assessor's proportionate share of the plan's net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense.

K. Subsequent Events

Management has evaluated subsequent events through June 10, 2016, the date the financial statements were available to be issued.

NOTE 2 - CASH AND INTEREST-BEARING DEPOSITS

Under state law, the Assessor may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Assessor may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At December 31, 2015 the Assessor has cash and interest-bearing deposits (book balances) as follows:

| | |
|-----------------|------------------|
| Demand Deposits | 601,224 |
| Time Deposits | <u>902,800</u> |
| | <u>1,504,024</u> |

See Auditors' Report.

LINCOLN PARISH ASSESSOR
Ruston, Louisiana

Notes to Financial Statements

NOTE 2 - CASH AND INTEREST-BEARING DEPOSITS (continued)

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance (FDIC) or the pledge of securities owned by the fiscal agent bank. The FDIC insures accounts up to \$250,000. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. 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. Deposit balances (bank balances) at December 31, 2015 are secured as follows:

| | |
|---------------------------------|------------------|
| Bank Balances | <u>1,511,575</u> |
| Federal deposit insurance | 500,000 |
| Pledged securities (Category 3) | <u>1,011,575</u> |
| Total | <u>1,511,575</u> |

Pledged securities in Category 3 include uninsured or unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent, but not in the Assessor's name. Even though the pledged securities are considered uncollateralized (Category 3) Louisiana Revised State 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Assessor that the fiscal agent has failed to pay deposited funds upon demand.

NOTE 3 - RECEIVABLE AND PRINCIPAL TAXPAYERS

Taxes Receivable is reported net of an allowance for uncollectible accounts of \$1,915.

As provided by Louisiana Revised Statute 47:1925, the assessor is authorized to levy an ad valorem tax in lieu of pro rata deductions from ad valorem taxing authorities. The authorized millage should be an amount necessary to provide no less ad valorem taxes than that received by the assessor in the initial year. The maximum allowable rate is 2.22 mills; the Lincoln Parish Assessor levied 2.15 mills for 2015 to provide funding for the office.

See Auditors' Report.

LINCOLN PARISH ASSESSOR
Ruston, Louisiana

Notes to Financial Statements

NOTE 3 - RECEIVABLE AND PRINCIPAL TAXPAYERS (continued)

The following are the principal taxpayers for the parish and their 2015 assessed valuation:

| | 2015 Assessed Valuation | Percent of Total Assessed Valuation |
|------------------------------------|-------------------------------|--|
| MRD Operating, LLC | 35,301,920 | 8.74% |
| Enable Mississippi River Trans | 10,705,240 | 2.65% |
| Roseburg Foest Products South LP | 10,702,496 | 2.65% |
| Enable Gas Transfer | 9,032,330 | 2.24% |
| Midcontinent Express Pipeline, LLC | 8,473,510 | 2.10% |
| Regency Gas Gathering | 8,234,630 | 2.04% |
| Gulf Crossing Pipeline Company | 7,421,990 | 1.84% |
| LaClede Gas Company | 7,129,270 | 1.77% |
| Community Trust Bank | 5,575,980 | 1.38% |
| Entergy Louisiana, Inc. | 5,443,960 | 1.35% |
| Total | 108,021,326 | 26.76% |

NOTE 4 - CAPITAL ASSETS

Capital asset balances and activity for the year ended December 31, 2015 are as follows:

| | Balance <u>1/01/15</u> | Additions | Deletions | Balance <u>12/31/15</u> |
|--------------------------------------|---------------------------|---------------|-----------|----------------------------|
| Capital Assets: | | | | |
| Equipment, furniture and fixtures | 218,917 | - | (61,379) | 157,538 |
| Less accumulated depreciation: | | | | |
| Equipment, furniture and fixtures | <u>116,999</u> | <u>15,772</u> | (41,069) | <u>91,702</u> |
| Net Capital Assets | <u>101,918</u> | | | <u>65,836</u> |

Depreciation expense of \$15,772 was charged to the general government function.

NOTE 5 - PENSION PLAN

The Assessor participates in the Louisiana Assessors' Retirement Fund (Fund). The Fund is a cost sharing, multiple-employer, qualified governmental defined benefit pension plan covering assessor and their deputies employed by any parish of the State of Louisiana, under the provisions of Louisiana Revised Statutes 11:1401 through 1494. The plan is a qualified plan as defined by the Internal Revenue Service Code Section 401(a). Membership in the Louisiana Assessors' Retirement Fund is a condition of employment for Assessors and their full time employees. The Fund's fiscal year ends on September 30.

See Auditors' Report.

LINCOLN PARISH ASSESSOR
Ruston, Louisiana
Notes to Financial Statements

NOTE 5 - PENSION PLAN (continued)

The Fund provides retirement benefits, survivor benefits, DROP benefits, disability benefits, and back-DROP benefits. Benefits are calculated based on employment start date, length of service, and age at retirement.

According to state statute, contributions for all employers are actuarially determined each year. Although the direct employer actuarially required contribution for the Fund's fiscal year ended September 30, 2015 was 6.84%, the actual employer contribution rate for the year was 13.5%. The contributions for all members are established by statute at 8% of earned compensation. The contributions are deducted from the member's salary and remitted by the participating agency. The Fund also receives one-fourth of one percent of the property taxes assessed in each parish of the state as well as a state revenue sharing funds each year as appropriated by the Legislature.

Actuarially determined amounts regarding the net pension liability are subject to continual revision as actual results are compared to past expectations, and new estimates are made about the future. Key information on the actuarial valuation and assumptions is as follows:

| | |
|---------------------------|---|
| Valuation date | September 30, 2015 |
| Actuarial cost method | Entry Age Normal |
| Investment rate of return | 7.00% |
| Inflation Rate | 2.50% |
| Mortality | Rates based on the RP-2000 Healthy Annuitant Table |
| Salary increases | 5.75% |

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

As of the valuation date of September 30, 2015, the Fund reported the following members:

| | |
|------------------------------------|--------------|
| Current retirees and beneficiaries | 544 |
| Terminated vested participants | 13 |
| Terminated due a refund | 79 |
| Active plan participants | <u>757</u> |
| Total | <u>1,393</u> |

The Assessor's Deferred Outflow of Resources (employer's contributions subsequent to the measurement date) to the Fund was \$26,363.

See Auditors' Report.

LINCOLN PARISH ASSESSOR
Ruston, Louisiana

Notes to Financial Statements

NOTE 5 - PENSION PLAN (continued)

The Fund issues an annual publicly available report that includes financial statements and required supplementary information for the Fund. That report may be obtained by writing to the Louisiana Assessor's Retirement System, Post Office Box 14699, Baton Rouge, Louisiana 70898-4699 or by calling (318)425-4446.

Retirement System

| | |
|---|------------------|
| Actuarial date and measurement date | <u>9/30/2015</u> |
| Projected Required Combined Contributions | 55,078 |
| Employer Allocation Percentage | 0.97095 |
| Net Pension Liability | 508,120 |
| Deferred Outflows: | |
| Net Differences between Projected & Actual Earnings | 193,523 |
| Changes of Assumptions | 58,159 |
| Changes in Proportion | <u>36,762</u> |
| Total Deferred Outflow | 288,444 |
| Deferred Inflows: | |
| Differences between Expected & Actual Experience | 46,330 |
| Net Differences between Projected & Actual Earnings | - |
| Changes of Assumptions | - |
| Changes in Proportion | <u>36,342</u> |
| Total Deferred Inflows | 82,672 |
| Pension Expense: | |
| Proportionate Share of Plan Pension Expense | 130,530 |
| Net Amortization of Deferred amounts from Changes in Proportion | 1,921 |
| Total Employer Pension Expense | 132,451 |
| Proportionate Share | |
| Employer Contributions | 55,405 |
| Non-Employer Contributions | 123,124 |
| Schedule of Net Pension Liability | |
| Sensitivity to Change in Discount Rate | |
| Employer's Proportionate Share | .0970950 |
| 1 % Decrease | 875,068 |
| 1% Increase | 193,487 |
| Amortization Schedule | |
| 2016 | 50,937 |
| 2017 | 50,937 |
| 2018 | 50,937 |
| 2019 | 60,694 |
| 2020 | <u>(7,733)</u> |
| Net of Deferred Outflows and Inflows | 205,772 |
| See Auditors' Report. | |

LINCOLN PARISH ASSESSOR
Ruston, Louisiana
Notes to Financial Statements

NOTE 5 - PENSION PLAN (continued)

The payroll covered by the plan and the Lincoln Parish Assessor's required contribution to the system are as follows:

| | |
|-----------------------|---------|
| Payroll Covered | 396,807 |
| Required Contribution | 53,569 |

In the current year, the required contribution was funded 100%. The required contribution was also funded 100% in 2008 through 2014.

NOTE 6 - DEFERRED COMPENSATION PLAN

The Lincoln Parish Assessor offers its employees participation in the State of Louisiana Public Employees Deferred Compensation Plan adopted by the Louisiana Deferred Compensation Commission and established in accordance with Internal Revenue Code Section 457. The plan is reported as an agency fund in the State of Louisiana's financial statements. The plan, available to all Assessor's employees, permits the employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or proof of hardship. The Assessor's Office provides a match of up to \$200 per month for employees participating in the plan.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the State of Louisiana (without being restricted to the provisions of benefits under the plan) subject only to the claims of the general creditors of the State of Louisiana. Participants' rights under the plan are equal to those of general creditors of the State of Louisiana in an amount equal to the fair market value of the deferred account for each participant.

NOTE 7 - OTHER POST EMPLOYMENT BENEFITS

Plan Description - Employees of the Assessor's Office voluntarily participated in the State of Louisiana's Assessor's Insurance Fund. The Plan and related trust were established on August 30, 1988, pursuant to Louisiana R. S. 47:1022. The Assessor's Insurance Fund provides health benefits, life insurance coverage, long-term disability benefits, vision, long term care and death benefits to participants and to their beneficiaries and covered dependents. Retired employees are entitled to similar health benefits (in excess of Medicare coverage) provided they have attained at least age 55 with twelve years of service or thirty years of service regardless of age. The Plan issues a publicly available financial report.

See Auditors' Report.

LINCOLN PARISH ASSESSOR
Ruston, Louisiana

Notes to Financial Statements

NOTE 7 - OTHER POST EMPLOYMENT BENEFITS (continued)

Funding Policy - The contribution requirements of plan members and the Assessor are established and may be amended by R. S. 47:1022. Employees do not contribute to their post employment benefits cost until they become retirees and begin receiving those benefits. Contribution amounts vary depending on what healthcare provider is selected from the plan and if the member has Medicare coverage. The Assessor's Insurance Fund offers various plans for both active and retired employees.

The Assessor's office finances the other post employment benefit on a pay-as-you-go basis with the Assessor contributing monthly amounts. The Assessor's office pays for the insurance coverage for retirees with at least twenty years of service in the Assessor's office. The Assessor's office does not cover the insurance cost for all retirees. For 2015, the Assessor paid a total of \$27,134 in premiums for four retirees.

Annual Other Post Employment Benefit Cost and Liability - The Assessor's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45, which was implemented prospectively beginning with the year ended December 31, 2009. 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 accrued liability (UAAL) over a period of 30 years. The total ARC for 2015 is set forth below:

| | |
|------------------------------|----------------|
| Normal Cost | 61,244 |
| Amortization of UAAL | <u>111,958</u> |
| Annual Required Contribution | <u>173,202</u> |

The following schedule presents the Assessor's OPEB obligation for the fiscal year 2015:

| | |
|--|------------------|
| Annual required contribution | 173,202 |
| Interest of prior year Net OPEB Obligation | 57,433 |
| Adjustment to ARC | <u>(94,170)</u> |
| Annual OPEB Cost | 136,465 |
| Contributions made - current year retiree premiums | <u>(27,134)</u> |
| Change in Net OPEB obligation | 109,331 |
| Beginning Net OPEB obligation | <u>1,435,814</u> |
| Ending Net OPEB obligation | <u>1,545,145</u> |

Using the pay-as-you-go method, the Assessor contributed 20% of the annual post employment benefits cost for the year ended December 31, 2015.

Funded Status and Funding Progress - During the year 2015, the Assessor's only contributions were the current year's premiums. Since the plan is not funded, the Assessor's entire actuarial accrued liability of \$1,707,018 was unfunded for 2015.

See Auditors' Report.

LINCOLN PARISH ASSESSOR
Ruston, Louisiana

Notes to Financial Statements

NOTE 7 - OTHER POST EMPLOYMENT BENEFITS (continued)

The funded status of the plan, as determined by an actuary as of January 1, 2015, is as follows:

| | |
|---|------------------|
| Actuarial accrued liability (AAL) | 1,707,018 |
| Actuarial value of plan assets | 0 |
| Unfunded actuarial accrued liability (UAAL) | <u>1,707,018</u> |
| Funded ratio (actuarial value of plan assets/AAL) | 0% |
| Covered Payroll | 396,807 |
| UAAL as a percentage of covered payroll | 430% |

Actuarial Methods and Assumptions - Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. 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. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time 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.

In the January 1, 2015 actuarial valuation, the unit credit actuarial cost method was used. The actuarial assumptions included a 4% discount rate for valuing liabilities. The RP Mortality system table with floating Scale AA projections were used for both males and females. Retirement rate assumptions differ by employment group and date of plan participation. It was assumed that 100% of employees who elect coverage while in active employment and who are eligible for retiree medical benefits will elect to continue medical coverage in retirement. For those who elect coverage, it was assumed that they will continue to be covered by the same plan as retirees that they were in while active. It was assumed that 100% of members electing coverage will also elect coverage for a spouse. The medical cost inflation trend assumed an increase between 4.1% and 6.1%.

See Auditors' Report.

LINCOLN PARISH ASSESSOR
Ruston, Louisiana
Notes to Financial Statements

NOTE 8 - RELATED PARTY TRANSACTIONS

The Lincoln Parish Assessor entered into a cooperative endeavor agreement with the Lincoln Parish Police Jury, the City of Ruston, Lincoln Parish Clerk of Court, Lincoln Parish Fire District No. 1, Lincoln Parish Sheriff, and the Lincoln Parish Communication District No. 1 to create the Lincoln Parish Geographic Information System (GIS) District. GIS is governed by a board of seven members, including the Lincoln Parish Assessor. The Lincoln Parish Assessor agreed to a one year commitment to provide funds up to \$25,000 plus internet costs for the next year. The Assessor paid \$25,000 in 2015 to GIS.

The Lincoln Parish Assessor's office is located in the a building owned by the Police Jury. The Police Jury provides the office space for the Assessor's office. Minor repairs, electricity, water, and sewer fees are all paid by the Police Jury.

The Lincoln Parish Assessor and ten other political subdivisions entered into a cooperative endeavor to create the Lincoln Parish Information Technology Department (IT Department). The IT Department will be governed by a board. The board will consist of a member from each political subdivision. The IT Department shall assist in the technical aspects of and support for the various computer systems of each political subdivision. The Lincoln Parish Assessor agreed to a one year commitment to provide funds of \$14,000. The Assessor paid \$14,000 in 2015 to the IT Department.

NOTE 9 - LEASE

In March 2012, the Assessor entered into a five year cancelable operating lease for a Xerox copier. The lease calls for 60 monthly payments of \$243. In the current fiscal year, a total of \$2,916 was paid on the copier lease.

NOTE 10 - CONTRACTS AND COMMITMENTS

The Assessor's office entered into a contract with ESRI for additional software starting in 2012. The total fee for this in 2015 was \$3,900.

The Assessor's office entered into a contract with DataScout, LLC to host and utilize Database property records. The original term was September 2013 through December 2013. The Contract will automatically renew for a two year period ending December 31, 2015. Various factors are used to calculate the cost. In 2015, the Assessor paid \$5,708.

The Assessor's office entered into a contract with Arkansas CAMA Technology to assist in professional appraisal services during the 2013-2016 reassessment cycle. The services will be billed on an hourly basis. In 2015 the Assessor paid \$14,516 for the services.

See Auditors' Report.

LINCOLN PARISH ASSESSOR
Ruston, Louisiana
Notes to Financial Statements

NOTE 11- 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; injuries to employees; and natural disasters. The Assessor has obtained coverage from various commercial insurance companies to reduce the exposure to these risks.

See Auditors' Report.

**OTHER REQUIRED
SUPPLEMENTARY INFORMATION**

LINCOLN PARISH ASSESSOR
Ruston, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual - Governmental Fund Type
For the Year Ended December 31, 2015
(Unaudited)

| | Budget | Actual | Variance Favorable (Unfavorable) |
|--|---------|-----------|--|
| Revenues | | | |
| Ad Valorem Taxes | 820,000 | 870,358 | 50,358 |
| State Revenue Sharing | 46,500 | 46,776 | 276 |
| Other Revenue - preparing tax rolls, etc. | 23,700 | 45,429 | 21,729 |
| Interest | 4,200 | 2,376 | (1,824) |
| | 894,400 | 964,939 | 70,539 |
| Total Revenues | | | |
| Expenditures | | | |
| Current - | | | |
| General Government: | | | |
| Intergovernmental | 25,000 | 25,000 | - |
| Personnel Services and Related Benefits | 631,500 | 563,319 | 68,181 |
| Operating Service | 98,750 | 86,919 | 11,831 |
| Materials and Supplies | 21,000 | 14,949 | 6,051 |
| Travel and Other Charges | 30,266 | 18,856 | 11,410 |
| Capital Outlay | 15,000 | - | 15,000 |
| | 821,516 | 709,043 | 112,473 |
| Total Expenditures | | | |
| Net Change in Fund Balance | 72,884 | 255,896 | 183,012 |
| Fund Balance - Beginning of Year | | 2,049,969 | |
| Fund Balance - End of Year | | 2,305,865 | |

See Auditors' Report. The accompanying notes are an integral part of the basic financial statements.

LINCOLN PARISH ASSESSOR
Ruston, Louisiana

Schedule of Funding Progress for the Other Postemployment Benefits Plan
For the Year Ended December 31, 2015
(Unaudited)

| Actuarial Valuation Date | Actuarial Value of Assets (a) | Actuarial Accrued Liability (AAL) - Projected Unit Cost (b) | Unfunded AAL (UAAL) (b-a) | Fund Ratio (a/b) | Covered Payroll (c) | UAAL as a Percentage of Covered Payroll {b-a/c} |
|--------------------------------|--|---|---------------------------------|------------------------|-----------------------------|---|
| Jan 1, 2012 | None | \$2,335,111 | \$2,335,111 | 0.0% | \$452,985 | 515% |
| Jan 1, 2013 | None | \$2,335,111 | \$2,335,111 | 0.0% | \$400,522 | 583% |
| Jan 1, 2014 | None | \$2,335,111 | \$2,335,111 | 0.0% | \$431,346 | 541% |
| Jan 1, 2015 | None | 1,707,018 | 1,707,018 | 0.0% | \$396,807 | 430% |

See Auditors' Report. The accompanying notes are an integral part of the basic financial statements.

Lincoln Parish Assessor
Schedule of Required Pension Contributions
For the Year Ended December 31, 2015

| | |
|--|---------|
| Contractually required contribtuion | 53,569 |
| Contributions in relation to the contractually required contribution | 53,569 |
| Contribution deficiency (excess) | - |
| Assessor's covered employee payroll | 396,807 |
| Contributions as a percentage of covered-employee payroll | 13.50% |

Schedule is intended to show information for 10 years. Additional years years will be presented as they become available.

See Auditors' Report. The accompanying notes are an integral part of the basic financial statements.

Lincoln Parish Assessor
 Schedule of Proportional Share of The Net Pension
 Liability and Related Ratios
 For the Year Ended December 31, 2015

| | |
|--|---------|
| Assessor's proportion of the Net Pension Liability | 0.97095 |
| Assessor's Proportionate share of the Net Pension Liability | 508,120 |
| State's proportionate share of the Net Pension Liability associated with the Assessor | 0 |
| Total | 508,120 |
| Assessor's Covered employee payroll | 396,807 |
| Assessor's proportionate share of the Net Pension Liability as a percentage of its covered employee payroll | 128.05% |
| Plan Fiduciary Net Position as a percentage of the total Pension Liability | 85.57% |

The State makes required contributions to the various retirement systems.
 The State's share of the Net Pension Liability is not stated.

Schedule is intended to show information for 10 years. Additional
 years will be presented as they become available.

See Auditors' Report. The accompanying notes are an integral part of the
 basic financial statements.

OTHER FINANCIAL INFORMATION

LINCOLN PARISH ASSESSOR
Ruston, Louisiana

Schedule of Compensation, Reimbursements, Benefits and Other Payments
to the Agency Head
For the Year Ended December 31, 2015

| | |
|-----------------------------|-----------------------|
| Salary | 112,660 |
| Expense Checks | 11,266 |
| Benefits - Insurance | 15,086 |
| Benefits - Retirement | 16,730 |
| Deferred Compensation Match | 4,800 |
| Travel | 1,522 |
| Registration Fees | 910 |
| Conference Travel | 2,366 |
| Dues | <u>175</u> |
| | <u><u>165,515</u></u> |

See Auditors' Report. The accompanying notes are an integral part of the basic financial statements.

COCHRAN, CLARK, ROBINSON & THOMASON

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INDEPENDENT AUDITORS' 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*

Lincoln Parish Assessor
Ruston, 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 and each major fund of the Lincoln Parish Assessor, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Lincoln Parish Assessor's basic financial statements, and have issued our report thereon dated June 10, 2016.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

COCHRAN, CLARK, ROBINSON & THOMASON



Rayville, LA
June 10, 2016

LINCOLN PARISH ASSESSOR
RUSTON, LOUISIANA

Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2015

A. SUMMARY OF AUDIT RESULTS

1. The Auditors' report expresses an unqualified opinion on the financial statements of the Lincoln Parish Assessor.
2. No instances of noncompliance material to the financial statements of the Lincoln Parish Assessor were disclosed during the audit.
3. No significant deficiency relating to the audit of the financial statements are reported in the Independent Auditors' 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.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

None

See Auditors' Report.