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**LINCOLN PARISH ASSESSOR
RUSTON, LOUISIANA**
FINANCIAL STATEMENTS
DECEMBER 31, 1998

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

Release Date 7-21-99

**LINCOLN PARISH ASSESSOR
RUSTON, LOUISIANA**

FINANCIAL STATEMENTS

DECEMBER 31, 1998

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DON M. McGEHEE
(A Professional Accounting Corporation)
P.O. Box 1344
806 North Trenton
Ruston Louisiana 71273-1344

INDEPENDENT AUDITOR'S REPORT

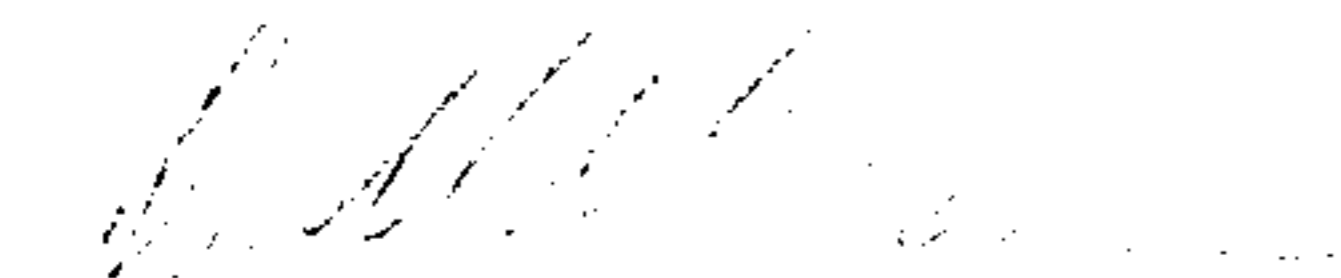
The Honorable Jewette Farley, CAE, CLA
Lincoln Parish Assessor
P.O. Box 1218
Ruston, Louisiana 71273

I have audited the accompanying general purpose financial statements of Lincoln Parish Assessor, a component unit of the Lincoln Parish Police Jury, as of and for the two years ended December 31, 1998, as listed in the table of contents. These general purpose financial statements are the responsibility of Lincoln Parish Assessor's office management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

I conducted my audits in accordance with generally accepted auditing standards 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 I plan and perform the audits to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. I believe that my audits provide a reasonable basis for my opinion.

In my opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Lincoln Parish Assessor as of December 31, 1998, and the results of its operations for the two years then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, I have also issued my report dated April 30, 1999, on my consideration of Lincoln Parish Assessor's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grants.



Don M. McGehee
Certified Public Accountant
April 30, 1999

**LINCOLN PARISH ASSESSOR
RUSTON, LOUISIANA**

COMBINED BALANCE SHEET--ALL FUND TYPES AND ACCOUNT GROUPS
DECEMBER 31, 1998
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 1997

	<u>Governmental</u> <u>Fund Type</u>	<u>Account</u> <u>Group</u>	<u>Totals</u> <u>(Memorandum Only)</u>	
	General Fund	General Fixed Assets	1998	1997
ASSETS				
Cash	\$ 20,732	\$ 0	\$ 20,732	\$ 26,547
Investments	1,193,000	0	1,193,000	1,120,902
Accounts Receivable, net	331,830	0	331,830	330,860
Interest Receivable	3,123	0	3,123	891
Insurance Deposit	0	0	0	497
Furniture and Equipment	<u>0</u>	<u>133,346</u>	<u>133,346</u>	<u>111,141</u>
TOTAL ASSETS	<u>\$ 1,548,685</u>	<u>\$ 133,346</u>	<u>\$ 1,682,031</u>	<u>\$ 1,590,838</u>
LIABILITIES AND EQUITY				
LIABILITIES				
Accounts Payable	\$ 5,856	\$ 0	\$ 5,856	\$ 6,512
Deferred Revenue	<u>19,168</u>	<u>0</u>	<u>19,168</u>	<u>17,075</u>
TOTAL LIABILITIES	<u>25,024</u>	<u>0</u>	<u>25,024</u>	<u>23,587</u>
FUND EQUITY				
Investment in General Fixed Assets	0	133,346	133,346	111,141
Fund Balance-				
Unreserved and Undesignated	<u>1,523,661</u>	<u>0</u>	<u>1,523,661</u>	<u>1,456,110</u>
TOTAL FUND EQUITY	<u>1,523,661</u>	<u>133,346</u>	<u>1,657,007</u>	<u>1,567,251</u>
TOTAL LIABILITIES AND EQUITY	<u>\$ 1,548,685</u>	<u>\$ 133,346</u>	<u>\$ 1,682,031</u>	<u>\$ 1,590,838</u>

See accompanying notes to financial statements.

**LINCOLN PARISH ASSESSOR
RUSTON, LOUISIANA**
STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE
FOR THE YEARS ENDED DECEMBER 31, 1998 AND 1997

	<u>1998</u>	<u>1997</u>
REVENUES		
Ad Valorem Taxes	\$ 318,349	\$ 320,149
Intergovernmental-State Revenue Sharing	47,727	48,069
Commissions for Services	12,927	12,080
Fees for Preparing Tax Roll	15,940	16,146
Interest Income	63,943	62,311
Other Revenues	4,255	3,482
TOTAL REVENUES	<u>463,141</u>	<u>462,237</u>
EXPENDITURES		
Capital Outlay	22,205	5,062
Intergovernmental-GIS Commission	20,000	20,000
Material and Supplies		
Auto Expense	1,423	1,887
Library	745	611
Office Supplies	8,283	8,393
Operating Services		
Dues and Subscriptions	2,187	1,684
Equipment Maintenance	9,346	8,398
Insurance	1,333	1,402
Lease	6,728	6,728
Postage	6,195	5,621
Professional Fees	6,373	2,754
Publishing Notices	35	85
Telephone	4,298	4,617
Personal Services and Related Expenses		
Salaries	230,247	226,008
Fringe Benefits	51,382	51,940
Payroll Taxes	5,319	5,197
Workman's Compensation	2,138	2,175
Travel	17,353	14,589
TOTAL EXPENDITURES	<u>395,590</u>	<u>367,151</u>
EXCESS OF REVENUES OVER EXPENDITURES	67,551	95,086
FUND BALANCE-BEGINNING	<u>1,456,110</u>	<u>1,361,024</u>
FUND BALANCE-ENDING	<u>\$ 1,523,661</u>	<u>\$ 1,456,110</u>

See accompanying notes to financial statements.

**LINCOLN PARISH ASSESSOR
RUSTON, LOUISIANA**

STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE--
BUDGET (GAAP BASIS) AND ACTUAL--GOVERNMENTAL FUND TYPE
FOR THE YEARS ENDED DECEMBER 31, 1998 AND 1997

	1998		Variance Favorable (Unfavorable)
	Budget	Actual	
REVENUES			
Ad Valorem Taxes	\$ 320,730	\$ 318,349	\$ (2,381)
State Revenue Sharing	48,043	47,727	(316)
Commissions for Services	12,280	12,927	647
Fees for Preparing Tax Roll	14,275	15,940	1,665
Interest Income	50,000	63,943	13,943
Other Revenues	3,000	4,255	1,255
TOTAL REVENUES	<u>448,328</u>	<u>463,141</u>	<u>14,813</u>
EXPENSES			
Capital Outlay	20,000	22,205	(2,205)
Intergovernmental-GIS Commission	20,000	20,000	0
Material and Supplies			
Auto Expense	2,500	1,423	1,077
Library	1,000	745	255
Office Supplies	9,500	8,283	1,217
Operating Services			
Dues and Subscriptions	1,850	2,187	(337)
Equipment Maintenance	9,800	9,346	454
Insurance	2,250	1,333	917
Lease	6,755	6,728	27
Postage	6,000	6,195	(195)
Professional Fees	8,250	6,373	1,877
Publishing Notices	200	35	165
Telephone	5,000	4,298	702
Personal Services and Related Expenses			
Salaries	240,930	230,247	10,683
Fringe Benefits	52,810	51,382	1,428
Payroll Taxes	5,700	5,319	381
Workman's Compensation	2,500	2,138	362
Travel	18,455	17,353	1,102
TOTAL EXPENDITURES	<u>413,500</u>	<u>395,590</u>	<u>17,910</u>
EXCESS OF REVENUES OVER EXPENDITURES	34,828	67,551	32,723
FUND BALANCE-BEGINNING	<u>1,441,000</u>	<u>1,456,110</u>	<u>15,110</u>
FUND BALANCE-ENDING	<u>\$ 1,475,828</u>	<u>\$ 1,523,661</u>	<u>\$ 47,833</u>

See accompanying notes to financial statements.

1997

Budget	Actual	Variance Favorable (Unfavorable)
\$ 302,145	\$ 320,149	\$ 18,004
48,043	48,069	26
12,000	12,080	80
14,275	16,146	1,871
45,000	62,311	17,311
2,600	3,482	882
<u>424,063</u>	<u>462,237</u>	<u>38,174</u>
10,000	5,062	4,938
20,000	20,000	0
2,500	1,887	613
1,000	611	389
9,500	8,393	1,107
1,850	1,684	166
9,600	8,398	1,202
2,250	1,402	848
6,755	6,728	27
7,000	5,621	1,379
9,250	2,754	6,496
200	85	115
5,000	4,617	383
212,316	226,008	(13,692)
48,520	51,940	(3,420)
5,150	5,197	(47)
2,300	2,175	125
16,576	14,589	1,987
<u>369,767</u>	<u>367,151</u>	<u>2,616</u>
54,296	95,086	40,790
<u>1,345,000</u>	<u>1,361,024</u>	<u>16,024</u>
<u>\$ 1,399,296</u>	<u>\$ 1,456,110</u>	<u>\$ 56,814</u>

LINCOLN PARISH ASSESSOR
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

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, beginning January 1 following the year in which elected. The assessor assesses all real and movable property in the parish subject to ad valorem taxation, prepares tax rolls, and submits the rolls to the Louisiana Tax Commission and other governmental bodies as prescribed by law. The assessor is authorized to appoint as many deputies as necessary for the efficient operation of his office and to provide assistance to the taxpayers of the parish.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of the Lincoln Parish Tax Assessor conform to generally accepted accounting principles as applied to governmental units. The accounting and reporting procedures conform to the requirements of Louisiana Revised Statutes 24:513 and to the guides set forth in the Louisiana Governmental Audit Guide and to the industry audit guide, Audits of State and Local Governmental Units, published by the American Institute of Certified Public Accountants.

A. Reporting Entity

For financial reporting purposes, in conformity with GASB Statement No. 14, the Lincoln Parish Assessor is a component unit of the Lincoln Parish Police Jury. For the purposes of this financial report, this component unit serves as the nucleus for its own financial reporting entity and issues separate financial statements.

B. Fund Accounting

The accounts of the Lincoln Parish Assessor are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The fund presented in the financial statements is described as follows:

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.

C. Fixed Assets

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the general fixed assets account group, rather than in the General Fund. Fixed assets provided by the police jury are not recorded in the general fixed assets account group. Fixed assets are recorded at cost or estimated historical costs based on the actual costs of like items. No depreciation has been provided on general fixed assets.

LINCOLN PARISH ASSESSOR
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Measurement Focus

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds and trust funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

E. Basis of Accounting

The modified accrual basis of accounting is used by all governmental fund types. 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 be used to pay liabilities of the current period. The Assessor uses the following practices in recognizing and reporting revenues and expenditures:

Revenues

Ad valorem taxes and the related state revenue sharing 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.

Fees for preparing tax rolls are recognized in the period in which they are earned. Commissions on fire protection fees are recognized in the period in which they are earned. Other revenue is recognized when cash is received. The Lincoln Parish Assessor considers ad valorem taxes, state revenue sharing, commission on fire fees, fees for preparing tax rolls, and interest income as susceptible to accrual.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

The Lincoln Parish Assessor reports deferred revenue on its combined balance sheet. Deferred revenues 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 liability for deferred revenue is removed from the combined balance sheet and revenue is recognized.

F. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

LINCOLN PARISH ASSESSOR
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. Budgetary Practices

The Lincoln Parish Assessor adopted an operating budget on a basis consistent with generally accepted accounting principles on its governmental fund type for the year ended December 31, 1998 and 1997, as required by generally accepted accounting principles as applicable to governmental units and as required by Louisiana law.

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. Formal budgetary integration is employed as a management control device during the year.

H. Vacation and Sick Leave

All employees receive from ten to fifteen days of noncumulative vacation leave each year, depending on length of service. 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. At December 31, 1998 and 1997, there are no accumulated and vested benefits relating to vacation and sick leave that require accrual or disclosure.

I. Memorandum Only - Total Columns

Total columns on the general purpose financial statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. *Interfund eliminations have not been made in the aggregation of this data.*

NOTE 2 - CASH AND INVESTMENTS

Cash and investments consist of interest bearing demand deposits and time deposits, respectively. Under state law, the assessor may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. Deposits are carried at cost which approximates market value.

Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The 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.

At December 31, 1998, the carrying amount of deposits was \$1,213,732 and the bank balance \$1,223,003. The bank balance was covered by federal depository insurance and securities pledged by the bank. Cash and investments (bank balances) at December 31, 1998, are secured as follows:

Federal Deposit Insurance	\$ 242,000
Pledged Securities	<u>981,003</u>
Total	<u>\$ 1,223,003</u>

LINCOLN PARISH ASSESSOR
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

NOTE 2 - CASH AND INVESTMENTS (continued)

Because the pledged securities are held by the custodial bank in the name of the fiscal agent bank rather than in the name of the assessor, they are considered uncollateralized (Category 3) under the provisions of GASB codification C20.106.

NOTE 3 - LEVIED TAXES

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. For the year ended December 31, 1998 and 1997, the Lincoln Parish Assessor levied 2.51 mills to provide funding for his office.

The following are the principal taxpayers for the parish and their 1998 assessed valuation:

	1998 Assessed Valuation	Per Cent of Total Assessed Valuation
Mississippi River Transmission Corporation	\$ 7,967,470	12.35 %
Bell South Telecommunications	4,508,110	6.99 %
Noram Gas Transmission Company	4,179,200	6.48 %
Laclede Gas Co.	3,899,600	6.05 %
Entergy Louisiana, Inc.	3,475,040	5.39 %
Willamette Industries, Inc.	3,010,330	4.67 %
Ball-Foster Glass Container Corporation	2,971,360	4.61 %
Noram Energy Corporation	2,866,370	4.44 %
Bank One	1,652,400	2.56 %
Central Bank	<u>1,538,860</u>	<u>2.39 %</u>
Total	<u>\$ 6,068,740</u>	<u>55.93 %</u>

NOTE 4 - RECEIVABLES

The general fund receivables, including the applicable allowance for uncollectible accounts, are as follows:

Ad valorem Taxes	\$ 315,385
Less: Allowance for Uncollectibles	<u>(357)</u>
Net Ad valorem Taxes Receivable	315,028
Tax Roll Fees	7,247
Fire Fees	<u>9,555</u>
Total	<u>\$ 331,830</u>

NOTE 5 - CHANGES IN FIXED ASSETS

A summary of changes in office furnishings and equipment is as follows:

Balance at January 1, 1997	\$ 106,079
Additions	<u>5,062</u>
Balance at December 31, 1997	111,141
Additions	<u>22,205</u>
Balance at December 31, 1998	<u>\$ 133,346</u>

LINCOLN PARISH ASSESSOR
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

NOTE 6 - PENSION PLAN

Substantially all employees of the Lincoln Parish Assessor's office are members of the Louisiana Assessor's Retirement System (system), a multiple-employer (cost-sharing), public employee retirement system (PERS), controlled and administered by a separate board of trustees. The system provides retirement, death, and disability benefits to plan members and beneficiaries. Benefits are established by statute.

The system issues an annual publicly available report that includes financial statements and required supplementary information for the system. That report may be obtained by writing to the Louisiana Assessor's Retirement System, Post Office Box 1786, Shreveport, Louisiana 71166-1786 or by calling (318)425-4446.

Plan members are required by state statute to contribute 7.00% of their annual covered salary and the Lincoln Parish Assessor is required to contribute at an actuarially determined rate. The rate of annual covered payroll was 5.50% January through September, 1997 and 5.75% October, 1997 through December, 1998. Contributions to the system include .0025% 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 Lincoln Parish Assessor are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Lincoln Parish Assessor's contributions to the system for the year ended December 31, 1998 and 1997 was \$13,511 and \$12,733, respectively, equal to the required contributions for the year.

NOTE 7 - POST EMPLOYMENT BENEFITS

The Lincoln Parish Assessor provides certain continuing health care and life insurance benefits for its retired employees. Substantially all of the assessor's employees become eligible for these benefits if they reach normal retirement age while working for the assessor. These benefits for retirees and similar benefits for active employees are provided through an insurance company whose monthly premiums are paid jointly by the employee and the assessor. The assessor paid 94.42% of the premiums and the retirees paid 5.58% of the premiums.

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, 1998 and 1997, the total amount of premiums paid was \$37,872 and \$39,207, respectively, while the amount paid for the two eligible retirees totaled \$6,101 and \$6,101, respectively. These premiums are financed on a "pay-as-you-go" basis.

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, and the Lincoln Parish Communication District No. 1 to create the Lincoln Parish Geographic Information System (GIS). GIS is governed by a board of eight commissioners, including the Lincoln Parish Assessor and one representative appointed by him. The Lincoln Parish Assessor agreed to a five year commitment to provide funds up to \$30,000 each year beginning in January, 1994. The Assessor paid \$20,000 and \$20,000 in 1998 and 1997 respectively, to GIS, including \$1,667 and \$8,567 in accounts payable at December 31, 1998 and 1997 respectively.

LINCOLN PARISH ASSESSOR
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

NOTE 9 - LEASE

The Lincoln Parish Assessor leases a vehicle under a three year cancelable operating lease agreement. The agreement requires the assessor to buy and maintain liability and physical damage insurance and to maintain and repair the vehicle to keep it in good working order and condition. At the end of the lease, the assessor may be required to pay an additional charge to lessor for excess wear and excess mileage. If the lease is terminated before the three year term has expired, a similar charge may be required.

NOTE 10 - YEAR 2000 ISSUE

The Lincoln Parish Assessor is aware of the Year 2000 issue and that it could affect the operations of the computers used in the office. There has been no formalized plan or budget adopted to deal with the year 2000 issue at this time.

ADDITIONAL REPORTS

DON M. McGEHEE
(A Professional Accounting Corporation)
P.O. Box 1344
806 North Trenton
Ruston, Louisiana 71273-1344

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

The Honorable Jewette Farley, CAE, CLA
Lincoln Parish Assessor
P.O. Box 1218
Ruston, Louisiana 71273

I have audited the general purpose financial statements of the Lincoln Parish Assessor, a component unit of the Lincoln Parish Police Jury, as of and for the two years ended December 31, 1998, and have issued my report thereon dated April 30, 1999. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Lincoln Parish Assessor's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, 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 my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

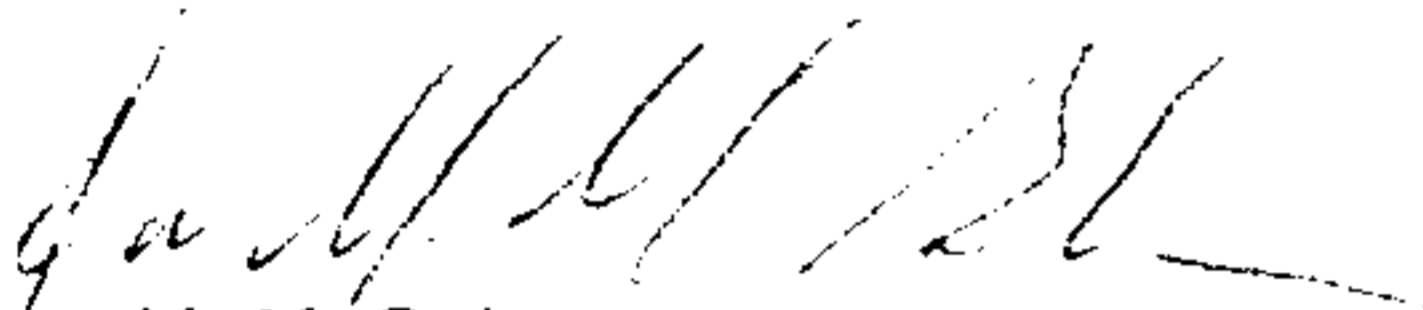
In planning and performing my audit, I considered the Lincoln Parish Assessor's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. However, I noted certain matters involving the internal control over financial reporting and its operation that I consider to be a reportable condition. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in my judgement, could adversely affect the Lincoln Parish Assessor's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements. This reportable condition is described below:

It came to my attention that the Lincoln Parish Assessor's Office has too few personnel involved in the accounting system to have adequate separation of duties for internal control.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, I consider the reportable condition described above to be a material weakness.

My prior audit report, dated February 21, 1997, did not include any comments or unresolved matters.

This report is intended for the information of the assessor, management, the Legislative Auditor of Louisiana, and the Lincoln Parish Police Jury. However, this report is a matter of public record and its distribution is not limited.



Don M. McGehee
Certified Public Accountant
April 30, 1999

**LINCOLN PARISH ASSESSOR
RUSTON, LOUISIANA**
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE TWO YEARS ENDED DECEMBER 31, 1998

I have audited the financial statements of the Lincoln Parish Assessor as of and for the two years ended December 31, 1998, and have issued my report thereon dated April 30, 1999. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. My audit of the financial statements as of December 31, 1998 resulted in an unqualified opinion.

Section I Summary of Auditor's Reports

Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses Yes No Reportable Conditions Yes No

Compliance

Compliance Material to Financial Statements Yes No

Section II Financial Statement Findings

1998-1. The Lincoln Parish Assessor Office has too few personnel involved in the accounting system to have adequate separation of duties for internal control.

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**LINCOLN PARISH ASSESSOR
RUSTON, LOUISIANA**
MANAGEMENT'S CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED DECEMBER 31, 1998

SECTION 1 INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENT

FINDINGS

1998-1 Too few personnel involved in the accounting system to have adequate separation of duties for internal control.

RESPONSE

It would not be cost-effective to hire additional personnel to provide adequate separation of duties for internal control with such a small workload.