

LINCOLN PARISH ASSESSOR
RUSTON, LOUISIANA

FINANCIAL STATEMENTS
DECEMBER 31, 2017

LINCOLN PARISH ASSESSOR
DECEMBER 31, 2017

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COCHRAN, CLARK, ROBINSON & THOMASON

A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS
905 JULIA STREET · P.O. BOX 538 · RAYVILLE, LA 71269

SUSAN C. COCHRAN, CPA
A. CARLTON CLARK III, CPA/ABV, CVA
RENEE' ROBINSON, CPA
LASLEY D. THOMASON II, CPA, CVA

PHONE (318) 728-4855
PHONE (318) 728-5670
FAX (318) 728-6618
CCR@CCRCPA.NET

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, 2017, 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, 2017, 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 39), the Schedule of Funding Progress for the Other Postemployment Benefits Plan (page 40), 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 44 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Schedule of Compensation, Reimbursements, 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 15, 2018, 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 15, 2018

**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, 2017. 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 Positions) by \$976,275 for 2017.
- Total Net Positions is comprised of the following:

December 31, 2017

- (1) Capital assets of \$40,466 include property and equipment, net of accumulated depreciation.
 - (2) Unrestricted assets of \$935,809 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 \$2,774,068 for 2017. The total fund balance is unreserved.
 - At the end of the current calendar year, unreserved fund balance for the General Fund was \$2,774,068 or 369% 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 2017, 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, 2017. 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.

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 year 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 position:

	Summary of Net Position			
	<u>2017</u>		<u>2016</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	2,842,651	93%	2,601,305	91%
Capital Assets	<u>40,466</u>	<u>1%</u>	<u>48,172</u>	<u>2%</u>
Total Assets	<u>2,883,117</u>	<u>94%</u>	<u>2,649,477</u>	<u>93%</u>
Deferred Outflow	<u>157,928</u>	<u>6%</u>	<u>205,215</u>	<u>7%</u>
Total Assets and Deferrals	<u>3,041,045</u>	<u>100%</u>	<u>2,854,692</u>	<u>100%</u>
Liabilities:				
Current Liabilities	5,793	0%	5,501	0%
Deferred Inflow	152,970	7%	82,273	4%
Long-Term Other				
Postemployment Benefits and Retirement Payable	<u>1,906,007</u>	<u>93%</u>	<u>1,963,223</u>	<u>96%</u>
Total Liabilities and Deferred Inflow	<u>2,064,770</u>	<u>100%</u>	<u>2,050,997</u>	<u>100%</u>
Net Position:				
Net Investment in Capital				
Assets	40,466	4%	48,172	6%
Unrestricted	<u>935,809</u>	<u>96%</u>	<u>755,523</u>	<u>94%</u>
Total Net Position	<u>976,275</u>	<u>100%</u>	<u>803,695</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>2017</u>	<u>2016</u>
Current Ratio	491 to 1	473 to 1

These are strong ratios.

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

2017 Increase 172,580
 2016 Increase 399,163

Note that 4%-6% of the governmental activities' net position 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 position:

	Summary of Changes in Net Position			
	2017		2016	
	Governmental Activities	% of Total	Governmental Activities	% of Total
Revenues:				
Program:				
Charges for Services	39,692	4%	35,298	3%
General:				
Taxes	897,149	80%	901,759	79%
State revenue sharing	46,239	4%	47,385	4%
Non-employer Pension Contribution	121,831	11%	163,311	14%
Interest	9,265	1%	3,493	0%
Total Revenues	<u>1,114,176</u>	<u>100%</u>	<u>1,151,246</u>	<u>100%</u>
Program Expenses:				
Operational:				
Salaries and benefits	580,470	62%	564,630	76%
Other Postemployment Benefits & Retirement Allocation	182,603	19%	(23,310)	-3%
Operating Services	127,839	14%	150,245	20%
Materials and Supplies	18,699	2%	15,322	2%
Travel and Other	22,258	2%	23,251	3%
Depreciation	9,727	1%	15,198	2%
Total Expenses:	<u>941,596</u>	<u>100%</u>	<u>745,336</u>	<u>100%</u>
Disposal of Assets	-		6,747	
Total Change in Net Position	172,580		399,163	
Beginning Net Position	<u>803,695</u>		<u>404,532</u>	
Ending Net Position	<u>976,275</u>		<u>803,695</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>2017</u>	<u>2016</u>
Property Tax	80%	79%
State Revenue Sharing	4%	4%
Non-employee Pension Contribution	11%	14%
Interest	<u>1%</u>	<u>-%</u>
Total General Revenues	<u>96%</u>	<u>97%</u>
Program Revenues	<u>4%</u>	<u>3%</u>
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>2017</u>	<u>2016</u>
Salaries and Benefits	62%	76%
Retirement Allocation & Other		
Postemployment Benefits	19%	-3%
Operating Services	14%	20%
Materials and Supplies	2%	2%

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 through 2017 the fund balance increased.

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total fund balance	2,774,068	2,525,172	2,305,865	2,049,969
Change from prior year	248,896	219,307	255,896	177,654

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>2017</u>	<u>2016</u>
Property Tax	904,991	890,860
State Revenue Sharing	46,236	47,385

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

	<u>2017</u>	<u>2016</u>
Salaries and Benefits	+5%	+10%
Operating services	-16%	+ 6%
Materials and supplies	+22%	- 0%

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>2017</u>	<u>2016</u>
Fund balance as a % of Annual expenditures	369%	333%

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 2017, the Parish Assessor realized 103% of the revenue budget and the actual expenditures were only 81% of the budgeted amounts.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

	<u>Governmental Activities</u>	
	<u>2017</u>	<u>2016</u>
Capital assets:		
Equipment, furniture and fixtures	157,093	155,071
Less accumulated depreciation	(116,627)	(106,899)
Book value-capital assets	<u>40,466</u>	<u>48,172</u>

The depreciable capital assets for governmental activities were 91% depreciated at the end of 2017 and 84% depreciated at the end of 2016. The total percentage of depreciated capital assets is quite high, (i.e. over ninety percent 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.

For retirement reporting, GASB 68 was implemented to report the pension cost, liabilities, deferred outflows and deferred inflows. 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, 2017

ASSETS

Cash and interest-bearing deposits	1,975,498
Taxes Receivable (net)	867,153
Capital assets (net)	<u>40,466</u>
Total Assets	2,883,117
Deferred Outflows of Resources	<u>157,928</u>
Total Assets and Deferred Outflows	<u>3,041,045</u>

LIABILITIES

Accounts Payable	5,793
Net Pension Liabilities	161,554
Other Post Employment Benefits Payable	<u>1,744,453</u>
Total Liabilities	1,911,800
Deferred Inflows of Resources	<u>152,970</u>
Total Liabilities and Deferred Inflows	<u>2,064,770</u>

NET POSITION

Net Investment in Capital Assets	40,466
Unrestricted	<u>935,809</u>
Total Net Position	<u><u>976,275</u></u>

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

LINCOLN PARISH ASSESSOR
Ruston, Louisiana

Statement of Activities - Government Activities
December 31, 2017

Activities	Expenses	<u>Program Revenues</u> Charges for Services	Net (Expense) Revenues and Changes in Net Positions Governmental Activities
Governmental Activities:			
General Government	941,596	39,692	(901,904)
General revenues:			
Taxes:			
Property taxes, levied for general purpose:			897,149
State revenue sharing			46,239
Non-Employer Pension Contribution			121,831
Interest and Investment Earnings			9,265
Total General Revenues			<u>1,074,484</u>
Change in Net Position			172,580
Net Position - Beginning			<u>803,695</u>
Net Position - Ending			<u>976,275</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, 2017

ASSETS

Cash and interest-bearing deposits	1,975,498
Taxes Receivable (net)	<u>867,153</u>
Total Assets	<u><u>2,842,651</u></u>

LIABILITIES AND FUND BALANCE

LIABILITIES:

Accounts Payable	<u>5,793</u>
Total Liabilities	<u>5,793</u>

Deferred Inflows of Resources

Unavailable Taxes	<u>62,790</u>
Total Deferred Inflows of Resources	<u>62,790</u>
Total Liabilities and Deferred Inflows	<u>68,583</u>

FUND BALANCE:

Non-spendable fund balance	-
Restricted fund balance	-
Unrestricted fund balance	-
Committed fund balance	-
Assigned fund balance	-
Unassigned fund balance	<u>2,774,068</u>

Total Fund Balance	<u>2,774,068</u>
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Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u><u>2,842,651</u></u>
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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, 2017

Total fund balance for the Governmental Fund	2,774,068
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	40,466
Retirement payments are reported as expenditures in the governmental funds. In the government-wide statements these payments and other state retirement system deferrals are reported as Deferred Outflows of Resources	157,928
Fund liabilities include deferred earned revenues. However, the following liabilities are excluded from the statement of net position:	
Deferred Revenue	62,790
Government-wide statements report the Assessor's share of state retirement system deferrals as Deferred Inflows of Resources	(152,970)
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	(161,554)
Other Post Employment Benefits Payable	<u>(1,744,453)</u>
Total Net Position of Governmental Activities	<u><u>976,275</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, 2017

Revenues	
Ad Valorem Taxes	904,991
State Revenue Sharing	46,236
Other Revenue - preparing tax rolls, etc.	39,692
Interest	9,265
	<hr/>
Total Revenues	1,000,184
	<hr/>
Expenditures:	
Current -	
General Government:	
Intergovernmental	22,917
Personnel Services and Related Benefits	580,470
Operating Service	104,922
Materials and Supplies	18,699
Travel and Other Charges	22,258
Capital Outlay	2,022
	<hr/>
Total Expenditures	751,288
	<hr/>
Excess (Deficiency) of Revenues over expenditures	248,896
Fund Balance - Beginning of Year	2,525,172
	<hr/>
Fund Balance - End of Year	2,774,068
	<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, 2017

Total net changes in fund balance per Statement of Revenues, Expenditures, and Changes in Fund Balance		248,896
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.		
Expenditures for Capital Assets	2,022	
Less Current Year Depreciation	(9,727)	(7,705)
Governmental funds report deferred earned revenue as liabilities. However, in the statement of activities these revenues are fully accrued as follows:		
Current Year Deferrals	62,790	
Prior Year Deferrals	<u>(70,632)</u>	(7,842)
Other post-employment benefits are reported in the governmental funds as expenditures when paid. The unfunded annual liability is reported in the Statement of Activities fully accrued as follows:		
Prior Year Payable	1,647,850	
Current Year Payable	<u>(1,744,453)</u>	(96,603)
Governmental fund reports 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.		
		(85,997)
Government-wide statement of activities reports the Assessor's share of Non-employer pension contributions as part of the general revenue		
		<u>121,831</u>
Total Changes in Net Position per Statement of Activities		<u><u>172,580</u></u>

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 pecuniarily 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, Deferrals 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
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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)

Deferred Outflows and Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the Assessor has one item that qualifies for reporting in this category, deferred amounts related to pensions.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until then. Currently, the Assessor has one item that qualifies for reporting in this category, deferred amounts related to pensions.

Equity Classifications

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.

See Auditors' Report.

LINCOLN PARISH ASSESSOR
Ruston, Louisiana

Notes to Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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, 2017.

See Auditors' Report.

LINCOLN PARISH ASSESSOR
Ruston, Louisiana

Notes to Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 positions of the Louisiana Assessors' Retirement Fund and Subsidiary (LARF) and additions to/deductions from LARF's fiduciary net positions 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 positions 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.

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".

J. Subsequent Events

Management has evaluated subsequent events through June 15, 2018, the date the financial statements were available to be issued.

See Auditors' Report.

LINCOLN PARISH ASSESSOR
Ruston, Louisiana

Notes to Financial Statements

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, 2017 the Assessor has cash and interest-bearing deposits (book balances) as follows:

Demand Deposits	1,367,597
Time Deposits	<u>607,901</u>
	<u>1,975,498</u>

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, 2017 are secured as follows:

Bank Balances	<u>1,985,785</u>
Federal deposit insurance	1,000,000
Pledged securities (Category 3)	<u>985,785</u>
Total	<u>1,985,785</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 1.99 mills for 2017 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 2017 assessed valuation:

	2017 Assessed Valuation	Percent of Total Assessed Valuation
Range Louisiana Operating, LLC	40,849,945	8.99%
ETC Field (formerly) Regency Gas Gathering	11,767,772	2.59%
Roseburg Forest Products South LP	11,519,235	2.53%
Enable Mississippi River Trans	9,360,780	2.06%
Enable Gas Transfer	8,281,370	1.82%
Weyerhaeuser NR Company	7,242,976	1.59%
Entergy Louisiana Inc	6,374,330	1.40%
Origin Bank	6,082,461	1.34%
Ardaugh Glass Inc	6,445,999	1.42%
Midcontinent Express Pipeline, LLC	6,998,230	1.54%
Total	114,923,098	25.28%

NOTE 4 - CAPITAL ASSETS

Capital asset balances and activity for the year ended December 31, 2017 are as follows:

	Balance <u>1/01/17</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>12/31/17</u>
Capital Assets:				
Equipment, furniture and fixtures	155,071	2,022	-	157,093
Less accumulated depreciation:				
Equipment, furniture and fixtures	(106,900)	(9,727)	-	(116,627)
Net Capital Assets	<u>48,171</u>			<u>40,466</u>

Depreciation expense of \$9,727 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 Assessors 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, 2017 was 4.69%, the actual employer contribution rate for the plan year was 10.00%. 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 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, 2017
Actuarial cost method	Entry Age Normal
Investment rate of return	6.75%
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 6.75%. 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 positions 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, 2017, the Fund reported the following members:

Current retirees and beneficiaries	570
Terminated vested participants	13
Terminated due a refund	90
Active plan participants	<u>751</u>
Total	<u>1,424</u>

The Assessor's Deferred Outflow of Resources (employer's contributions subsequent to the measurement date) to the Fund was \$8,087.

The Fund issues an annual publicly available report that includes financial statements and required supplementary information for the

See Auditors' Report.

LINCOLN PARISH ASSESSOR
Ruston, Louisiana

Notes to Financial Statements

NOTE 5 - PENSION PLAN (continued)

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>9/30/2017</u>
Employer Contributions	40,420
Employer Allocation Percentage	0.920687
Net Pension Liability	161,554
Deferred Outflows of Resources:	
Differences between Expected & Actual Experience	18,007
Net Differences between Projected & Actual Earnings on Pension Plan Investments	-
Changes of Assumptions	101,042
Changes in Proportion	<u>23,163</u>
Total Deferred Outflow of Resources	<u>142,212</u>
Deferred Inflows of Resources:	
Differences between Expected & Actual Experience	50,722
Net Differences between Projected & Actual Earnings on Pension Plan Investments	62,516
Changes of Assumptions	-
Changes in Proportion	<u>37,857</u>
Total Deferred Inflows of Resources	<u>151,095</u>
Pension Expense:	
Proportionate Share of Plan Pension Expense	122,204
Net Amortization of Deferred amounts from Changes in Proportion	<u>(1,135)</u>
Total Employer Pension Expense	<u>121,069</u>
Proportionate Share	
Employer Contributions	40,669
Non-Employer Contributions	121,831
Schedule of Net Pension Liability	
Sensitivity to Change in Discount Rate	
Employer's Proportionate Share	0.920687
1 % Decrease	547,834
1% Increase	(169,590)
Amortization Schedule (net)	
2018	17,204
2019	25,434
2020	(40,242)
2021	(21,308)
2022	<u>10,029</u>
Net of Deferred Outflows and Inflows	<u><u>(8,883)</u></u>

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	406,804
Required Contribution	38,659

In the current year, the required contribution was funded 100%. The required contributions were also funded 100% in 2008 through 2016.

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 \$400 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 2017, the Assessor paid a total of \$34,435 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 2017 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 2017:

Annual required contribution	173,202
Interest of prior year Net OPEB Obligation	65,914
Adjustment to ARC	<u>(108,078)</u>
Annual OPEB Cost	131,038
Contributions made - current year retiree premiums	<u>(34,435)</u>
Change in Net OPEB obligation	96,603
Beginning Net OPEB obligation	<u>1,647,850</u>
Ending Net OPEB obligation	<u>1,744,453</u>

Using the pay-as-you-go method, the Assessor contributed 26% of the annual post employment benefits cost for the year ended December 31, 2017.

Funded Status and Funding Progress - During the year 2017, 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 2017.

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, 2017, 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	406,804
UAAL as a percentage of covered payroll	420%

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, 2017 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 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 4.14% 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 \$22,917 in 2017 to GIS.

The Lincoln Parish Assessor's office is located in 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 is governed by a board. The board consists 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 2017 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 March 2017, the Assessor's office entered into a new lease with Xerox. The lease calls for 60 monthly payments of \$256. In the current fiscal year, a total of \$3,046 was paid on the copier leases.

NOTE 10 - CONTRACTS AND COMMITMENTS

The Assessor's office entered into a contract with ESRI for additional software. The total fee for this in 2017 was \$3,900.

In 2017, the Assessor's office entered into a contract with DataScout, LLC to host and utilize Database property records. Various factors are used to calculate the cost. In 2017, the Assessor paid \$13,295.

The Assessor's office entered into a contract with Arkansas CAMA Technology to assist in professional appraisal services during the 2017-2020 reassessment cycle. The services will be billed on an hourly basis. In 2017 the Assessor paid \$22,494 for the services.

See Auditors' Report.

LINCOLN PARISH ASSESSOR
Ruston, Louisiana
Notes to Financial Statements

NOTE 10 - CONTRACTS AND COMMITMENTS (continued)

The Assessor's office entered into a contract with Pictometry International Corp (an aerial measurement software company) in February 2017. Total fees paid of the services were \$20,390.

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, 2017
(Unaudited)

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Ad Valorem Taxes	900,000	904,991	4,991
State Revenue Sharing	46,500	46,236	(264)
Other Revenue - preparing tax rolls, etc.	22,200	39,692	17,492
Interest	2,500	9,265	6,765
	971,200	1,000,184	28,984
Total Revenues			
Expenditures			
Current -			
General Government:			
Intergovernmental	25,000	22,917	2,083
Personnel Services and Related Benefits	657,000	580,470	76,530
Operating Service	173,750	104,922	68,828
Materials and Supplies	21,000	18,699	2,301
Travel and Other Charges	32,717	22,258	10,459
Capital Outlay	15,000	2,022	12,978
	924,467	751,288	173,179
Total Expenditures			
Excess (deficiency) of Revenues over expenditures	46,733	248,896	202,163
Fund Balance - Beginning of Year		2,525,172	
Fund Balance - End of Year		2,774,068	

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, 2017
(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%
Jan 1, 2016	None	\$1,707,018	\$1,707,018	0.0%	\$395,168	432%
Jan 1, 2017	None	\$1,707,018	\$1,707,018	0.0%	\$406,804	420%

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

Lincoln Parish Assessor
Schedule of Retirement Fund Required Contributions
For the Years Ended December 31, 2017, 2016, and 2015

	Year-end <u>2017</u>	Year-end <u>2016</u>	Year-end <u>2015</u>
Contractually required contribtuion	38,659	49,901	53,569
Contributions in relation to the contractually required contribution	38,659	49,901	53,569
Contribution deficiency (excess)	-	-	-
Assessor's covered employee payroll	406,804	396,168	396,807
Contributions as a percentage of covered-employee payroll	9.50%	12.60%	13.50%

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.

Lincoln Parish Assessor
Schedule of Proportional Share of the Retirement System's
Net Pension Liability and Related Ratios
For the Years Ended December 31, 2017, 2016, and 2015

	Year-end 2017	Year-end 2016	Year-end 2015
Assessor's proportion of the Net Pension Liability	0.920687	0.89374	0.97095
Assessor's Proportionate share of the Net Pension Liability	161,554	315,373	508,120
State's proportionate share of the Net Pension Liability associated with the Assessor	-	-	-
Total	<u>161,554</u>	<u>315,373</u>	<u>508,120</u>
Assessor's Covered employee payroll	406,804	395,168	396,807
Assessor's proportionate share of the Net Pension Liability as a percentage of its covered employee payroll	39.71%	79.81%	128.05%
Plan Fiduciary Net Position as a percentage of the total Pension Liability	95.61	90.68%	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, 2017

Salary	117,167
Expense Checks	11,717
Benefits - Insurance	17,874
Benefits - Retirement	12,244
Deferred Compensation Match	4,800
Travel	2,365
Registration Fees	1,383
Conference Travel	3,605
Dues	<u>25</u>
	<u><u>171,180</u></u>

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

COCHRAN, CLARK, ROBINSON & THOMASON

A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS
905 JULIA STREET · P.O. BOX 538 · RAYVILLE, LA 71269

SUSAN C. COCHRAN, CPA
A. CARLTON CLARK III, CPA/ABV, CVA
RENEE' ROBINSON, CPA
LASLEY D. THOMASON II, CPA, CVA

PHONE (318) 728-4855
PHONE (318) 728-5670
FAX (318) 728-6618
CCR@CCRCPA.NET

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, 2017, 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 15, 2018.

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

Cochran, Clark, Robinson & Thomason

Rayville, LA
June 15, 2018

LINCOLN PARISH ASSESSOR
RUSTON, LOUISIANA

Schedule of Findings and Responses
For the Year Ended December 31, 2017

A. SUMMARY OF AUDIT RESULTS

1. The Auditors' report expresses an unmodified 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.

LINCOLN PARISH ASSESSOR
RUSTON, LOUISIANA

Schedule of Prior Audit Findings
For the Year Ended December 31, 2017

There were no findings reported in the audit report for the year ended December 31, 2016.

See Auditors' Report.

COCHRAN, CLARK, ROBINSON & THOMASON

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PHONE (318) 728-4855
PHONE (318) 728-5670
FAX (318) 728-6618
CCR@CCRCPA.NET

June 15, 2018

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

Louisiana Legislative Auditor
Baton Rouge, Louisiana

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

We have performed the procedures enumerated below, which were agreed to by the Lincoln Parish Assessor and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the period January 1, 2017 through December 31, 2017. The Lincoln Parish Assessor's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*, issued by the Comptroller General of the United States. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedure and associated findings are as follows:

Written Policies and Procedures

1. Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:

- a) Budgeting, including preparing, adopting, monitoring, and amending the budget.

The entity has adequate written policy and procedures covering budgeting.

- b) Purchasing, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.

The entity has adequate written policy and procedures covering purchasing.

- c) Disbursements, including processing, reviewing, and approving.

The entity has adequate written policy and procedures covering disbursements.

- d) Receipts, including receiving, recording, and preparing deposits.

The entity has adequate written policy and procedures covering receipts.

- e) Payroll/Personnel, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

The entity has adequate written policy and procedures covering payroll.

- f) Contracting, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

The entity has adequate written policy and procedures cover the types of services requiring written contracts, standard terms and conditions of contracts, approval process of contracts, and the monitoring process of contracts. The written policy and procedures does not include a legal review of a potential contract.

- g) Credit Cards (and debit cards, fuel cards, and P-Cards, if applicable), including (1) how cards are to be controlled, (2) allowable business use, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage.

The entity has adequate written policy and procedures covering credit cards.

- h) Travel and expense reimbursement, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

The entity has adequate written policy and procedures covering allowable travel expenses, the dollar thresholds of travel expenses, and the required approval of travel expenses. The written policy and procedures did not include the documentation requirements of travel expenses.

- i) Ethics, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy. Note: Ethics requirements are not applicable to nonprofits.

The entity has adequate written policy and procedures covering ethics.

- j) Debt Service, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

The entity does not have written policy and procedures covering debt service.

Board (or Finance Committee, if applicable)

The Assessor does not have a board or finance committee, so this is not applicable.

- 2. Obtain and review the board/committee minutes for the fiscal period, and:
 - a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.
 - b) Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).
 - If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.
 - c) Report whether the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period.

Bank Reconciliations

- 3. Obtain a listing of client bank accounts from management and management's representation that the listing is complete.

A list of bank accounts was obtained from management. Management verified that the list was complete.

- 4. Using the listing provided by management, select all of the entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three year rotating basis (if more than 5 accounts). For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:

- a) Bank reconciliations have been prepared.

The entity has only two bank accounts. Bank reconciliations were prepared for each month for each bank account.

- b) Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation; and

The Assessor reviewed each bank reconciliation.

- c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.

The bank reconciliations did not include any reconciling items that were outstanding for more than 6 months

Collections

5. Obtain a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.

The entity verified that there is only one collection location.

6. Using the listing provided by management, select all of the entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three year rotating basis (if more than 5 locations). For each cash collection location selected:

- a) Obtain existing written documentation (e.g. insurance policy, policy manual, job description) and report whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.

The entity has adequate business insurance coverage. The employee collecting the cash does not deposit the cash, record the related transaction, or reconcile the related bank account. There is only one cash drawer. Most cash receipts are less than \$5.

- b) Obtain existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.

The entity has adequate policy and procedures to reconcile cash collections to the general ledger by a person who is not responsible for cash collections.

- c) Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:

- Using entity collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.

Of the week tested, the entity deposited all collections the following day.

- Using sequentially numbered receipts, system reports, or other related collection documentation, verify that daily cash collections are completely supported by documentation and report any exceptions.

Cash collections selected for testing were completely supported by documentation without exception.

7. Obtain existing written documentation (e.g. policy manual, written procedure) and report whether the entity has a process specifically defined (identified as such by the entity) to determine completeness of all collections, including electronic transfers, for each revenue source and agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation) by a person who is not responsible for collections.

While no written documentation exists, the entity's procedures include determining completeness of all collections by a person who is not responsible for collections.

Disbursements - General (excluding credit card/debit card/fuel card/P-Card purchases or payments)

8. Obtain a listing of entity disbursements from management or, alternately, obtain the general ledger and sort/filter for entity disbursements. Obtain management's representation that the listing or general ledger population is complete.

Management verified the completeness of the disbursement listing obtained from the general ledger listing.

9. Using the disbursement population from #8 above, randomly select 25 disbursements (or randomly select disbursements constituting at least one-third of the dollar disbursement population if the entity had less than 25 transactions during the fiscal period), excluding the credit card/debit card/fuel card/P-card purchases or payments. Obtain supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and report whether the supporting documentation for each transaction demonstrated that:

- a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.

Due to the recurring nature of the disbursements (utilities, supplies, services, etc.) the entity does not use purchase orders. All invoices and related support, such as shipping documents, are approved for payment.

- b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.

The majority of the selected disbursements would not have required purchase orders (retirement, payroll deferrals, payroll tax withheld, etc.). Approval is generally evidenced on the transmission report, invoice, check, or pre-payment support.

- c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent, and an approved invoice.

Although purchase orders are not utilized, all payments for purchases were supported by an approved invoice, and when applicable, related shipping documents.

10. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the person responsible for processing payments is prohibited from adding vendors to the entity's purchasing/disbursement system.

No entity documentation is present regarding whether the person responsible for processing payments is prohibited from adding vendors to the entity's disbursement system.

11. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.

No entity documentation is present. However the procedures followed indicate the separate functions: the supply clerk initiates the purchases, the bookkeeper records the purchases, and the Assessor has signature authority.

12. Inquire of management and observe whether the supply of unused checks is maintained in a locked location, with access restricted to those persons that do not have signatory authority, and report any exceptions. Alternately, if the checks are electronically printed on blank check stock, review entity documentation (electronic system control documentation) and report whether the persons with signatory authority have system access to print checks.

The supply of unused checks is maintained in a locked location. However, the person with signatory authority has access to the unused checks and has access to the system to print checks.

13. If a signature stamp or signature machine is used, inquire of the signer whether his or her signature is maintained under his or her control or is used only with the knowledge and consent of the signer. Inquire of the signer whether signed checks are likewise maintained under the control of the signer or authorized user until mailed. Report any exceptions.

The entity does not use a signature stamp or signature machine.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

14. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards), including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

A listing of all credit cards was obtained. Management verified the completeness of the listing.

15. Using the listing prepared by management, randomly select 10 cards (or at least one-third of the cards if the entity has less than 10 cards) that were used during the fiscal period, rotating cards each year.

Obtain the monthly statements, or combined statements if multiple cards are on one statement, for the selected cards. Select the monthly statement or combined statement with the largest dollar activity for each card (for a debit card, select the monthly bank statement with the largest dollar amount of debit card purchases) and:

- a) Report whether there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder.

All monthly statements and supporting documents were reviewed and approved by the Assessor. Some of the charges were also incurred by the Assessor.

- b) Report whether finance charges and/or late fees were assessed on the selected statements.

No financing charges or late fees were assessed on the selected statements.

16. Using the monthly statements or combined statements selected under #15 above, obtain supporting documentation for all transactions for each of the 10 cards selected (i.e. each of the 10 cards should have one month of transactions subject to testing).

- a) For each transaction, report whether the transaction is supported by:

- An original itemized receipt (i.e. identifies precisely what was purchased)
- Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.
- Other documentation that may be required by written policy (e.g. purchase order, written authorization).

All selected transactions were properly supported by the original itemized receipts, documentation of the purpose, and other sufficient documentation.

- b) For each transaction, compare the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity's written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e. transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and report any exceptions.

No exceptions were noted in the selected transactions.

- c) For each transaction, compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

For each selected transaction, the entity maintained proper documentation of the purpose as statement in the requirements of Article 7, Section 14 of the Louisiana Constitution

Travel and Expense Reimbursement

17. Obtain from management a listing of all travel and related expense reimbursements, by person, during the fiscal period or, alternately, obtain the general ledger and sort/filter for travel reimbursements. Obtain management's representation that the listing or general ledger is complete.

Management verified the completeness of the travel reimbursements reported in the general ledger.

18. Obtain the entity's written policies related to travel and expense reimbursements. Compare the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration (www.gsa.gov) and report any amounts that exceed GSA rates.

The policies of the entity comply with the per diem established by the U. S. General Services Administration. There were no exceptions.

19. Using the listing or general ledger from #17 above, select the three persons who incurred the most travel costs during the fiscal period. Obtain the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and choose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:

- a) Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g. rates established for meals, mileage, lodging). If the entity does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates.

No exceptions were noted.

- b) Report whether each expense is supported by:

- An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]
- Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).

- Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance).

Of transactions selected, the supporting documentation was complete. No exceptions were noted.

- c) Compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14, of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report an exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

No exceptions were noted.

- d) Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

No exceptions were noted.

Contracts

- 20. Obtain a listing of all contracts in effect during the fiscal period or, alternately, obtain the general ledger and sort/filter for contract payments. Obtain management's representation that the listing or general ledger is complete.

Management provided a listing of contracts for the fiscal year and verified the completeness of the listing of contracts.

- 21. Using the listing above, select the five contract "vendors" that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). Obtain the related contracts and paid invoices and:

- a) Report whether there is a formal/written contract that supports the services arrangement and the amount paid.

A formal written contract supports the service arrangement and amount paid for each vendor selected.

- b) Compare each contract's detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:

- If yes, obtain/compare supporting contract documentation to legal requirements and report whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder)

- If no, obtain supporting contract documentation and report whether the entity solicited quotes as a best practice.

No contract selected was subject to the Louisiana Public Bid Law or Procurement Code; no documentation of quote solicitation was presented.

- c) Report whether the contract was amended. If so, report the scope and dollar amount of the amendment and whether the original contract items contemplated or provided for such an amendment.

No amendments were noted on the contracts selected for testing.

- d) Select the largest payment from each of the five contracts, obtain the supporting invoice, compare the invoice to the contract terms, and report whether the invoice and related payment complied with the terms and conditions of the contract.

The invoice and related payment of each selected contract complied with the written contract terms.

- e) Obtain/review contract documentation and board minutes and report whether there is documentation of board approval, if required by policy or law (e.g. Lawrason Act or Home Rule Charter).

Not applicable.

Payroll and Personnel

- 22. Obtain a listing of employees (and elected officials, if applicable) with their related salaries, and obtain management's representation that the listing is complete.

Management verified the completeness of the listing of employees.

Randomly select five/employees/officials, obtain their personnel files, and:

- a) Review compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.

Compensation paid to each selected employee was made in accordance with the terms and conditions of the contract or pay rate structure.

- b) Review changes made to hourly pay rates/salaries during the fiscal period and report whether those changes were approved in writing and in accordance with written policy.

For the selected employees, there were no pay rate changes during the fiscal year.

23. Obtain attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period, randomly select 25 employees/officials (or randomly select one-third of employees/officials if the entity had less than 25 employees during the fiscal period), and:

- a) Report whether all selected employees/officials documented their daily attendance and leave (e.g. vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)

All selected employees documented their daily attendance and leave.

- b) Report whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.

All selected attendance and leave records were approved by the supervisor.

- c) Report whether there is written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.

The entity maintained written leave records on all the selected employees.

24. Obtain from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. If applicable, select the two largest termination payments (e.g. vacation, sick compensatory time) made during the fiscal period and obtain the personnel files for the two employees/officials. Report whether the termination payments were made in strict accordance with policy and/or contract and approved by management.

There were no terminated employees in the fiscal period.

25. Obtain supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. Report whether the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.

All employee and employer portions of payroll taxes, retirement contributions, and payroll related withholdings were submitted with the related required reporting forms to the applicable agencies by the required deadlines.

Ethics (excluding nonprofits)

26. Using the five randomly selected employees/officials from procedure #22 under "Payroll and Personnel" above, obtain ethics compliance documentation from management and report whether the entity maintained documentation to demonstrate that required ethics training was completed.

The entity maintained documentation of the completed ethics training on all selected employees.

27. Inquire of management whether any alleged ethics violations were reported to the entity during the fiscal period. If applicable, review documentation that demonstrates whether management investigates alleged ethics violations, the corrective actions taken, and whether management's actions complied with the entity's ethics policy. Report whether management received allegations, whether management investigated allegations received, and where the allegations were addressed in accordance with policy.

Management represented that no alleged ethics violations were reported to the entity during the fiscal year.

Debt Service (excluding nonprofits)

28. If debt was issued during the fiscal period, obtain supporting documentation from the entity, and report whether State Bond Commission approval was obtained.

Management represented that the entity did not issue any new debt in the current fiscal period.

29. If the entity had outstanding debt during the fiscal period, obtain supporting documentation from the entity and report whether the entity made scheduled debt service payments and maintained debt reserves, as required by debt covenants.

The entity has no outstanding debt during the fiscal period.

30. If the entity had tax millages relating to debt service, obtain supporting documentation and report whether millage collections exceed debt service payments by more than 10% during the fiscal period. Also, report any millages that continue to be received for debt that has been paid off.

Not applicable.

Other

31. Inquire of management whether the entity had any misappropriations of public funds or assets. If so, obtain/review supporting documentation and report whether the entity reported the misappropriation to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

Management represented that the entity had no misappropriations of public funds or assets during the fiscal year.

32. Observe and report whether the entity has posted on its premises and website, the notice required by R.S.24:523.1. This notice (available for download or print at www.lla.la.gov/hotline) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.

The required notice is posted on the premises and on the website.

33. If the practitioner observes or otherwise identifies any exceptions regarding management's representations in the procedures above, report the nature of each exception.

No exceptions were noted regarding management's representations.

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on those C/C areas identified in SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

COCHRAN, CLARK, ROBINSON & THOMASON

Cochran, Clark, Robinson & Thomason

Rayville, Louisiana

LINCOLN PARISH ASSESSOR'S OFFICE

SHEILA BORDELON, CLA

MEMBER: LOUISIANA ASSESSOR'S ASSOCIATION
INTERNATIONAL ASSOCIATION OF ASSESSING OFFICERS

RE: Response to AUP Findings

1f: Management will consider expanding the policies and procedures to include advice from legal counsel prior to entering into contracts.

1h: Management will consider expanding the policies and procedures to detail the required documentation for reimbursement of travel expenditures.

1j: The Assessor has no debt.

10: Due to the limited number of employees and resources, the Assessor is unable to adequately segregate these duties. However, the Assessor oversees all duties as the elected official.

12: Due to the limited number of employees and resources, the Assessor is unable to adequately segregate these duties. However, the Assessor oversees all duties as the elected official.

15a: The only charges on the Assessor's office VISA are for office use only and itemized original tickets are submitted as documentation. As noted in #16, all supporting documentation was available; no exceptions were noted.

Sheila Bordelon, CLA
Lincoln Parish Assessor