

LINCOLN PARISH ASSESSOR
RUSTON, LOUISIANA

FINANCIAL STATEMENTS
DECEMBER 31, 2018

LINCOLN PARISH ASSESSOR
DECEMBER 31, 2018

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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major fund of Lincoln Parish Assessor as of and for the year ended December 31, 2018, 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, 2018, 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.

Emphasis of Matter - Change in Accounting Principle

As discussed in Note 12 to the financial statements, the Assessor has adopted the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*. Our opinion is not modified with respect to this matter.

Other Matters*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management discussion and analysis (pages 5-12), budgetary comparison information, schedule of changes in total OPEB liability and related ratios, schedule of employer's share of net pension liability, and schedule of employer required pension contributions (included in the table of contents on pages 44-47) 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 49 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, Reimbursements, Benefits and Other Payments to the 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, 2019, 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, 2019

**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, 2018. 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 \$1,119,956 for 2018.
- Total Net Positions is comprised of the following:
December 31, 2018
 - (1) Capital assets of \$41,485 include property and equipment, net of accumulated depreciation.
 - (2) Unrestricted assets of \$1,078,471 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 \$3,086,986 for 2018. The total fund balance is unassigned.
- At the end of the current calendar year, unassigned fund balance for the General Fund was \$3,086,986 or 442% 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 2018, 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, 2018. 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 (MDA) 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:

	<u>Summary of Net Position</u>			
	<u>2018</u>		<u>2017</u>	
	<u>Governmental Activities</u>	<u>% of Total</u>	<u>Restated Governmental Activities</u>	<u>% of Total</u>
Assets:				
Current Assets	3,160,398	88%	2,842,651	93%
Noncurrent Assets	8,376	0%	-	0%
Capital Assets	<u>41,485</u>	<u>1%</u>	<u>40,466</u>	<u>1%</u>
Total Assets	<u>3,210,259</u>	<u>89%</u>	<u>2,883,117</u>	<u>94%</u>
Deferred Outflows	<u>385,440</u>	<u>11%</u>	<u>157,928</u>	<u>6%</u>
Total Assets and Deferred Outflows	<u>3,595,699</u>	<u>100%</u>	<u>3,041,045</u>	<u>100%</u>
Liabilities:				
Current Liabilities	3,051	0%	5,793	0%
Deferred Inflow	443,833	18%	152,970	7%
Lease Obligation	8,621	0%	-	-
Long-Term Other and Postemployment Benefits and Retirement Payable	<u>2,020,238</u>	<u>82%</u>	<u>2,099,591</u>	<u>93%</u>
Total Liabilities	<u>2,475,743</u>	<u>100%</u>	<u>2,258,354</u>	<u>100%</u>
Net Position:				
Net Investment in Capital Assets	41,485	4%	40,466	5%
Unrestricted	<u>1,078,471</u>	<u>96%</u>	<u>742,225</u>	<u>95%</u>
Total Net Position	<u>1,119,956</u>	<u>100%</u>	<u>782,691</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 remain strong. They are as follows:

	<u>2018</u>	<u>2017</u>
Current Ratio	1,036 to 1	491 to 1

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

2018 Increase 337,265
 2017 Decrease (21,004)

Note that 4%-5% of the governmental activities' net position are represented by capital assets 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:

	<u>Summary of Changes in Net Position</u>			
	<u>2018</u>		<u>2017</u>	
	<u>Governmental</u>	<u>%</u>	<u>Restated</u>	<u>%</u>
	<u>Activities</u>	<u>of</u>	<u>Governmental</u>	<u>of</u>
		<u>Total</u>	<u>Activities</u>	<u>Total</u>
Revenues:				
Program:				
Charges for Services	26,166	2%	39,692	4%
General:				
Taxes	936,771	83%	897,149	80%
State revenue sharing	45,915	4%	46,239	4%
Non-employer Pension				
Contributions	115,532	10%	121,831	11%
Interest	11,516	1%	9,265	1%
Total Revenues	<u>1,135,900</u>	<u>100%</u>	<u>1,114,176</u>	<u>100%</u>
Program Expenses:				
Operational:				
Salaries and benefits	527,193	66%	580,470	51%
Other Postemployment				
Benefits & Retirement				
Allocation	99,529	12%	376,187	33%
Operating Services	130,305	16%	127,839	11%
Materials and Supplies	11,011	2%	18,699	2%
Travel and Other	19,501	3%	22,258	2%
Lease Interest &				
Amortization	3,314	0%	-	-
Depreciation	6,661	1%	9,727	1%
Total Expenses:	<u>797,514</u>	<u>100%</u>	<u>1,135,180</u>	<u>100%</u>
Disposal of Assets	(1,121)		-	
Total Change in Net Position	337,265		(21,004)	
Beginning Net Position	<u>782,691</u>		<u>803,695</u>	
Ending Net Position	<u>1,119,956</u>		<u>782,691</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>2018</u>	<u>2017</u>
Property Tax	81%	80%
State Revenue Sharing	4%	4%
Non-employer Pension Contribution	10%	11%
Interest	<u>2%</u>	<u>1%</u>
Total General Revenues	<u>97%</u>	<u>96%</u>
Program Revenues	<u>3%</u>	<u>4%</u>
Total Revenues	<u>100%</u>	<u>100%</u>

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>2018</u>	<u>2017</u>
Salaries and Benefits	66%	51%
Pension Benefits & Other		
Postemployment Benefits	12%	33%
Operating Services	16%	11%

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 2018 the fund balance increased.

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total fund balance	3,086,986	2,774,068	2,525,172	2,305,865
Change from prior year	312,918	248,896	219,307	255,896

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>2018</u>	<u>2017</u>
Property Tax	929,200	904,991
State Revenue Sharing	45,915	46,236

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

	<u>2018</u>	<u>2017</u>
Salaries and Benefits	-9%	2%
Operating services	0%	-15%
Materials and supplies	-41%	22%

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>2018</u>	<u>2017</u>
Fund balance as a percentage of Annual expenditures	442%	369%

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 2018, the Parish Assessor realized 104% of the revenue budget and the actual expenditures were only 74% of the budgeted amounts.

CAPITAL ASSETS AND DEBT ADMINISTRATION

	<u>Governmental Activities</u>	
	<u>2018</u>	<u>2017</u>
Capital assets:		
Depreciable Equipment, furniture and fixtures	125,561	127,585
Less accumulated depreciation	(120,314)	(116,627)
Depreciable assets net of depreciation	5,247	10,958
Inventoried Assets	<u>36,238</u>	<u>29,508</u>
Capital Assets	<u><u>41,485</u></u>	<u><u>40,466</u></u>

The depreciable capital assets for governmental activities were 96% depreciated at the end of 2018 and 91% depreciated at the end of 2017. The total percentage of depreciated capital assets is quite high, (i.e. over seventy 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.

Accrued cost for "other postemployment benefits" (OPEB payable and the related expense) were recorded pursuant to GASB No. 75. 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 as amended by GASB 71 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 (GWS)**

LINCOLN PARISH ASSESSOR
Ruston, Louisiana

Statement of Net Position - Government Activities
December 31, 2018

ASSETS	
Cash and interest-bearing deposits	2,219,422
Taxes Receivable (net)	940,976
Right to Use Asset	8,376
Capital Assets (net)	41,485
Total Assets	<u>3,210,259</u>
DEFERRED OUTFLOWS OF RESOURCES	
Other Post Employment Benefit Obligation	133,217
Pension Plan	252,223
Total Deferred Outflows of Resources	<u>385,440</u>
Total Assets and Deferred Outflows of Resources	<u><u>3,595,699</u></u>
LIABILITIES	
Accounts Payable	3,051
Lease Obligation	8,621
Net Pension Liabilities	166,289
Other Post Employment Benefits Payable	1,853,949
Total Liabilities	<u>2,031,910</u>
DEFERRED INFLOWS OF RESOURCES	
Other Post Employment Benefit Obligation	247,106
Pension Plan	196,727
Total Deferred Inflows of Resources	<u>443,833</u>
Total Liabilities and Deferred Inflows of Resources	<u>2,475,743</u>
NET POSITION	
Net Investment in Capital Assets	41,485
Restricted	-
Unrestricted	1,078,471
Total Net Position	<u><u>1,119,956</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, 2018

Activities	Expenses	Program Revenues Charges for Services	Net (Expense) Revenues and Changes in Net Positions Governmental Activities
Governmental Activities:			
General Government	<u>798,635</u>	<u>26,166</u>	<u>(772,469)</u>
General revenues:			
Taxes:			
Property taxes, levied for general purposes			936,771
State revenue sharing			45,915
Non-Employer Pension Contribution			115,532
Interest and Investment Earnings			<u>11,516</u>
Total General Revenues			<u>1,109,734</u>
Change in Net Position			337,265
Net Position - January 1, 2018, as restated			<u>782,691</u>
Net Position - December 31, 2018			<u><u>1,119,956</u></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, 2018

ASSETS	
Cash and interest-bearing deposits	2,219,422
Taxes Receivable (net)	<u>940,976</u>
Total Assets	<u><u>3,160,398</u></u>
LIABILITIES	
Accounts Payable	<u>3,051</u>
Total Liabilities	<u>3,051</u>
DEFERRED INFLOWS OF RESOURCES	
Unavailable Taxes	<u>70,361</u>
Total Deferred Inflows of Resources	<u>70,361</u>
Total Liabilities and Deferred Inflows of Resources	<u><u>73,412</u></u>
FUND BALANCES	
Nonspendable	-
Restricted	-
Committed	-
Assigned	-
Unassigned	<u>3,086,986</u>
Total Fund Balances	<u><u>3,086,986</u></u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u><u>3,160,398</u></u>

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

LINCOLN PARISH ASSESSOR
Ruston, Louisiana

Reconciliation of the Governmental Fund Balance Sheet
to the Statement of Net Position
December 31, 2018

Total fund balance for the Governmental Fund	3,086,986
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	41,485
Right to use assets for equipment used in governmental activities are not financial resources and therefore are not reported in the funds.	
	8,376
Deferred outflows of expenditures for the OPEB obligation and retirement system are not available resources and therefore are not reported in the fund financial statements. Those deferred outflows consist of:	
Deferred outflows related to OPEB	133,217
Deferred outflows related to pension	252,223
Revenues that have been deferred are unearned in the government funds but are recognized as revenue in the government-wide financial statements.	
	70,361
Deferred inflows of contributions for the OPEB obligation and retirement system are not payable from current expendable resources, and therefore are not reported in the fund financial statements. Those deferred inflows consist of:	
Deferred inflows related to OPEB	(247,106)
Deferred inflows related to pension	(196,727)
Long-term liabilities are not due and payable in the current period, and therefore are not reported in the governmental funds. Those long-term liabilities consist of:	
Lease Obligation	(8,621)
Net Pension Obligations	(166,289)
Other Post Employment Benefits Payable	<u>(1,853,949)</u>
Total Net Position of Governmental Activities	<u><u>1,119,956</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, 2018

Revenues	
Ad Valorem Taxes	929,200
State Revenue Sharing	45,915
Other Revenue - preparing tax rolls, etc.	26,166
Interest	<u>11,516</u>
Total Revenues	<u>1,012,797</u>
Expenditures:	
Current -	
General Government:	
Intergovernmental	25,000
Personnel Services and Related Benefits	527,193
Operating Service	105,304
Materials and Supplies	14,080
Travel and Other Charges	19,501
Capital Outlay	<u>8,801</u>
Total Expenditures	<u>699,879</u>
Net Change in Fund Balance	312,918
Fund Balance - Beginning of Year	<u>2,774,068</u>
Fund Balance - End of Year	<u>3,086,986</u>

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, 2018

Total net changes in fund balance per Statement of Revenues, Expenditures, and Changes in Fund Balance		312,918
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	8,801	
Less Unrecovered Cost on Disposals	(1,121)	
Less Current Year Depreciation	(6,661)	1,019
Governmental funds report deferred earned revenue as liabilities. However, in the statement of activities these revenues are fully accrued as follows:		
Current Year Deferrals	70,361	
Prior Year Deferrals	(62,790)	7,571
Governmental funds report lease payments as expenditures. However, in the statement of activities, the payments are reported as a decrease in lease obligation and interest expense. In the statement of activities, the right to use asset for the leased asset is amortized.		
Expenditures for Lease Payments	3,069	
Interest on Lease Obligation	(598)	
Amortization of Right to Use Asset	(2,716)	(245)
Other post-employment benefits are reported in the governmental funds as expenditures when paid. However, in the government-wide statement of activities, OPEB expense is reported based on the additional adjustments to the total OPEB liability determined by an actuarial valuation, and includes various amortized amounts.		
		(29,801)
Governmental funds 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.		
		(69,729)
Government-wide statement of activities reports the Assessor's share of Non-employer pension contributions as part of the general revenue		
		115,532
Total Changes in Net Position per Statement of Activities		● 337,265

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. Indirect expenses of other functions are not allocated to those functions but are reported separately in the statement of activities. 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,

See Auditors' Report.

LINCOLN PARISH ASSESSOR
Ruston, Louisiana

Notes to Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- 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.

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 the operations of the Assessor's office. The various fees and charges due to the Assessor's office are accounted for in this fund. General operating expenditures are paid from this 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.

See Auditors' Report.

LINCOLN PARISH ASSESSOR
Ruston, Louisiana

Notes to Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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, Deferred Outflows/Inflows of Resources and Net Position

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.

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for all governmental activities include ad valorem taxes and state revenue sharing. Ad valorem taxes are reported net of an allowance for uncollectible taxes.

See Auditors' Report.

LINCOLN PARISH ASSESSOR
Ruston, Louisiana

Notes to Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

Deferred Outflows of Resources and Inflows of Resources

In some instances, the GASB requires a government to delay recognition of decreases in net position as expenditures until a future period. In other instances, governments are required to delay recognition of increases in net position as revenues until a future period. In these circumstances, deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively. The Assessor's deferred outflows and inflows of resources on the government-wide statement are attributable to its pension plan and OPEB plan. Ad valorem taxes for the governmental fund which have not been remitted within 60 days subsequent to year end are considered deferred inflows of resources.

See Auditors' Report.

LINCOLN PARISH ASSESSOR
Ruston, Louisiana

Notes to Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Net Position 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 - Consists of net position 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 - All other net positions that do not meet the definition of "restricted" or "net investment in capital assets."

In the fund financial statements, governmental fund equity is classified as fund balances. Fund balances of the governmental funds are classified as follows.

- a. Nonspendable - amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
- b. Restricted - amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- c. Committed - amounts that can be used only for specific purposes determined by a formal decision of the Assessor, which is the highest level of decision-making authority for the Lincoln Parish Assessor.
- d. Assigned - amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the Assessor's adopted policy, only the Assessor may assign amounts for specified purposes.
- e. Unassigned - all other spendable amounts.

See Auditors' Report.

LINCOLN PARISH ASSESSOR
Ruston, Louisiana

Notes to Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

When an expenditure is incurred for the purposes for which both restricted and unrestricted fund balance is available, the Assessor considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Assessor considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Assessor has provided otherwise in this commitment or assignment actions.

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.

See Auditors' Report.

LINCOLN PARISH ASSESSOR
Ruston, Louisiana

Notes to Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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, 2018.

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. Leases

Leases of equipment will be reported in the governmental activities column in the government-wide financial statements. At inception, leases will be recorded at the present value of the minimum lease payments over the remaining life of the lease. The minimum lease payments will be discounted at the entity's incremental borrowing rate, which has been estimated at 6%. The right to use the equipment under the lease is recorded as an asset in the statement of net position. The right to use leased equipment will be amortized using the straight-line method over the life of the lease. In addition, the lease obligation is recorded as a liability in the statement of net position. The lease obligation will be reduced as payments are made, and an outflow for interest expense on the liability will be recognized in the statement of activities.

J. 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.

See Auditors' Report.

LINCOLN PARISH ASSESSOR
Ruston, Louisiana

Notes to Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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".

K. Current Year Adoption of New Accounting Standards and Restatement of Net Position

The Lincoln Parish Assessors' Office adopted Government Accounting Standards Board (GASB) Statement No. 87 - *Leases*. The Assessor implemented this change in accounting principle prospectively in the year ending December 31, 2018. (See Note 9)

The Lincoln Parish Assessors' Office adopted Government Accounting Standards Board (GASB) Statement No. 75 - *Accounting and Financial Reporting/or Postemployment Benefits Other Than Pensions* ("GASB 75") to replace GASB 45 which resulted in a restatement of Net Position. (See Note 12)

L. Subsequent Events

Management has evaluated subsequent events through June 15, 2019, 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, 2018, the Assessor has cash and interest-bearing deposits (book balances) as follows:

Demand Deposits	1,725,704
Time Deposits	<u>493,718</u>
	<u><u>2,219,422</u></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, 2018, are secured as follows:

Bank Balances	<u>3,085,819</u>
Federal deposit insurance	993,681
Pledged securities (Category 3)	<u>2,092,138</u>
Total	<u><u>3,085,819</u></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 Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the 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.

See Auditors' Report.

LINCOLN PARISH ASSESSOR
Ruston, Louisiana
Notes to Financial Statements

NOTE 3 - RECEIVABLE AND PRINCIPAL TAXPAYERS (continued)

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 2018 to provide funding for the office.

The following are the principal taxpayers for the parish and their 2018 assessed valuation:

	2018 Assessed Valuation	Percent of Total Assessed Valuation
Range Louisiana Operating, LLC	45,932,631	9.75%
Roseburg Forest Products South LP	12,611,967	2.68%
ETC Field (formerly) Regency Gas Gathering	11,303,856	2.40%
Enable Mississippi River Trans	8,647,590	1.84%
Weyerhaeuser NR Company	8,020,025	1.70%
Enable Gas Transfer	7,679,160	1.63%
Gulf Crossing Pipeline Company	6,793,480	1.44%
Ardaugh Glass Inc	6,751,802	1.43%
Origin Bank	6,197,877	1.32%
Entergy Louisiana Inc	5,117,270	1.09%
Total	<u>119,055,658</u>	<u>25.28%</u>

NOTE 4 - CAPITAL ASSETS

Capital asset balances and activity for the year ended December 31, 2018, are as follows:

	Balance 1/01/18	Additions	Deletions	Balance 12/31/18
Capital Assets:				
Equipment, furniture and fixtures	157,093	8,801	(4,095)	161,799
Less accumulated depreciation:				
Equipment, furniture and fixtures	(116,627)	(6,661)	2,974	(120,314)
Net Capital Assets	<u>40,466</u>			<u>41,485</u>

See Auditors' Report.

LINCOLN PARISH ASSESSOR
Ruston, Louisiana
Notes to Financial Statements

NOTE 4 - CAPITAL ASSETS (continued)

Depreciation expense of \$6,661 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.

The Fund provides retirement benefits, survivor benefits, Deferred Retirement Option Plan (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, 2018 was 5.24%, the actual employer contribution rate for the plan year was 8.00%. 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, 2018
Actuarial cost method	Entry Age Normal
Investment rate of return	6.25%
Inflation Rate	2.20%
Salary increases	5.75%
Mortality	Rates based on the RP-2000 Healthy Annuitant Table

See Auditors' Report.

LINCOLN PARISH ASSESSOR
Ruston, Louisiana
Notes to Financial Statements

NOTE 5 - PENSION PLAN (continued)

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2018, are summarized in the following table.

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	7.50%
International equity	8.50%
Domestic bonds	2.50%
International bonds	3.50%
Real estate	4.50%
Alternative assets	6.24%

The long-term expected rate of return selected for this report by the Fund was 6.25%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from the participating employers and non-employer contribution entities will be made at actuarially determined contribution rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on these assumptions and the other assumptions and methods as specified in this report, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. Thus, the discount rate used to measure the total pension liability was 6.2%.

The effects of certain other changes in the net pension liability are required to be included in pension expense over the current and future periods. The effects on the total pension liability of (1) changes of economic and demographic assumptions or of other inputs and (2) differences between expected and actual experience are required to be included in pension expense in a systematic and rational manner over a closed period equal to the average of the expected remaining service

See Auditors' Report.

LINCOLN PARISH ASSESSOR
Ruston, Louisiana
Notes to Financial Statements

NOTE 5 - PENSION PLAN (continued)

lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees), determined as of the beginning of the measurement period. The effect on net pension liability of differences between the projected earnings on pension plan investments and actual experience with regards to those earnings is required to be included in pension expense in a systematic and rational matter over a closed period of five years, beginning with the current period. The Expected Remaining Service Lives (ERSL) for 2018 is 6 years.

As of the valuation date of September 30, 2018, the Fund reported the following members:

Current retirees and beneficiaries	572
Terminated vested participants	16
Terminated due a refund	94
Active plan participants	<u>747</u>
Total	<u>1,429</u>

The Assessor's Deferred Outflow of Resources (employer's contributions subsequent to the measurement date) to the Fund was \$7,142. This amount will be recognized as a reduction in the net pension liability in the year ended December 31, 2019.

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

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

Payroll Covered	365,213
Required Contribution	30,163

In the current year, the required contribution was funded 100%. The required contributions were also funded 100% in 2008 through 2017.

Retirement System Information

Actuarial date and measurement date	9/30/18
Required Contributions	30,163
Employer Allocation Percentage	0.855379

Net Pension Liability 166,289

See Auditors' Report.

LINCOLN PARISH ASSESSOR
Ruston, Louisiana

Notes to the Financial Statements

NOTE 5 - PENSION PLAN (continued)

	Deferred Outflows	Deferred Inflows
Differences between Expected & Actual Experience	12,547	76,133
Changes of Assumptions	213,383	-
Net Differences between projected & Actual Earnings	-	84,663
Earnings on Pension Plan Investments	-	-
Changes in proportion & differences between the employer's contributions and the employer's share of contributions	19,151	35,931
Contributions subsequent to measuring date	7,142	-
Total	252,223	196,727

Pension Expense

Proportionate Share of Plan Pension Expense	102,332
Net Amortization of Deferred amounts from Changes in Proportion	(2,976)
Total Employer Pension Expense	99,356

Proportionate Share

Employer contributions	30,342
Non-Employer Contributions	115,532

Schedule of Net Pension Liability

Sensitivity to Change in Discount Rate	
Employer's Proportionate Share	0.855379
1% Decrease	559,300
1% Increase	(170,409)

Amortization of Net Deferred Outflows/Inflows

	2019	37,383
	2020	(24,287)
	2021	(6,126)
	2022	22,888
	2023	18,496
Net of Deferred Outflows and Inflows, excluding contributions subsequent to the measurement date		48,354

See Auditors' Report.

LINCOLN PARISH ASSESSOR
Ruston, Louisiana
Notes to Financial Statements

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.

Complete disclosures relating to the plan are included in the separately issued audit report for the plan, available from the Louisiana Legislative Auditor, Post Office Box 94397, Baton Rouge, Louisiana, 70804-9397.

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. In adopting the requirements of Governmental Accounting Standard Board (GASB) Statement No. 75 during the year ended December 31, 2018, the Assessor recognized the cost of postemployment healthcare and life insurance benefits in the year when employee services are received, recognizes a liability for OPEB obligations, known as the total OPEB liability, on the statement of net position, and provides information useful in assessing potential demands on the Assessor's future cash flows. Changes in total OPEB liability will be immediately recognized as OPEB expense on the statement of activities or reported as deferred inflows/outflows of resources depending on the nature of the change. The plan is a cost sharing, multiple-employer defined benefit health care plan administered by the Insurance Committee of the Assessor's Insurance Fund dba Louisiana Assessor's Association. The Insurance Committee of the Assessor's Insurance Fund has the authority to establish and amend the benefit provisions of the plan. The plan issued a publicly available financial report. No assets are accumulated in a trust that meets the criteria of paragraph 4 of Statement No. 75.

See Auditors' Report.

LINCOLN PARISH ASSESSOR
Ruston, Louisiana

Notes to Financial Statements

NOTE 7 - OTHER POST EMPLOYMENT BENEFITS (continued)

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.

Funding Policy - The contribution requirements of plan members and the Assessor are established and may be amended by Louisiana Revised Statute. 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 2018, the Assessor paid a total of \$34,236 in premiums for five retirees.

As of the valuation date of December 31, 2018, the following employees were covered by the benefit terms:

Active participants	6
Retirees	5
Spouses of Retirees	<u>1</u>
Total	<u>12</u>

	<u>December 31, 2018</u>	<u>December 31, 2017</u>
Total OPEB Liability	\$1,853,949	\$1,938,037
Covered Payroll	365,213	406,804
Total OPEB liability as a % of covered payroll	507.63%	476.41%

The Assessor's total OPEB liability of \$1,853,949 was determined by an actuarial valuation as of the valuation date January 1, 2018, calculated based on the discount rate and actuarial assumptions below, and was projected to the measurement date December 31, 2018. Any significant changes during this period have been reflected as described by GASB 75.

See Auditors' Report.

LINCOLN PARISH ASSESSOR
Ruston, Louisiana
Notes to Financial Statements

NOTE 7 - OTHER POST EMPLOYMENT BENEFITS (continued)

The total OPEB liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry Age Normal
Inflation	2.30%
Salary increases including inflation	3.00%
Mortality	Rates based on Sex- distinct RP-2014 Total Dataset Mortality

The discount rate used to measure the total OPEB liability was 4.10%. The discount rate was based on the Bond Buyer General Obligation 20-Bond Municipal Index.

The plan has not had a formal actuarial experience study performed.

The following schedule presents the changes in the Assessor's total OPEB liability for the fiscal year 2018:

Service Cost	\$66,835
Interest on total OPEB liability	68,383
Effect of economic/demographic gains or losses	216,478
Effect of assumption changes or inputs	(401,548)
Benefit payments	<u>(34,236)</u>
Net Change in total OPEB liability	(84,088)
Total OPEB liability, December 31, 2017	<u>1,938,037</u>
Total OPEB liability, December 31, 2018	<u>\$1,853,949</u>

The following schedule presents the total OPEB liability of the Assessor, calculated using the discount rate of 4.10%, as well as what the Assessor's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.10%) or 1 percentage point higher (5.10%) than the current rate.

	1% Decrease	Discount	1% Increase
	<u>3.10%</u>	<u>Rate 4.10%</u>	<u>5.10%</u>
Total OPEB Liability	2,164,137	1,853,949	1,606,321

The following schedule presents the total OPEB liability of the Assessor, calculated using the current healthcare cost trend rates as well as what the Assessor's total OPEB liability would be if it were calculated using trend rates that are 1 percentage point lower or 1 percentage point higher than the current trend rates.

	1% Decrease	Current	1% Increase
	<u>1,648,825</u>	<u>Trend</u>	<u>2,108,164</u>
Total OPEB Liability	1,648,825	1,853,949	2,108,164

See Auditors' Report.

LINCOLN PARISH ASSESSOR
Ruston, Louisiana
Notes to Financial Statements

NOTE 7 - OTHER POST EMPLOYMENT BENEFITS (continued)

For the year ended December 31, 2018, the Assessor recognized OPEB expense of \$64,037. At December 31, 2018, the Assessor reported deferred outflows of resources and deferred inflows of resources related to the OPEB from the following sources.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between		
Expected and actual experience	133,217	-
Changes in Assumption	-	(247,106)
Amounts paid subsequent to the Measurement date	-	-
Total	133,217	(247,106)

Amounts currently reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended December 31:		
2019	(71,181)	
2020	(42,708)	
2021	-	
2022	-	
2023	-	
Thereafter	-	
	(113,889)	

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 2018. The Assessor paid \$25,000 in 2018 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.

See Auditors' Report.

LINCOLN PARISH ASSESSOR
Ruston, Louisiana
Notes to Financial Statements

NOTE 9 - LEASE

In January of 2017, the assessor's office signed a new contract with Xerox for the right to use new copiers and fax. The contract has monthly payments of \$255 for 60 months. The lease was noncancelable and contains an option to purchase the equipment at fair market value at the end of the lease. In the current year, the Assessor prospectively implemented GASB Statement No. 87, Leases. This lease will now be accounted for under the requirements of GASB Statement No. 87 over the remaining life of the lease, because a retrospective approach was immaterial. The total value of the right to use the equipment and the lease obligation was \$11,092 calculated at present value using a 6% incremental borrowing rate as of January 1, 2018. Payments under this lease totaled \$3,069 for 2018. Of those lease payments \$2,471 was allocated to the principal of the lease obligation and \$598 was allocated to related interest expense. In addition, the amortization of the right to use the leased equipment was \$2,716 for the current year. These amounts were included in the statement of activities.

The following is a schedule by years of the amortization of the right to use the leased equipment and the future minimum lease payments required under the lease, as of December 31, 2018.

	<u>Operating Leases</u>					Total
	<u>Right to</u>		<u>Lease</u>	<u>Lease</u>	<u>Interest</u>	<u>Lease</u>
	<u>Use Asset</u>	<u>Amortization</u>	<u>Obligation</u>	<u>Principal</u>	<u>Expense</u>	<u>Payments</u>
2019	5,666	2,716	5,997	2,624	445	3,069
2020	2,944	2,716	3,212	2,785	284	3,069
2021	228	2,716	255	2,957	112	3,069
2022	-	228	-	255	1	256
Totals		<u>8,376</u>		<u>8,621</u>	<u>842</u>	<u>9,463</u>

NOTE 10 - CONTRACTS AND COMMITMENTS

The Assessor's office entered into a contract with ESRI for additional software. The total fee for this in 2018 was \$3,900.

In 2018, 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 2018, 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 2018, the Assessor paid \$24,111 for the services.

See Auditors' Report.

LINCOLN PARISH ASSESSOR
Ruston, Louisiana
Notes to Financial Statements

NOTE 11- RISK MANAGEMENT

The Assessor is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Assessor has obtained coverage from various commercial insurance companies to reduce the exposure to these risks.

NOTE 12 - CHANGE IN ACCOUNTING PRINCIPLE

During the current fiscal year, the Assessor implemented Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*. This statement established standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense. This statement replaces the requirements of Statement No.45, *Accounting and Financial Reporting by Employers for Postemployment Benefits other than Pensions*. The implementation resulted in a restatement of previously reported net position as described below:

The net effect to the Government-Wide Statement of Net Position is as follows:

Total Net Position, December 31, 2017, as previously stated	976,275
Net Change in OPEB Liability at December 31, 2017	(193,584)
Total Net Position, December 31 2017, restated	<u>782,691</u>

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, 2018
(Unaudited)

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Ad Valorem Taxes	900,000	929,200	29,200
State Revenue Sharing	46,500	45,915	(585)
Other Revenue - preparing tax rolls, etc.	25,300	26,166	866
Interest	6,000	11,516	5,516
Total Revenues	<u>977,800</u>	<u>1,012,797</u>	<u>34,997</u>
Expenditures			
Current -			
General Government:			
Intergovernmental	25,000	25,000	-
Personnel Services and Related Benefits	671,000	527,193	143,807
Operating Service	175,000	105,304	69,696
Materials and Supplies	21,000	14,080	6,920
Travel and Other Charges	35,217	19,501	15,716
Capital Outlay	15,000	8,801	6,199
Total Expenditures	<u>942,217</u>	<u>699,879</u>	<u>242,338</u>
Net Change in Fund Balance	35,583	312,918	277,335
Fund Balance - Beginning of Year		<u>2,774,068</u>	
Fund Balance - End of Year		<u><u>3,086,986</u></u>	

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

LINCOLN PARISH ASSESSOR
Rayville, Louisiana

Schedule of Changes in Total OPEB Liability and Related Ratios
For the Year Ended December 31, 2018
(Unaudited)

	Year-end <u> </u>
Service Costs	66,835
Interest on total OPEB Liability	38,383
Effect of plan changes	-
Effect of economic/demographic gains or (loses)	216,478
Effect of assumption changes or inputs	(401,548)
Benefit payments	<u>(34,236)</u>
Net Change in total OPEB liability	(84,088)
Total OPEB liability, beginning	<u>1,938,037</u>
Total OPEB liability, ending	<u><u>1,853,949</u></u>
 Covered Payroll	 365,213
Total OPEB liability as a percentage of covered payroll	507.63%

The trends in these amounts are significantly affected by changes in benefit terms, the size of composition of the population covered by the benefit terms, and assumptions used on actuarial valuation.

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 Retirement Fund Required Contributions
For the Years Ended December 31, 2018, 2017, 2016, and 2015

	Year-end 2018	Year-end 2017	Year-end 2016	Year-end 2015
Contractually required contribution	29,217	38,659	49,901	53,569
Contributions in relation to the contractually required contribution	29,217	38,659	49,901	53,569
Contribution deficiency (excess)	-	-	-	-
Assessor's covered employee payroll	365,213	406,804	396,168	396,807
Contributions as a percentage of covered-employee payroll	8.00%	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, 2018, 2017, 2016, and 2015

	<u>Year-end 2018</u>	<u>Year-end 2017</u>	<u>Year-end 2016</u>	<u>Year-end 2015</u>
Assessor's proportion of the Net Pension Liability	0.855379	0.920687	0.89374	0.97095
Assessor's Proportionate share of the Net Pension Liability	166,289	161,554	315,373	508,120
State's proportionate share of the Net Pension Liability associated with the Assessor	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>166,289</u>	<u>161,554</u>	<u>315,373</u>	<u>508,120</u>
Assessor's Covered employee payroll	365,213	406,804	395,168	396,807
Assessor's proportionate share of the Net Pension Liability as a percentage of its covered employee payroll	45.53%	39.71%	79.81%	128.05%
Plan Fiduciary Net Position as a percentage of the total Pension Liability	95.46	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, 2018

Salary	117,167
Expense Checks	11,717
Benefits - Insurance	19,564
Benefits - Retirement	10,311
Deferred Compensation Match	4,800
Travel	2,485
Registration Fees	200
Conference Travel	1,649
Dues	<u>25</u>
	<u><u>167,918</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

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

Lincoln Parish Assessor
Ruston, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of the Lincoln Parish Assessor, as of and for the year ended December 31, 2018, 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, 2019.

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

A handwritten signature in blue ink that reads "Cochran Clark Robinson & Thomason". The signature is written in a cursive style.

Rayville, LA
June 15, 2019

LINCOLN PARISH ASSESSOR
RUSTON, LOUISIANA

Schedule of Findings and Responses
For the Year Ended December 31, 2018

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, 2018

There were no findings reported in the audit report for the year ended December 31, 2017.

See Auditors' Report.

LINCOLN PARISH ASSESSOR
RUSTON, LOUISIANA

LLA'S STATEWIDE AGREED UPON PROCEDURES
DECEMBER 31, 2018

COCHRAN, CLARK, ROBINSON & THOMASON

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June 15, 2019

To Sheila Bordelon
Lincoln Parish Tax Assessor
P O Box 1218
Ruston, LA 71273-1218

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 Tax Assessor (Entity) 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 fiscal period January 1, 2018 through December 31, 2018. The Entity'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*. 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 procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):

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

The entity has adequate written policies or procedures concerning 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 purchasing policies and procedures include how purchases are initiated, the preparation and approval process, controls to ensure compliance with public bid laws, and documentation required to be maintained for all bids and price quotes. The entity does not have a written policy or procedure for how vendors are added to the vendor list.

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

The entity has adequate written policies and procedures concerning disbursements.

- d) Receipts/Collections, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions

The entity has adequate written policies and procedures concerning 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 policies and procedures on payroll, as described above.

- 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 policies and procedures on contracting as described above.

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

The entity has adequate written policies and procedures on credit cards as described above.

- 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 policies and procedures on travel and expense reimbursement as described above.

- 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.

The entity has adequate policies and procedures concerning ethics, as described above.

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

The entity has adequate written policies concerning Debt Service as described above.

Board (or Finance Committee)

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

- 2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period and:
 - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds.
 - c) For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative restricted fund balance in the general fund.

Bank Reconciliations

No exceptions in prior year. This category has been excluded for testing in the current year.

- 3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:

- a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g. initialed and dated, electronically logged);
- b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
- c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Collections

No exceptions in prior year. This category has been excluded for testing in the current year.

- 4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
- 5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedure relating to employee job duties (if no written policies and procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
 - a) Employees that are responsible for cash collections do not share cash drawers/registers.
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
 - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.

6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.
7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc. Obtain supporting documentation for each of the 10 deposits and:
 - a) Observe that receipts are sequentially pre-numbered.
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Trace the deposit slip total to the actual deposit per the bank statement.
 - d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).
 - e) Trace the actual deposit per the bank statement to the general ledger

Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

Management confirms that there is only one location that processes payments.

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order.

- b) At least two employees are involved in processing and approving payments to vendors.

At least two employees are involved in processing and approving payments to vendors.

- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

The employee responsible for making payments does have the ability to add and modify vendor files; however, management approves all changes prior to payment.

- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

The official responsible for signing checks mails the checks after they are signed.

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:

- a) Observe that the disbursement matched the related original invoice/billing statement.

All disbursements tested matched the original invoice and related documentation.

- b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Out of all the disbursements tested, all of them were evidenced that two employees were involved with the purchase and processing of payment. In addition, all payments were mailed by the official responsible for signing the checks.

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

No exceptions in prior year. This category has been excluded for testing in the current year.

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, 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.

12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
 - a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]
 - b) Observe that finance charges and late fees were not assessed on the selected statements.
13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

Travel and Travel-Related Expense Reimbursement (excluding card transactions)

No exceptions in prior year. This category has been excluded for testing in the current year.

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
 - a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
 - b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
 - d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Contracts

No exceptions in prior year. This category has been excluded for testing in the current year.

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Alternately, the practitioner may use an equivalent selection source, such as an active vendor list. Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
 - a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
 - c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.
 - d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Payroll and Personnel

No exceptions in prior year. This category has been excluded for testing in the current year.

16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
 - a) Observe that 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.)
 - b) Observe that supervisors approved the attendance and leave of the selected employees/officials.
 - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulate leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.
19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

Ethics

No exceptions in prior year. This category has been excluded for testing in the current year.

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:
 - a) Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
 - b) Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

Debt Service

Not applicable. No exceptions in prior year and management confirmed there were no new debts issued in the current year.

21. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.
22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants.

Other

No exceptions in prior year. This category has been excluded for testing in the current year.

23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

24. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

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 not 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 the 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

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RE: Response to AUP Finding

- 1b. Management will have a written form for all new vendors to complete prior to any disbursements being made.

A handwritten signature in blue ink, appearing to read "Sheila Bordelon".

Sheila Bordelon, CLA
Lincoln Parish Assessor