

ALLEN PARISH ASSESSOR

Oberlin, Louisiana

Financial Report

For the Year Ended December 31, 2015

TABLE OF CONTENTS

| | <u>Page</u> |
|--|-------------|
| Independent Auditors' Report | 1-3 |
| BASIC FINANCIAL STATEMENTS | |
| GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS) | |
| Statement of net position | 6 |
| Statement of activities | 7 |
| FUND FINANCIAL STATEMENTS (FFS) | |
| Balance sheet - governmental fund | 9 |
| Reconciliation of the governmental fund balance sheet to the statement of net position | 10 |
| Statement of revenues, expenditures, and changes in fund balance- governmental fund | 11 |
| Reconciliation of the statement of revenues, expenditures, and changes in fund balance of the governmental fund to the statement of activities | 12 |
| Notes to basic financial statements | 13-31 |
| REQUIRED SUPPLEMENTARY INFORMATION | |
| Budgetary comparison schedule - General Fund | 33 |
| Schedule of funding progress | 34 |
| Schedule of employer's share of net pension liability | 35 |
| Schedule of employer contributions | 36 |
| Notes to required supplementary information | 37 |
| INTERNAL CONTROL, COMPLIANCE AND OTHER MATTERS | |
| 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 <i>Government Auditing Standards</i> | 39-40 |
| Summary schedule of current and prior year audit findings and corrective action plan | 41 |

KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

OFFICES

C. Burton Kolder, CPA*
Russell F. Champagne, CPA*
Victor R. Slaven, CPA*
Gerald A. Thibodeaux, Jr., CPA*
Robert S. Carter, CPA*
Arthur R. Mixon, CPA*
Brad E. Kolder, CPA, JD*
Stephen J. Anderson, CPA*
Penny Angelle Scruggins, CPA
Christine C. Doucet, CPA
Wanda F. Arcement, CPA, CVA
Bryan K. Joubert, CPA
Matthew E. Margaglio, CPA

Casey L. Ardoin, CPA
Albert R. Leger, CPA, PFS, CSA*
Marshall W. Guidry, CPA
Stephen R. Moore, Jr., CPA, PFS, CFP®, ChFC®
James R. Roy, CPA
Robert J. Metz, CPA
Alan M. Taylor, CPA
Kelly M. Doucet, CPA
Mandy B. Self, CPA
Paul L. Delcambre, Jr., CPA
Jane R. Hebert, CPA
Deidre L. Stock, CPA
Karen V. Fontenot, CPA
Tabby A. LeMay, CPA

* A Professional Accounting Corporation

183 South Beadle Rd.
Lafayette, LA 70508
Phone (337) 232-4141
Fax (337) 332-8860

450 East Main Street
New Iberia, LA 70560
Phone (337) 367-9204
Fax (337) 367-9208

113 East Bridge St.
Breaux Bridge, LA 70517
Phone (337) 332-4020
Fax (337) 332-2867

200 South Main Street
Abbeville, LA 70510
Phone (337) 893-7944
Fax (337) 893-7946

1234 David Dr. Ste 203
Morgan City, LA 70380
Phone (985) 384-2020
Fax (985) 384-3020

1013 Main Street
Franklin, LA 70538
Phone (337) 828-0272
Fax (337) 828-0290

434 East Main Street
Ville Platte, LA 70586
Phone (337) 363-2792
Fax (337) 363-3049

133 East Waddil St.
Marksville, LA 71351
Phone (318) 253-9252
Fax (318) 253-8681

332 West Sixth Avenue
Oberlin, LA 70655
Phone (337) 639-4737
Fax (337) 639-4568

1428 Metro Drive
Alexandria, LA 71301
Phone (318) 442-4421
Fax (318) 442-9833

WEB SITE
WWW.KCSRCPAS.COM

Retired:
Conrad O. Chapman, CPA* 2006

INDEPENDENT AUDITORS' REPORT

Honorable Richard Earl, CLA
Allen Parish Assessor
Oberlin, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major fund of the Allen Parish Assessor (the Assessor), a component unit of the Allen Parish Police Jury, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Assessor's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 auditors' 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 Assessor'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 Assessor'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 the major fund of the Allen Parish Assessor, as of December 31, 2015, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 15 to the basic financial statements, the Assessor has adopted the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for 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 budgetary comparison information, schedule of funding progress, schedule of employer's share of net pension liability, and schedule of employer contributions, pages 33-36, 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.

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 21, 2016 on our consideration of the Allen 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Assessor's internal control over financial reporting and compliance.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Oberlin, Louisiana
June 21, 2016

BASIC FINANCIAL STATEMENTS

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

ALLEN PARISH ASSESSOR
Oberlin, Louisiana

Statement of Net Position
December 31, 2015

| | Governmental Activities |
|------------------------------------|----------------------------|
| ASSETS | |
| Cash and interest-bearing deposits | \$ 117,426 |
| Due from other governmental units | 404,873 |
| Prepaid items | 3,000 |
| Capital assets, net | <u>20,943</u> |
| Total assets | <u>546,242</u> |
| DEFERRED OUTFLOWS OF RESOURCES | <u>157,776</u> |
| LIABILITIES | |
| Accounts and other payables | 4,422 |
| Net OPEB obligation payable | 614,545 |
| Net pension liability | <u>302,199</u> |
| Total liabilities | <u>921,166</u> |
| DEFERRED INFLOWS OF RESOURCES | <u>79,732</u> |
| NET POSITION | |
| Net investment in capital assets | 20,943 |
| Unrestricted | <u>(317,823)</u> |
| Total net position | <u>\$ (296,880)</u> |

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

ALLEN PARISH ASSESSOR

Oberlin, Louisiana

Statement of Activities
For the Year Ended December 31, 2015

| Activities | Expenses | Program Revenues | | Net (Expense) Revenues and Changes in Net Position Governmental Activities |
|--------------------------|-------------------|-------------------------|---------------------------------------|---|
| | | Charges for Services | Operating Grants and Contributions | |
| Governmental activities: | | | | |
| General government | <u>\$ 606,740</u> | <u>\$ -</u> | <u>\$ 25,304</u> | <u>\$(581,436)</u> |
| General revenues: | | | | |
| | | | | 476,855 |
| | | | | 36,501 |
| | | | | 73,226 |
| | | | | 25 |
| | | | | <u>10,765</u> |
| | | | | <u>597,372</u> |
| | | | | |
| | | | | 15,936 |
| | | | | |
| | | | | <u>(312,816)</u> |
| | | | | |
| | | | | <u>\$(296,880)</u> |

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

FUND FINANCIAL STATEMENTS (FFS)

ALLEN PARISH ASSESSOR
Oberlin, Louisiana

Balance Sheet - Governmental Fund
December 31, 2015

| | <u>General Fund</u> |
|---|-------------------------|
| ASSETS | |
| Cash and cash equivalents | \$ 117,426 |
| Prepaid expenditures | 3,000 |
| Receivables: | |
| Due from other governmental units | <u>404,873</u> |
| Total assets | <u>\$ 525,299</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE | |
| Liabilities: | |
| Accounts payable | \$ 1,710 |
| Accrued liabilities | <u>2,712</u> |
| Total liabilities | <u>4,422</u> |
| Deferred inflows of resources: | |
| Unavailable revenue - property taxes | <u>48,926</u> |
| Fund balance: | |
| Nonspendable - prepaid items | 3,000 |
| Unassigned | <u>468,951</u> |
| Total fund balance | <u>471,951</u> |
| Total liabilities and fund balance | <u>\$ 525,299</u> |

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

ALLEN PARISH ASSESSOR
Oberlin, Louisiana

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

| | |
|--|---------------------|
| Total fund balance for the governmental fund at December 31, 2015 | \$ 471,951 |
| 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 \$310,688 accumulated depreciation | 20,943 |
| Revenues that have been deferred are unearned in the governmental funds but are recognized as revenue in the government-wide financial statements | 48,926 |
| The deferred outflows of expenditures for the Louisiana Assessor's Retirement Fund are not a use of current resources, and therefore, are not reported in the fund financial statements. | 157,776 |
| Net OPEB obligation payable | (614,545) |
| Net pension liability | (302,199) |
| The deferred inflows of contributions for the Louisiana Assessor's Retirement Fund are not available resources, and therefore, are not reported in the fund financial statements. | <u>(79,732)</u> |
| Total net position of governmental activities at December 31, 2015 | <u>\$ (296,880)</u> |

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

ALLEN PARISH ASSESSOR
Oberlin, Louisiana

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

| | <u>General Fund</u> |
|--|-------------------------|
| Revenues: | |
| Intergovernmental revenues - | |
| Ad valorem taxes | \$ 475,500 |
| State revenue sharing | 36,501 |
| Gaming revenue | 25,304 |
| Other revenue - preparing tax rolls, etc. | 10,765 |
| Interest | <u>25</u> |
| Total revenues | <u>548,095</u> |
| Expenditures: | |
| Current - | |
| General government: | |
| Personnel services and related benefits | 414,596 |
| Operating services | 31,560 |
| Materials and supplies | 26,068 |
| Travel and other charges | 27,733 |
| Capital outlay | <u>6,750</u> |
| Total expenditures | <u>506,707</u> |
| Excess of revenues over expenditures | 41,388 |
| Fund balance, beginning of year, as restated | <u>430,563</u> |
| Fund balance, end of year | <u>\$ 471,951</u> |

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

ALLEN PARISH ASSESSOR
Oberlin, Louisiana

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

| | | |
|---|-----------------|-----------------|
| Total net changes in fund balance for the year ended December 31, 2015 per statement of revenues, expenditures and changes in fund balance | | \$41,388 |
| 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 expense. | | |
| Capital outlay which is considered expenditures on Statement of Revenues, Expenditures and Changes in Fund Balances | 6,750 | |
| Depreciation expense for the year ended December 31, 2015 | <u>(13,318)</u> | (6,568) |
| Revenues reported in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds | | |
| Change in unavailable revenues | | 1,355 |
| Expenses in the statement of activities that do not require the use of current financial resources are not reported in the governmental funds | | |
| Other post employment benefits | (59,928) | |
| Pension expense | <u>(33,537)</u> | (93,465) |
| Nonemployer contributions to retirement system for the year | | <u>73,226</u> |
| Change in net position for the year ended December 31, 2015 per statement of activities | | <u>\$15,936</u> |

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

ALLEN PARISH ASSESSOR
Oberlin, Louisiana

Notes to Basic Financial Statements

(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 his 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 accompanying financial statements of the Allen Parish Assessor (Assessor) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

A. Financial Reporting Entity

As the governing authority of the parish, for reporting purposes, the Allen Parish Police Jury is the financial reporting entity for Allen 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 courthouse in which the Assessor's office is located, the Assessor was determined to be a component unit of the Allen 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.

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 the fund of the reporting entity. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues.

ALLEN PARISH ASSESSOR
Oberlin, Louisiana

Notes to Basic Financial Statements (Continued)

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, fines 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.

Fund Financial Statements (FFS)

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, deferred outflows, liabilities, deferred inflows, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, deferred outflows, liabilities, deferred inflows, 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, as provided by Louisiana Revised Statute 13:781, is the principal fund of the Assessor and 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.

ALLEN PARISH ASSESSOR
Oberlin, Louisiana

Notes to Basic Financial Statements (Continued)

C. 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. 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. In the fund financial statements, the “current financial resources” measurement focus is used. 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.

Basis of Accounting

In the government-wide statement of net position and statement of activities, the governmental 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, deferred outflows of resources, liabilities, and deferred inflows of resources 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. Revenues are classified by source and expenditures are classified by function and character. 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.

ALLEN PARISH ASSESSOR
Oberlin, Louisiana

Notes to Basic Financial Statements (Continued)

Program revenues

Program revenues included in the statement of activities are derived directly from the program itself or from parties outside the Assessor's taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the Assessor's general revenues.

Use of Restricted Resources

When both restricted and unrestricted resources are available for use, it is the Assessor's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Equity

Cash and interest-bearing deposits

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

Receivables

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

Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2015, are recorded as prepaid items.

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 \$500 or more for capitalizing capital assets.

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

ALLEN PARISH ASSESSOR
Oberlin, Louisiana

Notes to Basic Financial Statements (Continued)

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

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

Compensated Absences

Employees of the Assessor's office earn 12 days of emergency leave each year. Emergency leave is used for personal illness, family illness, and other personal problems. In addition to emergency leave, employees of the Assessor's office earn vacation leave at varying rates, depending on their length of service. Vacation leave is not cumulative from year to year.

At termination or retirement, employees are paid for vacation leave accumulated during the current year; however, emergency leave is not paid. At December 31, 2015, the Assessor has no material accumulated leave benefits.

Deferred Outflows of Resources and Deferred Inflows of Resources

In some instances, the GASB requires an entity to delay recognition of decreases in net position as expenditures until a future period. In other instances, entities 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. At December 31, 2015, the Assessor's deferred outflows and inflows of resources on the government-wide statement are attributable to its pension plan.

Equity Classifications

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

- a. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

ALLEN PARISH ASSESSOR
Oberlin, Louisiana

Notes to Basic Financial Statements (Continued)

- c. Unrestricted net position – All other net position 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 balance. 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 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.

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 its commitment or assignment actions.

E. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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.

ALLEN PARISH ASSESSOR
Oberlin, Louisiana

Notes to Basic Financial Statements (Continued)

F. Revenues, Expenditures, and Expenses

Revenues

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

Fees for preparing tax rolls are recorded in the year prepared. Interest income on time deposits is recorded when the time deposits have matured. Interest income on demand deposits is recorded monthly when the interest is earned and credited to the account.

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

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.

(2) Ad Valorem Taxes

Pursuant to Act 174 of 1990, Louisiana Revised State Statute 47:1925.2 created a special assessment district to provide ad valorem tax revenue to fund the Assessor's office.

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied in September or October and billed to the taxpayers by the Allen Parish Sheriff in December. Billed taxes are due by December 31, becoming delinquent on January 1 of the following year. The taxes are based on assessed values determined by the Allen Parish Assessor and are collected by the Allen Parish Tax Collector at the Allen Parish Sheriff's office. The taxes are remitted to the Assessor net of deductions for pension fund contributions.

Ad valorem taxes are budgeted and recorded in the year levied and billed. For the year ended December 31, 2015, special assessment district taxes were levied at the rate of 5.25 mills, on property with assessed valuations totaling \$91,112,584.

Total taxes levied during 2015 were \$478,341. Taxes receivable at December 31, 2015, were \$390,360, net of an allowance for uncollectible taxes of \$22,768.

ALLEN PARISH ASSESSOR
Oberlin, Louisiana

Notes to Basic Financial Statements (Continued)

(3) Principal Taxpayers

The following are the principal taxpayers for the parish and their 2015 assessed valuation (amounts expressed in thousands):

| | 2015 Assessed Valuation (in thousands) | Percent of total Assessed Valuation |
|-----------------------------|---|--|
| Union Pacific Railroad | \$ 5,824 | 6.39% |
| Cleco Corporation | 5,762 | 6.32% |
| Texas Eastern Transmission | 4,293 | 4.71% |
| Boise Building Solutions | 3,374 | 3.70% |
| Transcontinental Gas | 3,066 | 3.37% |
| Martco OSB Oakdale | 2,991 | 3.28% |
| Beauregard Electric Co. | 2,376 | 2.61% |
| Tennessee Gas Pipeline | 1,923 | 2.11% |
| Rayonier Gulf Timberlan | 1,527 | 1.68% |
| Denbury Gulf Coast Pipeline | <u>1,363</u> | <u>1.50%</u> |
| | <u>\$ 32,499</u> | <u>35.67%</u> |

(4) Cash and Interest-Bearing Deposits

Under state law, the Assessor may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Assessor may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At December 31, 2015, the Assessor had cash and cash equivalents (book balances) totaling \$117,426.

These deposits are stated at cost, which approximates market. Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the Assessor's deposits may not be recovered or will not be able to recover the collateral securities that are in the possession of an outside party. Under state law, these deposits, (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) at December 31, 2015 in the amount of \$138,711 were fully secured by federal deposit insurance and, therefore, not exposed to custodial credit risk.

The Assessor follows state law regarding its deposits and investments; however it has not adopted a formal deposit and investment policy.

ALLEN PARISH ASSESSOR
Oberlin, Louisiana

Notes to Basic Financial Statements (Continued)

(5) Due from Other Governmental Units

Due from other governmental units of \$411,105 consisted of the following at December 31, 2015:

| | |
|---|-------------------|
| Ad valorem taxes | \$ 413,128 |
| Less allowance for uncollected ad valorem taxes | (22,768) |
| Preparation of tax rolls | 8,187 |
| Gaming revenue | <u>6,326</u> |
| Total | <u>\$ 404,873</u> |

(6) Capital Assets

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

| | <u>Balance</u> <u>01/01/15</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance</u> <u>12/31/2015</u> |
|-----------------------------------|-----------------------------------|-------------------|------------------|-------------------------------------|
| Capital assets: | | | | |
| Equipment, furniture and fixtures | \$ 324,881 | \$ 6,750 | \$ - | \$ 331,631 |
| Less accumulated depreciation: | | | | |
| Equipment, furniture and fixtures | <u>297,370</u> | <u>13,318</u> | <u>-</u> | <u>310,688</u> |
| Net capital assets | <u>\$ 27,511</u> | <u>\$ (6,568)</u> | <u>\$ -</u> | <u>\$ 20,943</u> |

Depreciation expense of \$13,318 was charged to the general government function.

(7) Pension Plan

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pension expense, information about the fiduciary net position of the Louisiana Assessors' Retirement and Relief Fund, and additions to/deductions from the system's fiduciary net position have been determined on the same basis as they are reported by the systems. The system's financial statements are prepared using the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

Plan Description: Substantially all employees of the Assessor, except part-time and temporary employees, are members of the Louisiana Assessors' Retirement and Relief Fund (System), a cost sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees.

ALLEN PARISH ASSESSOR
Oberlin, Louisiana

Notes to Basic Financial Statements (Continued)

The following brief description of the Louisiana Assessors' Retirement Fund and Subsidiary (collectively referred to as the "Fund") is provided for general information purposes only. Participants should refer to the Plan Agreement for more complete information.

Pension Benefits: Employees who were hired before October 1, 2013, will be eligible for pension benefits once they have either reached the age of fifty-five and have at least twelve years of service or have at least thirty years of service, regardless of age. Employees who were hired on or after October 1, 2013, will be eligible for pension benefits once they have either reached the age of sixty and have at least twelve years of service or have reached the age of fifty-five and have at least thirty years of service.

Employees who became members prior to October 1, 2006 are entitled to annual pension benefits equal to three and one-third percent of their average final compensation based on the 36 consecutive months of highest pay, multiplied by their total years of service, not to exceed 100% of final compensation. Employees who become members on or after October 1, 2006 will have their benefit based on the highest 60 months of consecutive service. Employees may elect to receive their pension benefits in the form of a joint/survivor annuity.

Contributions: Contributions for all members are established by statute at 8.0% of earned compensation. Employer contributions were 13.5% of members' earnings for the year ended September 30, 2015.

The Fund also receives one-fourth of one percent of the property taxes assessed in each parish of the state as well as a state revenue sharing appropriation. According to state statute, in the event that contributions for ad valorem taxes and revenue sharing funds are insufficient to provide for the gross employer actuarially required contribution, the employer is required to make direct contributions as determined by the Public Retirement System's Actuarial Committee. Although the direct employer actuarially required contribution for the fiscal year ended September 30, 2015 is 6.84%, the actual employer contribution rate for the fiscal year ended September 30, 2015 was 13.50%. The actual rate differs from the actuarially required rate due to state statutes that require the contribution rate be calculated and set one year prior to the year effective. The minimum direct employer actuarially required contribution will be 6.75% for fiscal year 2016. Contributions from non-employer contributing entities were \$73,226. Contributions to the pension plan from the Assessor were \$32,010 for the year ended December 31, 2015.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At September 30, 2015, the Assessor reported a liability of \$302,199 for its proportionate share of the net pension liability. The net pension liability was measured as of September 30, 2015 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Assessor's proportion of the net pension liability was based on a projection of the Assessor's long-term share of contributions to the pension plan relative to the projected contributions of all participating employer's, actuarially determined. At September 30, 2015, the Assessor's proportion was .577461%, which was a decrease of .063187% from its proportion measured as of September 30, 2014.

ALLEN PARISH ASSESSOR
Oberlin, Louisiana

Notes to Basic Financial Statements (Continued)

At December 31, 2015, the Assessor reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|-----------------------------------|----------------------------------|
| Difference between expected and actual experience | \$ - | \$ 27,555 |
| Change of assumptions | 34,589 | - |
| Change in proportion and differences between the employer's contributions and the employer's proportionate share of contributions | - | 52,177 |
| Net differences between projected and actual earnings on plan investments | 115,095 | - |
| Contributions subsequent to the measurement date | 8,092 | - |
| Total | <u>\$ 157,776</u> | <u>\$ 79,732</u> |

Deferred outflows of resources of \$8,092 related to pensions resulting from the Assessor's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year Ended December 31 | |
|---------------------------|------------------|
| 2016 | \$ 17,101 |
| 2017 | 17,101 |
| 2018 | 17,101 |
| 2019 | 22,827 |
| 2020 | (4,177) |
| | <u>\$ 69,953</u> |

Detailed information about the pension plan's assets, deferred outflows, deferred inflows, and fiduciary net position that were used in the measurement of the Assessor's net pension liability is available in the separately issued plan financial reports at <http://www.louisianaassessors.org>.

Actuarial Methods and Assumptions: The current year actuarial assumptions utilized for this report are based on the assumptions used in the September 30, 2015 actuarial funding valuation, which (with the exception of mortality) were based on results of an actuarial experience study for the period October 1, 2006 – September 30, 2010, unless otherwise specified in this report. In cases where benefit structures were changed after the study period, assumptions were based on estimates of future experience. All assumptions selected were determined to be reasonable and represent expectations of future experience for the Fund.

ALLEN PARISH ASSESSOR
Oberlin, Louisiana

Notes to Basic Financial Statements (Continued)

| | |
|---|---|
| Actuarial Cost Method | Entry age normal |
| Investment rate of return (discount rate) | 7%, net of pension plan investment expense, including inflation |
| Inflation Rate | 2.50% |
| Salary Increases | 5.75% |
| Active member, annuitant and beneficiary mortality | RP 2000 Healthy Annuitant Table (set forward one year and projected to 2030 for males and females) |
| Retiree Cost of Living Increases | The present value of future retirement benefits is based on benefits currently being paid by the Fund and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees. |
| Disabled Lives Mortality | RP-2000 Disabled Lives Mortality Tables set back five years for males and three years for females. |

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, 2015, are summarized in the following table.

| <u>Asset Class</u> | <u>Long-Term Expected Real Rate of Return</u> |
|----------------------|---|
| | <u>2015</u> |
| Domestic equity | 7.50% |
| International equity | 8.50% |
| Domestic bonds | 2.50% |
| International bonds | 3.50% |
| Real estate | 4.50% |
| Alternative assets | 6.03% |

The long-term expected rate of return selected for this report by the Fund was 7.00%. 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 contributing 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

ALLEN PARISH ASSESSOR
Oberlin, Louisiana

Notes to Basic Financial Statements (Continued)

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 7.00%.

Changes in the net pension liability may either be reported in pension expense in the year the change occurred or recognized as a deferred outflow of resources or a deferred inflow of resources in the year the change occurred and amortized into pension expense over a number of years. For the year ended December 31, 2015, the Assessor recognized \$65,546 in pension expense.

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 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 regard to those earnings is required to be included in pension expense in a systematic and rational manner over a closed period of five years, beginning with the current period. The Expected Remaining Service Lives (ERSL) for 2015 is 6 years.

Sensitivity to Changes in Discount Rate: The following presents the net pension liability of the Fund calculated using the discount rate of 7.00%, as well as what the Fund's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current discount rate (assuming all other assumptions remain unchanged):

| | 1% Decrease 6.00% | Current Discount Rate 7.00% | 1% Increase 8.00% |
|-----------------------|-------------------------|--------------------------------------|-------------------------|
| Net Pension Liability | \$ 520,436 | \$ 425,681 | \$ 115,074 |

(8) Deferred Compensation Plan

The Allen 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, available to all Assessors' employees, permits the employees to defer a portion of their salary until future years. The Assessor does not match any contributions to this plan. The deferred compensation is not available to employees until termination, retirement, death, or proof of hardship.

ALLEN PARISH ASSESSOR
Oberlin, Louisiana

Notes to Basic Financial Statements (Continued)

The assets of the plan are held in trust as described in IRC Section 457(g) for the exclusive benefit of the participants and their beneficiaries. The custodian thereof for the exclusive benefit of the participants holds the custodial account for the beneficiaries of this plan, and the assets may not be diverted to any other use. The administrators are agents of the employer for purposes of providing direction to the custodian of the custodial account from time to time for the investment of the funds held in the account, transfer of assets to or from the account, and all other matters. 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.

It is the opinion of management, after consulting with legal counsel, the Allen Parish Assessor has no liability for losses under the plan.

9) Post-Retirement Health Care and Life Insurance Benefits

From an accrual accounting perspective, the cost of postemployment healthcare and life insurance benefits should be associated with the periods in which the cost occurs, rather than in the future year when it will be paid. In adopting the requirements of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Post Employment Benefits Other than Pensions*, during the year ended December 31, 2009, the Assessor recognizes the cost of postemployment healthcare in the year when employee services are received, reports the accumulated liability from prior years, and provides information useful in assessing potential demands on the Assessor's future cash flows. Because the Assessor is adopting the requirements of GASB Statement No. 45 prospectively, recognition of the liability accumulated from prior years will be phased in over 30 years, commencing with the 2009 liability.

Plan Description: Continuing health care and life insurance benefits are provided for those retired employees who have reached normal retirement age while employed by the Assessor. 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.

Funding Policy: The monthly premiums for retiree benefits are paid by the Assessor. The Assessor recognizes the cost of providing these benefits as an expenditure when the monthly premiums are due. The benefits are financed on a pay-as-you-go basis.

Annual OPEB Cost: The Assessor's annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The Assessor utilizes the level-dollar amortization method to amortize the unfunded actuarial accrued liability.

ALLEN PARISH ASSESSOR
Oberlin, Louisiana

Notes to Basic Financial Statements (Continued)

The following table shows the components of the Assessor's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Assessor's net OPEB obligation:

| | |
|--|-------------------|
| Annual required contribution | \$ 122,985 |
| Interest on net OPEB obligation | 22,185 |
| Adjustment to annual required contribution | <u>(36,376)</u> |
| Annual OPEB cost (expense) | 108,794 |
| Contributions made | <u>(48,866)</u> |
| Increase in net OPEB obligation | 59,928 |
| Net OPEB obligation - beginning of year | <u>554,617</u> |
| Net OPEB obligation - end of year | <u>\$ 614,545</u> |

The Assessor's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2013-2015 follows:

| Fiscal Year Ended | Annual OPEB Cost | Percentage of Annual OPEB Cost Contributed | Net OPEB Obligation |
|-------------------------|------------------------|--|------------------------|
| 12/31/2013 | \$ 119,399 | 30.3% | \$ 479,931 |
| 12/31/2014 | \$ 117,631 | 36.5% | \$ 554,617 |
| 12/31/2015 | \$ 108,794 | 44.9% | \$ 614,545 |

Fiscal year 2009 was the year of implementation of GASB Statement No. 45 and the Assessor has elected to implement prospectively.

Funded Status and Funding Progress: The funded status of the plan as of December 31, 2015, was as follows:

| | |
|---|---------------------|
| Actuarial accrued liability (AAL) | \$ 1,154,124 |
| Actuarial valuation of plan assets | <u>-</u> |
| Unfunded actuarial accrued liability (UAAL) | <u>\$ 1,154,124</u> |
| Funded ratio (actuarial value of plan assets/AAL) | 0% |
| Covered payroll (active plan members) | \$ 237,112 |
| UAAL as a percentage of covered payroll | 486.7% |

ALLEN PARISH ASSESSOR
Oberlin, Louisiana

Notes to Basic Financial Statements (Continued)

Actuarial valuations for an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Actuarially determined amounts are subject to continuous revision as actual results are compared to past expectations and new estimates about the future are formulated. Although the valuation results are based on values which the Assessor's actuarial consultant believes are reasonable assumptions, the valuation results reflect a long-term perspective and, as such, are merely an estimate of what future costs may actually be. Deviations in any of several factors, such as future interest rates, medical cost inflation, medicare coverage, and changes in marital status, could result in actual costs being less or greater than estimated.

The schedule of funding progress included in required supplementary information following the notes to the financial statements, will present multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. GASB statement No. 45 requires an actuarial valuation at least triennially for plans with less than 200 participants.

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

In the January 1, 2015 actuarial valuation the unit credit actuarial cost method was used. The significant actuarial assumptions used in the valuation of the plan are as follows:

1. Investment return of 4.0% per annum, compounded annually.
2. Retirement Rates

| Age | Male | Female |
|-------|-------|--------|
| 46-49 | 22.0% | 22.0% |
| 50-54 | 44.0% | 44.0% |
| 55-57 | 4.0% | 4.0% |
| 58-62 | 18.0% | 18.0% |
| 63+ | 28.0% | 28.0% |

3. 100% of employees who elect coverage while in active employment and who are eligible for retiree benefits are assumed to elect continued medical coverage in retirement. For those who elect coverage, it is assumed that they will continue to be covered by the same plan as retirees that they were while active.
4. 40% of members electing coverage are assumed to also elect coverage for a spouse. Females are assumed to be three years younger than males, for active employees.

ALLEN PARISH ASSESSOR
Oberlin, Louisiana

Notes to Basic Financial Statements (Continued)

5. Medical Inflation

Medical

| <u>Year</u> | <u>Trend</u> |
|-------------|--------------|
| 2015 | 6.8% |
| 2016 | 4.1% |
| 2017 | 8.4% |
| 2018 | 5.2% |
| 2019 | 5.1% |
| 2020 | 5.2% |
| 2021 | 5.2% |
| 2022 | 5.2% |
| 2023 | 5.2% |
| 2024 | 5.2% |
| 2025 | 5.2% |
| 2026 | 5.2% |
| 2027 | 5.2% |
| 2099+ | 4.6% |

6. Dental Inflation

Dental

| <u>Year</u> | <u>Trend</u> |
|-------------|--------------|
| 2015 | 4.7% |
| 2016 | 4.7% |
| 2017 | 4.7% |
| 2018 | 4.7% |
| 2019 | 4.7% |
| 2020 | 4.7% |
| 2021 | 4.7% |
| 2022 | 4.7% |
| 2023 | 4.7% |
| 2024 | 4.7% |
| 2025 | 4.7% |
| 2026 | 4.7% |
| 2027 | 4.7% |
| 2099+ | 4.1% |

ALLEN PARISH ASSESSOR
Oberlin, Louisiana

Notes to Basic Financial Statements (Continued)

7. Life insurance premiums for retiree coverage are \$.058/month/unit of coverage. 100% of employees who elect coverage while in active employment and who are eligible for retirement benefits are assumed to elect life insurance coverage in retirement.

(10) Expenditures of the Assessor Paid by the Parish Police Jury

The Allen Parish Police Jury provided the office space and utilities for the Assessor's office for the year ended December 31, 2015. These expenditures are not reflected in the accompanying financial statements.

(11) Litigation

There is no litigation pending against the Assessor's office at December 31, 2015.

(12) Risk Management

The Assessor is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Assessor has obtained coverage from various commercial insurance companies to reduce his exposure to these risks. There have been no significant reductions in the insurance coverage during the year, nor have settlements exceeded coverage for the past three years.

(13) Recently Issued Accounting Pronouncements

In June 2015, the Governmental Accounting Standards Board (GASB) approved Statement No. 73, "Accounting and Financial Reporting for Pension and Related Assets that are not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68". This statement improves the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability. The provisions of GASB No. 73 must be implemented by the Assessor for the year ending December 31, 2016. The effect of implementation on the Assessor's financial statements has not yet been determined.

ALLEN PARISH ASSESSOR
Oberlin, Louisiana

Notes to Basic Financial Statements (Continued)

(14) Compensation, Benefits, and Other Payments to Assessor

A detail of compensation, benefits, and other payments paid to the Assessor, Richard Earl, for the year ended December 31, 2015 follows:

| <u>Purpose</u> | <u>Amount</u> |
|------------------------------|-------------------|
| Salary | \$ 126,727 |
| Expense allowance | 12,673 |
| Benefits - health insurance | 14,024 |
| Benefits - retirement | 25,789 |
| Conference lodging and meals | 3,022 |
| Telephone | 1,237 |
| Auto expenses | 5,961 |
| Training | 1,255 |
| Total | <u>\$ 190,688</u> |

(15) Prior Period Adjustment/Correction of an Error

The Assessor has determined that certain transactions were recorded incorrectly in a prior year. Certain errors resulting in an understatement of unavailable revenue and overstatement of receivables were discovered during the current year.

The following schedules reconcile December 31, 2014 net position as previously reported to beginning net position, as restated, as a result of the reclassification of previously reported liabilities and deferred inflows and outflows of resources related to pensions by the adoption of GASB Statement No. 68 and fund balance as previously reported to fund balance, as restated as a result of the correction of an error as described above:

Governmental activities:

| | |
|---|------------------|
| Net position, previously reported | \$ (48,972) |
| Prior period adjustment: | |
| Change in accounting principle: | |
| Net effect of recording net pension liability | <u>(263,844)</u> |

| | |
|---|---------------------|
| January 1, 2015 net position, as restated | <u>\$ (312,816)</u> |
|---|---------------------|

Governmental Fund:

| | |
|-----------------------------------|-----------------|
| General Fund | |
| Fund balance, previously reported | 471,584 |
| Prior period adjustment: | |
| Correction of an error | <u>(41,021)</u> |

| | |
|---------------------------|-------------------|
| Fund balance, as restated | <u>\$ 430,563</u> |
|---------------------------|-------------------|

**REQUIRED
SUPPLEMENTARY INFORMATION**

ALLEN PARISH ASSESSOR
Oberlin, Louisiana
General Fund

Budgetary Comparison Schedule
For the Year Ended December 31, 2015

| | Budget | | | Variance - |
|---|-------------------|-------------------|-------------------|----------------------------|
| | Original | Final | Actual | Favorable (Unfavorable) |
| Revenues: | | | | |
| Intergovernmental revenues - | | | | |
| Ad valorem taxes | \$ 395,000 | \$ 395,000 | \$ 475,500 | \$ 80,500 |
| State revenue sharing | 36,000 | 36,000 | 36,501 | 501 |
| Gaming revenue | 27,500 | 27,500 | 25,304 | (2,196) |
| Other revenue - preparing tax rolls, copies, etc. | 25,000 | 25,000 | 10,765 | (14,235) |
| Interest | 25 | 25 | 25 | - |
| Total revenues | <u>483,525</u> | <u>483,525</u> | <u>548,095</u> | <u>64,570</u> |
| Expenditures: | | | | |
| General government: | | | | |
| Personnel services and related benefits - | | | | |
| Salaries: | | | | |
| Assessor | 135,000 | 135,000 | 139,400 | (4,400) |
| Deputy Assessors | 135,000 | 135,000 | 97,712 | 37,288 |
| Other | 22,000 | 22,000 | 37,869 | (15,869) |
| Group insurance | 68,250 | 68,250 | 89,421 | (21,171) |
| Pension | 50,000 | 50,000 | 43,866 | 6,134 |
| Medicare tax | 5,500 | 5,500 | 6,328 | (828) |
| Total personnel services and related benefits | <u>415,750</u> | <u>415,750</u> | <u>414,596</u> | <u>1,154</u> |
| Operating services - | | | | |
| Professional services | 14,500 | 14,500 | 15,335 | (835) |
| Insurance | 4,500 | 4,500 | 4,265 | 235 |
| Interest expenditures | 250 | 250 | - | 250 |
| Leases and rentals | 1,500 | 1,500 | 1,437 | 63 |
| Telephone | 7,200 | 7,200 | 6,844 | 356 |
| Training | 200 | 200 | 3,679 | (3,479) |
| Total operating services | <u>28,150</u> | <u>28,150</u> | <u>31,560</u> | <u>(3,410)</u> |
| Materials and supplies - | | | | |
| Office supplies and expenditures | 9,100 | 9,100 | 11,013 | (1,913) |
| Automobile supplies and maintenance | 6,600 | 6,600 | 3,944 | 2,656 |
| Computer operation and maintenance | 12,000 | 12,000 | 6,447 | 5,553 |
| Dues and subscriptions | 8,500 | 8,500 | 4,664 | 3,836 |
| Total materials and supplies | <u>36,200</u> | <u>36,200</u> | <u>26,068</u> | <u>10,132</u> |
| Travel and other charges - | | | | |
| Travel | 9,500 | 9,500 | 14,802 | (5,302) |
| Bad debt expense | - | - | 12,931 | (12,931) |
| Total travel and other charges | <u>9,500</u> | <u>9,500</u> | <u>27,733</u> | <u>(18,233)</u> |
| Capital outlay - | | | | |
| Capital outlay - office equipment | 10,000 | 10,000 | 6,750 | 3,250 |
| Total expenditures | <u>499,600</u> | <u>499,600</u> | <u>506,707</u> | <u>(7,107)</u> |
| Excess (deficiency) of revenues over expenditures | (16,075) | (16,075) | 41,388 | 57,463 |
| Fund balance, beginning of year, as restated | <u>430,563</u> | <u>430,563</u> | <u>430,563</u> | - |
| Fund balance, end of year | <u>\$ 414,488</u> | <u>\$ 414,488</u> | <u>\$ 471,951</u> | <u>\$ 57,463</u> |

ALLEN PARISH ASSESSOR
Oberlin, Louisiana

Schedule of Funding Progress
Year Ended December 31, 2015

| Actuarial Valuation Date | Actuarial Value of Assets | Actuarial Accrued Liabilities (AAL) | Unfunded Actuarial Accrued Liabilities (UAAL) | Funded Ratio | Covered Payroll | UAAL as a Percentage of Covered Payroll |
|--------------------------------|---------------------------------|--|---|-----------------|--------------------|--|
| January 1, 2009 | - | \$1,211,551 | \$1,211,551 | 0% | \$263,353 | 460% |
| January 1, 2012 | - | \$1,381,132 | \$1,381,132 | 0% | \$261,895 | 527% |
| January 1, 2015 | - | \$1,154,124 | \$1,154,124 | 0% | \$237,112 | 487% |

ALLEN PARISH ASSESSOR
Oberlin, Louisiana

Schedule of Employer's Share of Net Pension Liability
For the Year Ended December 31, 2015*

| Year Ended December 31, | Employer Proportion of the Net Pension Liability (Asset) | Employer Proportionate Share of the Net Pension Liability (Asset) | Employer's Covered Employee Payroll | Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll | Plan Fiduciary Net Position as a Percentage of the Total Pension Liability |
|----------------------------|---|--|--|---|--|
| 2015 | 0.577461% | \$ 302,199 | \$ 261,895 | 115.4% | 85.57% |

* The amounts presented have a measurement date of September 30, 2015.

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

ALLEN PARISH ASSESSOR
Oberlin, Louisiana

Schedule of Employer Contributions
For the Year Ended December 31, 2015

| <u>Year ended December 31,</u> | <u>Contractually Required Contribution</u> | <u>Contributions in Relation to Contractual Required Contribution</u> | <u>Contribution Deficiency (Excess)</u> | <u>Employer's Covered Employee Payroll</u> | <u>Contributions as a % of Covered Employee Payroll</u> |
|------------------------------------|--|---|---|--|---|
| 2015 | \$32,010 | \$32,010 | \$ - | \$237,112 | 13.50% |

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

ALLEN PARISH ASSESSOR
Oberlin, Louisiana

Notes to Required Supplementary Information
For the Year Ended December 31, 2015

(1) Budgets and Budgetary Accounting

The Assessor follows these procedures in establishing the budgetary data reflected in the financial statements:

1. A proposed budget is prepared and submitted to the Assessor for the fiscal year no later than fifteen days prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published and the public is notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for a hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is legally adopted prior to the commencement of the fiscal year for which the budget is being adopted.
5. All budgetary appropriations lapse at the end of each fiscal year.
6. The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts included in the accompanying financial statements are as originally adopted or as finally amended by the Assessor.

(2) Excess of Expenditures Over Appropriations

The General Fund incurred expenditures in excess of appropriations totaling \$7,107 for the year ended December 31, 2015.

(3) Pension Plan

Changes of Assumptions – Changes of assumptions about future economic or demographic factors or of other inputs were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan. There were no changes of benefit terms for the year ended December 31, 2015.

**INTERNAL CONTROL, COMPLIANCE
AND OTHER MATTERS**

KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

OFFICES

C. Burton Kolder, CPA*
Russell F. Champagne, CPA*
Victor R. Slaven, CPA*
Gerald A. Thibodeaux, Jr., CPA*
Robert S. Carter, CPA*
Arthur R. Mixon, CPA*
Brad E. Kolder, CPA, JD*
Stephen J. Anderson, CPA*
Penny Angelle Scruggins, CPA
Christine C. Doucet, CPA
Wanda F. Arcement, CPA, CVA
Bryan K. Joubert, CPA
Matthew E. Margaglio, CPA

Casey L. Ardoin, CPA
Albert R. Leger, CPA, PFS, CSA*
Marshall W. Guidry, CPA
Stephen R. Moore, Jr., CPA, PFS, CFP®, ChFC®
James R. Roy, CPA
Robert J. Metz, CPA
Alan M. Taylor, CPA
Kelly M. Doucet, CPA
Mandy B. Self, CPA
Paul L. Delcambre, Jr., CPA
Jane R. Hebert, CPA
Deidre L. Stock, CPA
Karen V. Fontenot, CPA
Tabby A. LeMay, CPA

* A Professional Accounting Corporation

183 South Beadle Rd.
Lafayette, LA 70508
Phone (337) 232-4141
Fax (337) 232-8660

450 East Main Street
New Iberia, LA 70560
Phone (337) 367-9204
Fax (337) 367-9208

113 East Bridge St.
Breaux Bridge, LA 70517
Phone (337) 332-4020
Fax (337) 332-2867

200 South Main Street
Abbeville, LA 70510
Phone (337) 893-7944
Fax (337) 893-7946

1234 David Dr. Ste 203
Morgan City, LA 70380
Phone (985) 384-2020
Fax (985) 384-3020

1013 Main Street
Franklin, LA 70538
Phone (337) 828-0272
Fax (337) 828-0290

434 East Main Street
Ville Platte, LA 70586
Phone (337) 363-2792
Fax (337) 363-3049

133 East Waddell St.
Marksville, LA 71351
Phone (318) 253-9252
Fax (318) 253-8681

332 West Sixth Avenue
Oberlin, LA 70655
Phone (337) 639-4737
Fax (337) 639-4568

1428 Metro Drive
Alexandria, LA 71301
Phone (318) 442-4421
Fax (318) 442-9833

WEB SITE
WWW.KCSRCPAS.COM

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Conrad O. Chapman, CPA* 2006

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

Honorable Richard Earl, CLA
Allen Parish Assessor
Oberlin, 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 Allen Parish Assessor, (the Assessor), a component unit of the Allen Parish Police Jury, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Assessor's basic financial statements, and have issued our report thereon dated June 21, 2016.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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 the Assessor's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying summary schedule of current and prior year audit findings and corrective action, as item 2015-001 to be a significant deficiency.

Compliance and Other Matters

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

Allen Parish Assessor's Response to Findings

The Assessor's response to the findings identified in our audit is described in the accompanying summary schedule of current and prior year audit findings and corrective action plan. The Assessor's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 Assessor'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 Assessor's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Although the intended use of this report may be limited, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Oberlin, Louisiana
June 21, 2016

ALLEN PARISH ASSESSOR
Ville Platte, Louisiana

Summary Schedule of Current and Prior Year Audit Findings
and Corrective Action Plan
For the Year Ended December 31, 2015

| Ref. No. | Fiscal Year Finding Initially Occurred | Description of Finding | Corrective Action Taken | Corrective Action Planned | Name of Contact Person | Completion Date |
|------------------------------|---|---|-------------------------------|--|------------------------------|--------------------|
| CURRENT YEAR (12/31/2015) -- | | | | | | |
| <u>Internal Control:</u> | | | | | | |
| 2015-001 | Unknown | Due to the small number of employees, the Assessor did not have adequate segregation of functions within the accounting system. | No | Based upon the size of the operation and the cost benefit of additional personnel, it may not be feasible to achieve complete segregation of duties. | Richard Earl, Assessor | N/A |
| PRIOR YEAR (12/31/2014) -- | | | | | | |
| <u>Internal Control:</u> | | | | | | |
| 2014-001 | Unknown | Due to the small number of employees, the Assessor did not have adequate segregation of functions within the accounting system. | No | Based upon the size of the operation and the cost benefit of additional personnel, it may not be feasible to achieve complete segregation of duties. | Richard Earl, Assessor | N/A |