

**SABINE PARISH ASSESSOR
MANY, LOUISIANA
ANNUAL FINANCIAL REPORT**

DECEMBER 31, 2013

Sabine Parish Assessor
Sabine, Louisiana

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SABINE PARISH ASSESSOR

400 S. Capitol Street, Room 106
Many, LA 71449

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Management's Discussion and Analysis (MD&A) of the Sabine Parish Assessor (Assessor) provides an overview and overall review of the Assessor's financial activities for the year ended December 31, 2013. The intent of the MD&A is to look at the Assessor's financial performance as a whole. It should, therefore be read in conjunction with this report.

Financial Highlights

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the Assessor as a whole and presents a longer-term view of the Assessor's finances. These statements tell how these services were financed in the short-term as well as what remains for future spending. Certain comparative information is presented to provide an overview of the Assessor's operations.

Government-wide Financial Statements

The Statement of Net Position presents all of the Assessor's assets and liabilities, with the difference between the two reported as "net position". Over time, increases or decreases in the Assessor's net position may serve as a useful indicator of whether the financial position of the Assessor is improving or deteriorating.

The Statement of Activities presents information showing how the Assessor's net position changed during the most current year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Therefore, some revenues and some expenses that are reported in this statement will not result in cash flows until future years.

Fund Financial Statements

Governmental Fund Financial Statements. The services provided by the Assessor are financed through a governmental fund. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Assessor, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Assessor's only governmental fund is the General Fund and is considered a major fund for presentation purposes. These statements provide a short-term view of the Assessor's finances and assists in determining whether there will be adequate financial resources available to meet the current needs of the Assessor.

A summary of the basic government-wide financial statements is as follows:

Summary of Statement of Net Position

	<u>2013</u>	<u>2012</u>
ASSETS:		
Assets	\$1,798,757	\$1,648,145
Capital assets, net of accumulated depreciation	<u>276,050</u>	<u>55,506</u>
Total Assets	<u>\$2,074,807</u>	<u>\$1,703,651</u>
LIABILITIES:		
Total Liabilities	\$ <u>401,525</u>	\$ <u>331,401</u>
NET POSITION:		
Net Investment in Capital Assets	\$ 276,050	\$ 55,506
Unrestricted	<u>1,397,232</u>	<u>1,316,744</u>
Total Net Position	<u>\$1,673,282</u>	<u>\$1,372,250</u>

Summary of Statement of Activities

	<u>2013</u>	<u>2012</u>
REVENUES:		
General Revenues-		
Property Taxes	\$1,084,755	\$ 977,621
State Revenue Sharing	42,351	43,296
Charge for Services	13,220	6,664
Interest	<u>3,735</u>	<u>3,771</u>
Total Revenues	<u>\$1,144,061</u>	<u>\$1,031,352</u>
EXPENSES:		
Personnel Services	\$ 680,152	\$ 757,849
Operating Services	42,588	90,849
Materials & Supplies	79,461	32,709
Other	<u>40,828</u>	<u>16,428</u>
Total Expenses	<u>\$ 843,029</u>	<u>\$ 897,835</u>
Change in Net Position	<u>\$ 301,032</u>	<u>\$ 133,517</u>

- The Assessor's assets exceeded its liabilities by \$1,673,282 (net position) for the year. This is an increase of \$301,032 from prior year.
- Unrestricted net position of \$1,397,232 represent the portion available to maintain the Assessor's obligation to both citizens and creditors. Compared to last year, the unrestricted net assets show an increase of \$80,488.

General Fund Budgetary Highlights

The General Fund is the Assessor's operating fund and the source of funds for the day-to-day operations. Actual revenues were \$4,061 more than the budgeted amount and actual expenses were more than the budgeted amount by \$5,826 for the year.

Economic Factors and Next Year's Budget

The primary revenue source for the Assessor is property taxes. This tax is not subject to changes in the economy, in the short-term. However, in the long-term, significant increases/decreases in the tax base would be evident. The budget for FY 2014 should not change significantly from the FY 2013 budget.

Contacting the Parish Assessor

This financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the Assessor's finances and to show the Assessor's accountability for the money it receives. Any questions about this report or requests for additional information may be directed to the Assessor at 400 S. Capitol Street, Room 106, Many, LA 71449.

Johnson, Thomas & Cunningham

Certified Public Accountants

Eddie G. Johnson, CPA - A Professional Corporation (1927-1996)

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INDEPENDENT AUDITOR'S REPORT

Sabine Parish Tax Assessor
400 South Capitol Street, Room 106
Sabine Parish Courthouse, Main Floor
Many, Louisiana 71449

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and major fund information of the Sabine Parish Assessor (Assessor), a component unit of the Sabine Parish Police Jury, as of and for the year ended December 31, 2013, 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.

Auditor's Responsibility

Our responsibility is to express an opinion 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 and the *Louisiana Governmental Audit Guide*. 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 major fund information of the Assessor as of December 31, 2013, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 1 through 4 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is presented for purposes of additional analysis and 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 management's discussion and analysis 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 introductory section 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 Assessor's basic financial statements. The budgetary comparison listed as required supplementary information in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The budgetary comparison statement is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 information is fairly stated in all material respects in relation to the 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 27, 2014, on our consideration of the 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 the Assessor's internal control over financial reporting and compliance.

Johnson, Thomas & Cunningham

Johnson, Thomas & Cunningham, CPA's

June 27, 2014

Natchitoches, LA 71457

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE
FINANCIAL STATEMENTS

Sabine Parish Assessor
Statement of Net Position
December 31, 2013

	<u>Governmental Activities</u>
ASSETS:	
Current Assets-	
Cash & Cash Equivalents	\$ 795,196
Accrued Interest	66
Revenue Receivable	995,656
Prepaid Expenses	<u>7,839</u>
Total Current Assets	\$1,798,757
Non-current Assets-	
Capital Assets (Net)	<u>276,050</u>
Total Assets	<u>\$2,074,807</u>
LIABILITIES:	
Current Liabilities-	
Accounts Payable	\$ 27,776
Payroll Liabilities	<u>12,977</u>
Total Current Liabilities	\$ 40,753
Non-current Liabilities-	
Net Pension Obligation	<u>360,772</u>
Total Liabilities	<u>\$ 401,525</u>
NET POSITION:	
Net Investment in Capital Assets	\$ 276,050
Unrestricted	<u>1,397,232</u>
Total Net Position	<u>\$1,673,282</u>

See notes to financial statements.

Sabine Parish Assessor
Statement of Activities
December 31, 2013

<u>Activities</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position Government Activities</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
Governmental Activities:				
Personnel Services	\$680,152	\$13,220	\$0	\$ (666,932)
Operating Services	42,588	0	0	(42,588)
Materials & Supplies	79,461	0	0	(79,461)
Travel & Other Charges	<u>40,828</u>	<u>0</u>	<u>0</u>	<u>(40,828)</u>
Total Governmental Activities	<u>\$843,029</u>	<u>\$13,220</u>	<u>\$0</u>	<u>\$ (829,809)</u>
General Revenues:				
Taxes:				
Property Taxes				\$1,084,755
State Revenue Sharing				42,351
Interest				<u>3,735</u>
Total General Revenues				<u>\$1,130,841</u>
Change in Net Position				\$ 301,032
Net Position January 1, 2013				<u>1,372,250</u>
Net Position December 31, 2013				<u>\$1,673,282</u>

See notes to financial statements.

FUND FINANCIAL STATEMENTS

Sabine Parish Assessor
Balance Sheet-Governmental Fund
December 31, 2013

Assets:

Cash & Cash Equivalents	\$ 795,196
Accrued Interest	66
Revenue Receivable	995,656
Prepaid Expenses	<u>7,839</u>
Total Assets	<u>\$1,798,757</u>

Liabilities:

Accounts Payable	\$ 27,776
Payroll Liabilities	<u>12,977</u>
Total Liabilities	<u>\$ 40,753</u>

Fund Balance:

Nonspendable- Prepaid Expenses	\$ 7,839
Unassigned	<u>1,750,165</u>
Total Fund Balance	<u>\$1,758,004</u>
Total Liabilities and Fund Balance	<u>\$1,798,757</u>

See notes to financial statements.

Sabine Parish Assessor
Reconciliation of the Governmental Fund
Balance Sheet to the Statement of Net Position
December 31, 2013

Total Fund Balance for the Governmental Fund
at December 31, 2013 \$1,758,004

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 fund. Those assets consist of:

Automobiles	\$ 79,636	
Building Improvements	24,816	
Furniture, Fixtures & Equipment	473,432	
Less, Accumulated Depreciation	<u>(301,834)</u>	276,050

Other Post-employment Benefits are not reported in
the fund. These liabilities total (360,772)

Total Net Position of Governmental Activities
at December 31, 2013 \$1,673,282

Sabine Parish Assessor
Statement of Revenues, Expenditures and Changes in Fund Balance-
Governmental Fund
Year Ended December 31, 2013

REVENUES:	
Taxes-	
Property Taxes	\$1,084,755
State Revenue Sharing	42,351
Charges for Services	13,220
Miscellaneous-	
Interest	<u>3,735</u>
Total Revenues	<u>\$1,144,061</u>
EXPENDITURES:	
Current-	
General Government-	
Personnel Services	\$ 622,404
Operating Services	42,588
Materials & Supplies	34,068
Travel & Other Charges	40,828
Capital Expenditures	<u>265,938</u>
Total Expenditures	<u>\$1,005,826</u>
Excess of Revenues over Expenditures	\$ 138,235
Fund Balance-Beginning of Year	<u>1,619,769</u>
Fund Balance-End of Year	<u>\$1,758,004</u>

See notes to financial statements.

Sabine Parish Assessor
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, 2013

Total Net Change in Fund Balance at December 31, 2013, per Statement of Revenues, Expenditures and Changes in Fund Balance	\$138,235
The Change in Net Position reported for Governmental Activities in the Statement of Activities is different because:	
Capital Outlay costs which are considered expenditures on the Statement of Revenues, Expenditures and Changes in Fund Balance are shown as an increase in assets in the Statement of Activities. This is the amount of capital assets recorded in the current period.	265,938
Depreciation expense is reported in the government- wide Statement of Activities, but does not require the use of current financial resources. Therefore, depreciation expense is not reported as an expenditure in the governmental fund. Current year depreciation expense is	(45,394)
Other Post-employment Benefits are reported in the Government-wide Statement of Activities, but are not reported in the Fund Financial Statements. Current year Net Pension Obligation is	<u>(57,747)</u>
Total changes in Net Position at December 31, 2013 per Statement of Activities	<u>\$301,032</u>

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

Sabine Parish Assessor
Notes to Financial Statements
December 31, 2013

1. Introduction:

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 four-year term. 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 may be necessary for the efficient operation of the office and 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 Assessor's office is located in the Sabine Parish Courthouse in Many, Louisiana. In accordance with Louisiana law, the Assessor bases real and movable property assessments on conditions existing on January 1 of the tax year. The Assessor completes an assessment listing by May 1 of the tax year and submits the list to the parish governing authority and the Louisiana Tax Commission as prescribed by law. Once the assessment listing is approved, the Assessor submits the assessment roll to the parish tax collector who is responsible for collecting and distributing taxes to the various taxing bodies.

2. Summary of Significant Accounting Policies:

The accompanying general purpose financial statements of the Sabine Parish Assessor have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

A. Reporting Entity-

As the governing authority of the parish, for reporting purposes, the Police Jury is the financial reporting entity for Sabine 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.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the Police Jury to impose its will on that organization and/or

Sabine Parish Assessor
Notes to Financial Statements
December 31, 2013

- b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Police Jury.
2. Organizations for which the Police Jury does not appoint a voting majority but are fiscally dependent on the Police Jury.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because of item number 2 above, the Sabine Parish Assessor was determined to be a component unit of the Police Jury, the financial reporting entity. The accompanying financial statements present information only on the fund maintained by the Assessor and do not present information on the Police Jury, the general government services provided by that governmental unit, 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 report 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 non-exchange 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. Program revenues include (a) fees and charges paid by the recipient for goods or services offered by the program, 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 maintained is consistent with legal and managerial requirements.

Sabine Parish Assessor
Notes to Financial Statements
December 31, 2013

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.

The major fund of the Assessor is described below:

Governmental Fund-

General Fund

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

D. Measurement Focus/Basis of Accounting-

Basis of accounting refers to when revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Accrual Basis - Government-Wide Financial Statements (GWFS)

The Statement of Net Position and the Statement of Activities display information about the Assessor as a whole. Both of these statements have been prepared using the economic measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Modified Accrual Basis - Fund Financial Statements (FFS)

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., when they are both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Assessor considers all revenues "available" if collected within 60 days after year-end. Expenditures are generally recorded under the modified accrual basis of accounting when the related liability is incurred. The exceptions to this general rule are that (1) unmatured principal and interest on long-term debt, if any, are recorded when due and (2) claims and judgments and compensated absences are recorded as expenditures when paid with expendable available financial resources.

Sabine Parish Assessor
Notes to Financial Statements
December 31, 2013

E. Assets, Liabilities and Equity-

Cash and Interest-Bearing Deposits-

For purposes of the Statement of Net Position, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposit of the Assessor.

Capital Assets-

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

The costs of normal maintenance and repairs that do not add to the value of that asset or materially extend the life of that asset 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 useful lives by type of asset is as follows:

Furniture, fixtures and equipment	5-10 years
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Compensated Absences-

Employees of the Sabine Parish Assessor do not accrue or "carry forward" any type of leave from year to year. Therefore, no entry is made to record compensated absences.

Equity Classification-

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 resources with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provision or enabling legislation.

Sabine Parish Assessor
Notes to Financial Statements
December 31, 2013

- c. Unrestricted net position - All other net resources that do not meet the definition of “restricted” or “net investment in capital assets”.

When an expense is incurred for the purposes for which both restricted and unrestricted net position is available, management applies unrestricted resources first, unless a determination is made to use restricted resources. The policy concerning which to apply first varies with the intended use and legal requirements. This decision is typically made by management at the incurrence of the expense.

In the fund statements, governmental fund equity is classified as fund balance and displayed in five components. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- a. Nonspendable fund balance - amounts that are not in a spendable form (such as prepaid expenses) or are required to be maintained intact;
- b. Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- c. Committed fund balance - amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- d. Assigned fund balance - amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- e. Unassigned fund balance - amounts that are available for any purpose; positive amounts are reported only in the general fund.

The General Fund, the Assessor’s only governmental fund has a nonspendable fund balance of \$7,839 which represents prepaid expense. The remaining fund balance of \$1,750,165 is classified as unassigned. If applicable, the Assessor would typically use restricted fund balances first, followed by committed resources and assigned resources as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first and to defer the use of these other classified funds.

F. Budget-

Prior to the beginning of each fiscal year, the Sabine Parish Assessor adopts a budget for the next fiscal year. The budget is open for public inspection. All budgetary appropriations lapse at the end of the fiscal year. The budget is prepared on the modified accrual basis of accounting.

Sabine Parish Assessor
Notes to Financial Statements
December 31, 2013

G. 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 disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures and expenses during the reported period. Actual results could differ from those estimates.

H. Recently Issued and Adopted Accounting Pronouncements-

In November 2010, the GASB issued Statement 61, *The Financial Reporting Entity: Omnibus and amendment of GASB Statements No. 14 and No. 34*. GASB 61 provides additional criteria for classifying entities as component units to better assess the accountability of elected officials by ensuring that the financial reporting entity includes only organizations for which the elected officials are financially accountable or that are determined by the government to be misleading to exclude. This statement is effective for periods beginning after June 15, 2012.

In March 2012, the GASB issued Statement 66, *Technical Corrections-2012*. GASB 66 improves accounting and financial reporting by state and local governmental entities by resolving conflicting guidance that resulted from the issuance of GASB No. 54 and GASB No. 62. This statement is effective for periods beginning after December 15, 2012. The adoption of GASB 66 does not have any impact on the Assessor's financial statements.

3. Capital Assets:

Capital asset balances and activity for the year ended December 31, 2013 is as follows:

Governmental <u>Activities</u>	Balance <u>01-01-13</u>	<u>Increases</u>	<u>Decreases</u>	Balance <u>12-31-13</u>
Capital Assets:				
Automobiles	\$ 60,807	\$ 18,829	\$0	\$ 79,636
Building improvements	15,331	9,485	0	24,816
Furniture, fixtures, equipment	<u>235,808</u>	<u>237,624</u>	<u>0</u>	<u>473,432</u>
Total	<u>\$311,946</u>	<u>\$265,938</u>	<u>\$0</u>	<u>\$577,884</u>
Less: Accumulated Depreciation:				
Automobiles	\$ 18,548	\$ 15,927	\$0	\$ 34,475
Building improvements	8,432	1,715	0	10,147
Furniture, fixtures, equipment	<u>229,460</u>	<u>27,752</u>	<u>0</u>	<u>257,212</u>
Total	<u>\$256,440</u>	<u>\$ 45,394</u>	<u>\$0</u>	<u>\$301,834</u>
Net Capital Assets	<u>\$ 55,506</u>	<u>\$220,544</u>	<u>\$0</u>	<u>\$276,050</u>

Depreciation expense of \$45,394 was charged to the general government function.

Sabine Parish Assessor
Notes to Financial Statements
December 31, 2013

4. Ad Valorem Taxes:

The Assessor levies taxes on real and business personal property located within the boundaries of Sabine Parish. Property taxes are levied by the Assessor on property values assessed by the Assessor and approved by the State of Louisiana Tax Commission.

The Sabine Parish Sheriff's office bills and collects property taxes for the Assessor. Collections are remitted to the Assessor monthly. The Assessor recognizes property tax revenues when levied.

Property Tax Calendar

Assessment date	January 1
Levy date	June 30
Tax bills mailed	October 15
Total taxes are due	December 31
Penalties and interest added	January 31
Lien date	January 31
Tax sale	May 17

The Assessor is permitted to levy taxes up to 10% of the assessed property valuation for each specified purpose, or, in the aggregate for all purposes 25% of the assessed valuation for the payment of principal and interest on long-term debt after the approval by the voters of the Parish. Property taxes are recorded as receivables and revenues in the year assessed.

Assessed values are established by the Sabine Parish Tax Assessor each year on a uniform basis at the following ratios to fair market value:

10% land	15% machinery
10% residential improvements	15% commercial improvements
15% industrial improvements	25% public service properties, excluding land

A revaluation of all property is required to be completed no less than every four years. The last revaluation was completed for the roll of January 1, 2012. Total assessed value was \$202,738,580 in 2013. Louisiana state law exempts the first \$7,500 of assessed value of a taxpayer's primary residence from parish property taxes. This homestead exemption was a total of \$33,359,744 of the assessed value in 2013. For the year ended December 31, 2013, taxes of 6.43 mils were levied on the property. Taxes collected totaled \$1,084,755.

Sabine Parish Assessor
Notes to Financial Statements
December 31, 2013

The following are the principal taxpayers for the parish:

<u>Taxpayer</u>	<u>Assessed Valuation</u>	<u>Percentage of Total Assessed Valuation</u>
Chesapeake Operating	\$17,588,070	8.7%
Encana Oil & Gas	10,155,520	5.0%
Shell Western E&P	10,039,800	4.9%
Centerpoint Energy	7,254,950	3.6%
Central La. Electric Co.	6,182,540	3.0%
Enterprise Gathering, LLC	3,559,620	1.8%
Comstock Oil & Gas La.	3,084,050	1.5%
Petrohawk Operating Co.	3,061,030	1.5%
Boise Cascade Wood Prod.	2,927,700	1.4%
Sabine State Bank	<u>2,669,420</u>	<u>1.3%</u>
Total	<u>\$66,522,700</u>	<u>32.7%</u>

5. Leases:

The Sabine Parish Assessor was not obligated under any noncancellable capital or operating lease agreements at December 31, 2013.

6. Litigation:

The Sabine Parish Assessor is not a party to any litigation seeking damages at December 31, 2013.

7. Expenses Paid by the Police Jury:

Certain expenses of the Assessor's office are paid by the Police Jury. In addition to furnishing the building where the Assessor's office is located, the Police Jury pays all utility bills, most insurance, and furnishes some of the equipment in the Assessor's office.

8. Cash and Cash Equivalents:

For reporting purposes, cash and cash equivalents include demand deposits and time deposits. At December 31, 2013, the Assessor had cash and cash equivalents (collected bank balances) totaling \$800,260. Cash and cash equivalents are stated at cost, which approximates market. Under Louisiana law, these deposits must be secured by federal deposit insurance or the pledge of securities

Sabine Parish Assessor
Notes to Financial Statements
December 31, 2013

owned by the bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the bank. The deposits at December 31, 2013, were secured as follows:

Demand Deposit	\$ 99,508
Time Deposits	<u>700,752</u>
Total	<u>\$800,260</u>
FDIC	\$454,736
Pledged Securities	<u>345,524</u>
Total	<u>\$800,260</u>

9. Employees Retirement System:

Plan Description. Substantially all employees of the Sabine Parish Assessor's office are members of the Louisiana Assessors' Retirement System (System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees.

All full-time employees who are under the age of 60 at the time of original employment and are not drawing retirement benefits from any other public retirement system in Louisiana are required to participate in the System. Employees who retire at or after age 55 with at least 12 years of credited service or at or after age 50 with at least 30 years of credited service are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of the final-average salary for each year of credited service, not to exceed 100 percent of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average.

Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

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

Sabine Parish Assessor
Notes to Financial Statements
December 31, 2013

Funding Policy. Plan members are required by state statute to contribute 8.0 percent of their annual covered salary and the Sabine Parish Assessor is required to contribute at an actuarially determined rate. The current rate is 13.5 percent of annual covered payroll. Of the 8.0 percent of the member contributions, the Sabine Parish Assessor pays all. Contributions to the System also include one-fourth of one percent (one percent for Orleans Parish) of the taxes shown to be collectible by the tax rolls of each parish, plus revenue sharing funds appropriated by the legislature. The contribution requirements of plan members and the Sabine Parish Assessor are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Sabine Parish Assessor's contributions to the System for the year ending December 31, 2013, 2012, and 2011 were \$82,592, \$89,116, and \$83,265, respectively, equal to the required contributions for each year.

10. Receivables:

The following is a summary of receivables at December 31, 2013:

<u>Class of Receivable</u>	<u>General Fund</u>
Taxes-	
Ad Valorem	\$994,220
Other	<u>1,436</u>
Total	<u>\$995,656</u>

Substantially all receivables are considered to be fully collectible, and no allowance for uncollectibles is used.

11. Other Post-Employment Benefits:

Plan Description. The Sabine Parish Assessor contributes to a single-employer defined benefit healthcare plan ("the Retiree Healthcare Plan"). The plan provides lifetime healthcare and life insurance for eligible retirees through the Assessor's group health insurance plan. Benefit provisions are established by the Sabine Parish Assessor. Employees are entitled to benefits upon reaching age 55 with at least 12 years of credited service. The Retiree Health Plan does not issue a publicly available financial report.

Effective with the year beginning January 1, 2009, the Sabine Parish Assessor implemented Government Accounting Standards Board Statement Number 45, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other than Pensions* (GASB 45). The statement has been implemented prospectively. Using this method, the OPEB liability relative to past service will be amortized and recognized as an expense over thirty years.

Sabine Parish Assessor
Notes to Financial Statements
December 31, 2013

Funding Policy. The Sabine Parish Assessor contributes 100% of the cost of current year premiums for eligible retired employees. For the year ended December 31, 2013, the Sabine Parish Assessor contributed \$23,136 to the plan.

Annual OPEB Cost and Net OPEB Obligation. The Assessor's annual OPEB cost (expense) is calculated based on the annual required contribution (ARC) of the employer. The Sabine Parish Assessor meets the requirements to use the Alternative Measurement Method for plans with fewer than 100 members, and has elected to calculate the ARC and related information using the Entry Age Cost Method and the Level Percentage of Payroll Amortization Method. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the Assessor's annual OPEB costs for the year, the amount actually contributed to the plan, and changes in the Assessor's net OPEB obligation to the retiree health plan.

Annual required contribution	\$ 87,319
Interest on net OPEB obligation	12,121
Adjustment to annual required contribution	<u>(18,557)</u>
Annual OPEB cost (expense)	\$ 80,883
Contributions made	<u>(23,136)</u>
Increase in net OPEB obligation	\$ 57,747
Net OPEB obligation at beginning of year	<u>303,025</u>
Net OPEB obligation at end of year	<u>\$360,772</u>

The Assessor's estimated annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the year ended December 31, 2013 and the two preceding fiscal years are shown below:

<u>Fiscal Year Ended</u>	<u>Discount Rate</u>	<u>Annual OPEB Cost</u>	<u>% of OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
12/31/2011	4.00%	\$80,998	8.4%	\$227,626
12/31/2012	4.00%	\$82,485	8.6%	\$303,025
12/31/2013	4.00%	\$80,883	28.6%	\$360,772

Sabine Parish Assessor
Notes to Financial Statements
December 31, 2013

Funded Status and Funding Progress. As of December 31, 2013, and for the two preceding valuations, the actuarial accrued liability for benefits, the covered payroll (annual payroll of active employees covered by the plan), and ratio of the unfunded actuarial accrued liability to the covered payroll was as follows:

Actuarial Valuation <u>Date</u>	Actuarial Value of <u>Assets</u>	Discount <u>Rate</u>	Actuarial Accrued Liability <u>(AAL)</u>	Unfunded Actuarial Accrued <u>(UAAL)</u>	Funded <u>Ratio</u>	Covered <u>Payroll</u>	UAAL as a Percentage of Covered <u>Payroll</u>
12/31/11	\$0	4%	\$542,073	\$542,073	0%	\$382,874	142%
12/31/12	\$0	4%	\$681,364	\$691,364	0%	\$411,226	166%
12/31/13	\$0	4%	\$681,364	\$681,364	0%	\$368,150	185%

The projection of future benefits for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress presents multi-trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Methods and Assumption. 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 methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. The following simplifying assumptions were made:

Retirement age for active employees - Based on the historical retirement age for the covered group, active members were assumed to retire at age 55 or the earliest age after that at which they would have at least 12 years of service with the Assessor's office.

Marital status - Marital status of members at the calculation date were assumed to continue throughout retirement.

Mortality - Life expectancies were based on mortality tables from the National Center for Health Statistics. The 2008 United States Life Tables for Males and for Females, revised September 24, 2012, were used.

Sabine Parish Assessor
Notes to Financial Statements
December 31, 2013

Turnover - Non-group-specific age-based turnover data from GASB Statement 45 were used as the basis for assigning active members a probability of remaining employed until the assumed retirement age and for developing an expected future working lifetime assumption for purposes of allocating to periods the present value of total benefits to be paid.

Healthcare cost trend rate - The expected rate of increase in healthcare insurance premiums was based on projections of the Office of the Actuary at the Centers for Medicare and Medicaid Services. A rate of 4.0% initially, increased to an ultimate rate of 6.8 % after ten years, was used.

Health insurance premiums - 2013 age-adjusted health insurance premiums for retirees were used as the basis for calculation of the present value of total benefits to be paid.

Inflation rate - A long-term inflation assumption of 3.95% was based on projected changes in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) in the 2013 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Disability Insurance Trust Funds for an intermediate growth scenario.

Payroll growth rate - The expected long-term payroll growth rate was assumed to equal the rate of inflation.

12. Subsequent Events:

Management has evaluated events through June 27, 2014, the date which the financial statements were available for issue. There were no items to be reported as subsequent events.

OTHER REQUIRED
SUPPLEMENTARY INFORMATION

Sabine Parish Assessor
General Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2013

	Budget		Actual	Variance Favorable (Unfavorable)
	Original	Final		
REVENUES:				
Taxes	\$ 980,000	\$1,120,000	\$1,127,106	\$ 7,106
Charges for Services	8,000	8,000	13,220	5,220
Interest	5,000	5,000	3,735	(1,265)
Other	<u>7,000</u>	<u>7,000</u>	<u>0</u>	<u>(7,000)</u>
Total Revenues	<u>\$1,000,000</u>	<u>\$1,140,000</u>	<u>\$1,144,061</u>	<u>\$ 4,061</u>
EXPENDITURES:				
Personnel Services	\$ 663,000	\$ 624,000	\$ 622,404	\$ 1,596
Operating Services	39,000	39,000	42,588	(3,588)
Materials & Supplies	30,000	30,000	34,068	(4,068)
Travel & Other Charges	43,000	52,000	40,828	11,172
Capital Expenditures	<u>100,000</u>	<u>255,000</u>	<u>265,938</u>	<u>(10,938)</u>
Total Expenditures	<u>\$ 875,000</u>	<u>\$1,000,000</u>	<u>\$1,005,826</u>	<u>\$ (5,826)</u>
Excess of Revenues over Expenditures	\$ 125,000	\$ 140,000	\$ 138,235	\$ (1,765)
Fund Balance-Beginning of Year	<u>1,619,769</u>	<u>1,619,769</u>	<u>1,619,769</u>	<u>0</u>
Fund Balance-End of Year	<u>\$1,744,769</u>	<u>\$1,759,769</u>	<u>\$1,758,004</u>	<u>\$ (1,765)</u>

See notes to financial statements.

Johnson, Thomas & Cunningham

Certified Public Accountants

Eddie G. Johnson, CPA - A Professional Corporation (1927-1996)

Mark D. Thomas, CPA - A Professional Corporation

Roger M. Cunningham, CPA - A Professional Corporation

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INDEPENDENT AUDITOR'S 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*

Sabine Parish Tax Assessor
400 South Capitol Street, Room 106
Sabine Parish Courthouse, Main Floor
Many, Louisiana 71449

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 and the *Louisiana Governmental Audit Guide*, the financial statements of the governmental activities and major fund as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Sabine Parish Assessor's (Assessor) basic financial statements and have issued our report thereon dated June 27, 2014.

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. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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. However, this report is a matter of public record and its distribution is not limited. Under Louisiana Revised Statute 25:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Johnson, Thomas & Cunningham

Johnson, Thomas & Cunningham, CPA's

June 27, 2014

Natchitoches, Louisiana

Sabine Parish Assessor
Schedule of Audit Findings
Year Ended December 31, 2013

I. Summary of Audit Results

1. An unmodified opinion was issued on the financial statements of the Sabine Parish Assessor as of and for the year ended December 31, 2013.
2. The audit did not disclose any significant deficiencies in the internal control.
3. The audit disclosed no instances of noncompliance that are required to be reported under *Governmental Auditing Standards*.

II. FINDINGS IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

No findings.

III. PRIOR YEAR AUDIT FINDINGS

No findings.