

**NATCHITOCHE PARISH ASSESSOR
NATCHITOCHE, LOUISIANA
ANNUAL FINANCIAL REPORT**

DECEMBER 31, 2010

Natchitoches Parish Assessor
Natchitoches, Louisiana

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NATCHITOCHE PARISH ASSESSOR

P. O. Box 201

Natchitoches, LA 71458-0201

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Management's Discussion and Analysis (MD&A) of the Natchitoches Parish Assessor (Assessor) provides an overview and overall review of the Assessor's financial activities for the year ended December 31, 2010. 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 Assets 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 Assets presents all of the Assessor's assets and liabilities, with the difference between the two reported as "net assets". Over time, increases or decreases in the Assessor's net assets 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 assets changed during the most current year. All changes in net assets 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 Funds 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 Assets

| | <u>2010</u> | <u>2009</u> |
|--|--------------------|--------------------|
| ASSETS: | | |
| Assets | \$2,024,908 | \$1,874,280 |
| Capital assets, net of accumulated depreciation | <u>54,334</u> | <u>46,708</u> |
| Total Assets | <u>\$2,079,242</u> | <u>\$1,920,988</u> |
| LIABILITIES: | | |
| Total Liabilities | \$ <u>313,119</u> | \$ <u>151,505</u> |
| NET ASSETS: | | |
| Invested in capital assets, net of related debt | \$ 43,389 | \$ 46,708 |
| Unrestricted | <u>1,722,734</u> | <u>1,722,775</u> |
| Total Net Assets | <u>\$1,766,123</u> | <u>\$1,769,483</u> |

Summary of Statement of Activities

| | <u>2010</u> | <u>2009</u> |
|------------------------|-------------------|------------------|
| REVENUES: | | |
| General Revenues- | | |
| Property Taxes | \$771,720 | \$708,760 |
| State Revenue Sharing | 52,719 | 53,614 |
| Charge for Services | 11,320 | 11,264 |
| Interest | 9,119 | 10,431 |
| Gain on Sale of Assets | 0 | 3,000 |
| Other | <u>35,100</u> | <u>21,165</u> |
| Total Revenues | <u>\$879,978</u> | <u>\$808,234</u> |
| EXPENSES: | | |
| Personnel Services | \$669,333 | \$640,295 |
| Operating Services | 98,215 | 73,049 |
| Materials & Supplies | 89,945 | 12,607 |
| Other | <u>25,845</u> | <u>15,256</u> |
| Total Expenses | <u>\$883,338</u> | <u>\$741,207</u> |
| Change in Net Assets | <u>\$ (3,360)</u> | <u>\$ 67,027</u> |

- The Assessor's assets exceeded its liabilities by \$1,766,123 (net assets) for the year. This is a decrease of \$3,360 from prior year.
- Unrestricted net assets of \$1,722,734 represent the portion available to maintain the Assessor's obligation to both citizens and creditors. Compared to last year, the unrestricted net assets show a decrease of \$41.

General Fund Budgetary Highlights

The General Fund is the Assessor's operating fund and the source of funds for the day-to-day operations.

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 2011 should not change significantly from the FY 2010 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 P. O. Box 201, Natchitoches, LA 71458-0201.

Johnson, Thomas & Cunningham

Certified Public Accountants

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

Mark D. Thomas, CPA – A Professional Corporation
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INDEPENDENT AUDITOR'S REPORT

D. Rick Hargis
Natchitoches Parish Assessor
P. O. Box 201
Natchitoches, LA 71458-0201

We have audited the accompanying financial statements of the governmental activities and the major fund of the Natchitoches Parish Assessor (Assessor), a component unit of the Natchitoches Parish Police Jury, as of and for the year ended December 31, 2010, which collectively comprise the Assessor's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the Assessor's management. Our responsibility is to express an opinion on these basic 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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 Assessor, as of December 31, 2010, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 22, 2011, 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, 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* and should be considered in conjunction with this report in considering the results of our audit.

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 required by the Governmental Accounting Standards Board, which 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. The introductory section has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Assessor's financial statements as a whole. The budgetary comparison listed as other required supplemental 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 financial statements or to the 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.

Johnson, Thomas & Cunningham, CPA's
Johnson, Thomas & Cunningham, CPA's

June 22, 2011
Natchitoches, Louisiana

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE
FINANCIAL STATEMENTS

Natchitoches Parish Assessor
Statement of Net Assets
December 31, 2010

| | <u>Governmental Activities</u> |
|--|------------------------------------|
| ASSETS: | |
| Current Assets- | |
| Cash & Cash Equivalents | \$ 586,212 |
| Investments | 737,921 |
| Revenue Receivable | 692,302 |
| Prepaid Expenses | <u>8,473</u> |
| Total Current Assets | \$2,024,908 |
| Non-current Assets- | |
| Capital Assets (Net) | <u>54,334</u> |
| Total Assets | <u>\$2,079,242</u> |
| LIABILITIES: | |
| Current Liabilities- | |
| Accounts Payable | \$ 97 |
| Accrued Interest | 203 |
| Current Portion – Long-term Debt | <u>10,945</u> |
| Total Current Liabilities | \$ 11,245 |
| Non-current Liabilities- | |
| Net Pension Obligation | <u>301,874</u> |
| Total Liabilities | <u>\$ 313,119</u> |
| NET ASSETS: | |
| Invested in Capital Assets, net of related debt | \$ 43,389 |
| Unrestricted | <u>1,722,734</u> |
| Total Net Assets | <u>\$1,766,123</u> |

See notes to financial statements.

Natchitoches Parish Assessor
Statement of Activities
December 31, 2010

| <u>Activities</u> | <u>Expenses</u> | <u>Program Revenues</u> | | <u>Net (Expense)</u> |
|--------------------------------------|----------------------|-------------------------|-------------------------|------------------------------|
| | | <u>Charges</u> | <u>Operating Grants</u> | <u>Revenue and Changes</u> |
| | | <u>for</u> | <u>and</u> | <u>in Net Assets</u> |
| | | <u>Services</u> | <u>Contributions</u> | <u>Government Activities</u> |
| Governmental Activities: | | | | |
| Personnel Services | \$669,333 | \$ 0 | \$0 | \$ (669,333) |
| Operating Services | 98,215 | 11,320 | 0 | (86,895) |
| Materials & Supplies | 89,945 | 0 | 0 | (89,945) |
| Travel & Other Charges | <u>25,845</u> | <u>0</u> | <u>0</u> | <u>(25,845)</u> |
| Total Governmental Activities | <u>\$883,338</u> | <u>\$11,320</u> | <u>\$0</u> | <u>\$ (872,018)</u> |
| General Revenues: | | | | |
| Taxes: | | | | |
| Property Taxes | | | | \$ 771,720 |
| State Revenue Sharing | | | | 52,719 |
| Interest | | | | 9,119 |
| Other | | | | <u>35,100</u> |
| Total General Revenues | | | | <u>\$ 868,658</u> |
| Change in Net Assets | | | | \$ (3,360) |
| Net Assets January 1, 2010 | | | | <u>1,769,483</u> |
| Net Assets December 31, 2010 | | | | <u>\$1,766,123</u> |

See notes to financial statements.

FUND FINANCIAL STATEMENTS

Natchitoches Parish Assessor
Balance Sheet-Governmental Fund
December 31, 2010

Assets:

| | |
|-------------------------|--------------------|
| Cash & Cash Equivalents | \$ 586,212 |
| Investments | 737,921 |
| Revenue Receivable | 692,302 |
| Prepaid Expenses | <u>8,473</u> |
| Total Assets | <u>\$2,024,908</u> |

Liabilities:

| | |
|-------------------|------------|
| Accounts Payable | \$ 97 |
| Accrued Interest | <u>203</u> |
| Total Liabilities | \$ 300 |

Fund Balance:

| | |
|------------------------------------|--------------------|
| Unreserved-Undesignated | <u>2,024,608</u> |
| Total Liabilities and Fund Balance | <u>\$2,024,908</u> |

See notes to financial statements.

Natchitoches Parish Assessor
Reconciliation of the Governmental Fund
Balance Sheet to the Statement of Net Assets
December 31, 2010

| | |
|---|--------------------|
| Total Fund Balance for the Governmental Fund at December 31, 2010 | \$2,024,608 |
| Total Net Assets reported for Governmental Activities in the Statement of Net Assets 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: | |
| Equipment and Furniture | 460,488 |
| Less, Accumulated Depreciation | (406,154) |
| Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the Governmental Fund Balance Sheet | (10,945) |
| Other Post-employment Benefits are not reported in the fund. These liabilities total | <u>(301,874)</u> |
| Total Assets of Governmental Activities at December 31, 2010 | <u>\$1,766,123</u> |

See notes to financial statements.

Natchitoches Parish Assessor
Statement of Revenues, Expenditures and Changes in Fund Balance-
Governmental Fund
Year Ended December 31, 2010

| | |
|--|--------------------|
| REVENUES: | |
| Taxes | \$ 824,439 |
| Charges for Services | 11,320 |
| Miscellaneous- | |
| Interest | 9,119 |
| Other | <u>35,100</u> |
| Total Revenues | \$ <u>879,978</u> |
| EXPENDITURES: | |
| Current- | |
| General Government- | |
| Personnel Services | \$ 518,396 |
| Operating Services | 98,215 |
| Materials & Supplies | 68,056 |
| Travel & Other Charges | 25,845 |
| Debt Service | 203 |
| Capital Outlay | <u>29,312</u> |
| Total Expenditures | \$ <u>740,027</u> |
| Excess of Revenues over Expenditures | \$ 139,951 |
| OTHER FINANCING SOURCES (Uses): | |
| Debt Proceeds | <u>10,945</u> |
| Excess of Revenues and Other Sources over Expenditures | \$ 150,896 |
| Fund Balance-Beginning of Year | <u>1,873,712</u> |
| Fund Balance-End of Year | <u>\$2,024,608</u> |

See notes to financial statements.

Natchitoches 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, 2010

| | |
|--|-------------------|
| Total Net Change in Fund Balance at December 31, 2010, per Statement of Revenues, Expenditures and Changes in Fund Balance | \$ 150,896 |
| The Change in Net Assets 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. | 29,312 |
| 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 | (21,686) |
| Proceeds of Long-term Debt are shown as revenues in the Governmental Fund, but the debt increases liabilities in the Statement of Net Assets. | (10,945) |
| 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 | (150,937) |
| Total changes in Net Assets at December 31, 2010 per Statement of Activities | \$ <u>(3,360)</u> |

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

Natchitoches Parish Assessor
Notes to Financial Statements
December 31, 2010

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 Natchitoches Parish Courthouse in Natchitoches, 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 Natchitoches 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 Natchitoches Parish Police Jury is the financial reporting entity for Natchitoches 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 Natchitoches Parish 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 Natchitoches Parish Police Jury to impose its will on that organization and/or

Natchitoches Parish Assessor
Notes to Financial Statements
December 31, 2010

- b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Natchitoches Parish Police Jury.
2. Organizations for which the Natchitoches Parish Police Jury does not appoint a voting majority but are fiscally dependent on the Natchitoches Parish 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 Natchitoches Parish Assessor was determined to be a component unit of the Natchitoches Parish 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 Natchitoches Parish 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 Assets 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.

Natchitoches Parish Assessor
Notes to Financial Statements
December 31, 2010

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 Assets 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 they are 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.

Natchitoches Parish Assessor
Notes to Financial Statements
December 31, 2010

E. Assets, Liabilities and Equity-

Cash and Interest-Bearing Deposits-

For purposes of the Statement of Net Assets, 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 Assets. 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 |
|-----------------------------------|------------|

Compensated Absences-

Employees of the Natchitoches 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 assets and displayed in three components:

- a. Invested in capital assets, net of related debt---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 assets---Consists of net assets 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.

Natchitoches Parish Assessor
Notes to Financial Statements
December 31, 2010

- c. Unrestricted net assets---All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt”.

In the fund statements, governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated.

F. Budget-

Prior to the beginning of each fiscal year, the Natchitoches 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.

G. Estimates-

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

3. Capital Assets:

Capital asset balances and activity for the year ended December 31, 2010 is as follows:

| Governmental Activities | Balance 01-01-10 | Increases | Decreases | Balance 12-31-10 |
|---------------------------------|---------------------|-----------|-----------|---------------------|
| Capital Assets: | | | | |
| Furniture, computers, equipment | \$431,176 | \$29,312 | \$0 | \$460,488 |
| Less: Accumulated Depreciation: | | | | |
| Furniture, computers, equipment | 384,468 | 21,686 | 0 | 406,154 |
| Net Capital Assets | \$ 46,708 | \$ 7,626 | \$0 | \$ 54,334 |

Depreciation expense of \$21,686 was charged to the general government function.

Natchitoches Parish Assessor
Notes to Financial Statements
December 31, 2010

4. Ad Valorem Taxes:

The Assessor levies taxes on real and business personal property located within the boundaries of Natchitoches 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 Natchitoches 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 Natchitoches 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, 2008. Total assessed value was \$275,559,590 in 2010. 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 \$50,986,476 of the assessed value in 2010. For the year ended December 31, 2010, taxes of 3.45 mils were levied on the property. Taxes collected totaled \$771,720.

Natchitoches Parish Assessor
Notes to Financial Statements
December 31, 2010

The following are the principal taxpayers for the parish:

| <u>Taxpayer</u> | <u>Assessed Valuation</u> | <u>Percentage of Total Assessed Valuation</u> |
|-----------------------------|---------------------------|---|
| International Paper Co. | \$34,306,570 | 12.5% |
| Martco Limited Partners | 10,814,750 | 3.9% |
| Crosstex LIG., LLC | 8,632,990 | 3.1% |
| Alliance Compressors | 6,827,470 | 2.5% |
| Tennessee Gas Pipeline, Co. | 6,619,320 | 2.4% |
| Weyerhaeuser Co. | 4,457,630 | 1.6% |
| GulfSouth Pipeline | 3,441,910 | 1.2% |
| Pilgrim's Pride Corp. | 2,932,110 | 1.1% |
| AT&T Southeast | 2,626,880 | 1.0% |
| SWEPCO | <u>2,263,070</u> | <u>.8%</u> |
| Total | <u>\$82,922,700</u> | <u>30.1%</u> |

5. Leases:

The Natchitoches Parish Assessor is a party to an operating lease at December 31, 2010, of a vehicle through Mears Motor Leasing. The terms of the lease call for payments of \$955.11 for 48 months, with payments ending on December 20, 2014.

6. Litigation:

The Natchitoches Parish Assessor is not a party to any litigation seeking damages at December 31, 2010.

7. Expenses Paid by the Natchitoches Parish Police Jury:

Certain expenses of the Assessor's office are paid by the Natchitoches Parish 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, 2010, the Assessor had cash and cash equivalents (collected bank balances) totaling \$183,655. Cash and cash equivalents are stated at cost, which approximates market. Under

Natchitoches Parish Assessor
Notes to Financial Statements
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Louisiana law, these deposits must be secured by federal deposit insurance or the pledge of securities 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, 2010, were secured as follows:

| | |
|-----------------------------|------------------|
| Demand Deposit | \$183,655 |
| U. S. Government Securities | <u>403,609</u> |
| Total | <u>\$587,264</u> |
| | |
| FDIC | \$183,655 |
| U. S. Government Securities | <u>403,609</u> |
| Total | <u>\$587,264</u> |

9. Investments:

Investments are categorized into these categories of credit risk:

1. Insured or registered, or securities held in the Assessor's name.
2. Uninsured and unregistered, with securities held by the counter party, or by its trust department or agent in the Assessor's name.
3. Uninsured or unregistered, with securities held by the counter party, or by its trust department or agent but not in the Assessor's name.

At December 31, 2010, investments held by the Assessor consist of \$737,921 in the Louisiana Asset Management Pool (LAMP), the local government investment pool. In accordance with GASB Codification Section 150.164, the investment in LAMP by the Assessor is not categorized in the three risk categories provided by GASB Codification Section 150.164 because the investment is in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form.

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LSA-R.S. 33:2955. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities.

Natchitoches Parish Assessor
Notes to Financial Statements
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Effective August 1, 2001, LAMP's investment guidelines were amended to permit the investment in government-only money market funds. In its 2001 Regular Session, the Louisiana Legislature (Senate Bill No. 512, Act 701) enacted LSA-R.S. 33:2955(A)(1)(h) which allows all municipalities, parties, school boards, and any other political subdivisions of the State to invest in "Investment grade (A-1/P-1) commercial paper of domestic United States corporations". Effective October 1, 2001, LAMP's Investment Guidelines were amended to allow the limited investment in A-1 or A-1+ commercial paper.

The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

10. Employees Retirement System:

Plan Description. Substantially all employees of the Natchitoches 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.

Natchitoches Parish Assessor
Notes to Financial Statements
December 31, 2010

Funding Policy. Plan members are required by state statute to contribute 8.0 percent of their annual covered salary and the Natchitoches 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 Natchitoches 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 Natchitoches 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 Natchitoches Parish Assessor's contributions to the System for the year ending December 31, 2010, 2009, and 2008 were \$62,134, \$58,920, and \$60,581, respectively, equal to the required contributions for each year.

11. Receivables:

The following is a summary of receivables at December 31, 2010:

| <u>Class of Receivable</u> | <u>General Fund</u> |
|----------------------------|---------------------|
| Taxes- Ad Valorem | <u>\$692,302</u> |

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

12. Other Post-Employment Benefits:

On January 1, 2009, the Natchitoches Parish Assessor implemented Governmental Accounting Standards Board Statement No. 45 entitled "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions" (GASB 45). The major change under GASB 45 is to attribute the cost of postretirement benefits (medical, dental and life insurance) to the time which the employee is working for the employer. This standard does not require the funding of these benefits, but it does require recognizing the liability and expense in the financial statements. The Assessor recognized a noncurrent liability of \$301,874 for 2010 in the Statement of Net Assets. A \$150,937 expense is included in personal services and related benefits expense in the Statement of Activities.

Plan Description. The Natchitoches Parish Assessor provides certain continuing health and dental care and life insurance benefits for its retired employees. Eligibility for medical coverage is based on the following:

- 55 years old and 12 years of service, or
- 30 years of service at any age

Natchitoches Parish Assessor
Notes to Financial Statements
December 31, 2010

Spouse's coverage is also provided to those who are currently receiving benefits. If the retiree predeceases the spouse, coverage for the surviving spouse continues.

Funding Policy. These benefits for the retirees are provided through an insurance company on a pay-as-you-go basis. The Assessor contributes 100% of the cost of current-year premiums for the four retirees, one spouse, and one surviving spouse. The Assessor recognizes the cost of providing these benefits (Assessor's cost of premiums) as an expenditure when the monthly premiums are paid. For the year ended December 31, 2010, the total amount of premiums paid for retirees totaled \$40,359.

Annual OPEB Cost and Net OPEB Obligation. The Assessors annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC). The Assessor has elected to calculate the ARC and related information using the Unit Credit Actuarial Cost Method. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (of funding excess) over a period not to exceed thirty years. 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 to the Retiree Health Plan for year ended December 31, 2010:

| | |
|--|------------------|
| <u>DISCOUNT RATE</u> | <u>4.00%</u> |
| Determination of Annual Required Contribution- | |
| Normal Cost at Fiscal Year End | \$ 73,525 |
| Amortization of UAAL | <u>131,166</u> |
| Annual Required Contribution (ARC) | <u>\$204,691</u> |
| Determination of Net OPEB Obligation- | |
| Annual Required Contribution | \$204,691 |
| Interest on Prior Year Net OPEB Obligation | 0 |
| Adjustment to ARC | <u>0</u> |
| Annual OPEB Cost | \$204,691 |
| Assumed Contributions Made | <u>(53,754)</u> |
| Estimated Increase in Net OPEB Obligation | \$150,937 |
| Net OPEB Obligation - Beginning of Year | <u>150,937</u> |
| Estimated Net OPEB Obligation - End of Year | <u>\$301,874</u> |

The Assessor's estimated annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net obligation for year ended 2010 and the two preceding fiscal years assuming the plan is not prefunded (4% discount rate):

Natchitoches Parish Assessor
Notes to Financial Statements
December 31, 2010

| <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> |
|------------------------------|--------------------------|-----------------------------|---------------------------------------|--------------------------------|
| 12/31/2008 | N/A | N/A | N/A | N/A |
| 12/31/2009 | 4.00% | \$204,691 | 26% | \$150,937 |
| 12/31/2010 | 4.00% | \$204,691 | 26% | \$150,937 |

Funded Status and Funding Progress. The Assessor's actuarial accrued liability for benefits was \$2,268,130, all of which was unfunded for the year ended 2010. The covered payroll (annual payroll of active employees covered by the plan) was \$288,996, and the ratio of the unfunded actuarial accrued liability (UAAL) to the covered payroll was 785 percent.

The projection of future benefit payments 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 rates of interest, 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.

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 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 unit credit actuarial cost method was used with the estimates based to an important degree on the assumptions made relative to various occurrences, such as rate of expected investment earnings by the fund, rates of mortality among active and retired employees, rates of termination from employment, and retirement rates. In the current valuation, the actuarial assumptions used for the calculation of costs and liabilities are:

MEASUREMENT DATE

Benefit liabilities are valued as of January 1, 2010

DISCOUNT RATE FOR VALUING LIABILITIES

Without prefunding - 4.0% per annum, compounded annually

MORTALITY RATES

Male - RP 2000 system table with floating Scale AA projections for Males

Female - RP 2000 system table with floating Scale AA projections for Females

Natchitoches Parish Assessor
Notes to Financial Statements
December 31, 2010

13. Long-Term Debt:

On August 6, 2010, the Assessor purchased a new Xerox copier for \$10,945. The Assessor signed an agreement with Xerox Capital for 12 monthly payments in the amount of \$943.75 with the last payment on August 6, 2011. The interest rate is 5.35%. Interest of \$203 was accrued in the statements. No payments were made during the year due to a dispute with Xerox. All 2010 payments were made once the dispute was settled in February 2011. The total amount of the debt was shown as current since the term ends within one year.

14. Subsequent Events:

Management has evaluated events through June 22, 2011, the date which the financial statements were available for issue. There were no items to be reported as subsequent events.

OTHER REQUIRED
SUPPLEMENTARY INFORMATION

Natchitoches Parish Assessor
General Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2010

| | <u>Budget</u> <u>Original/Final</u> | <u>Actual</u> | Variance Favorable (Unfavorable) |
|--|--|--------------------|--|
| REVENUES: | | | |
| Taxes | \$ 770,181 | \$ 824,439 | \$ 54,258 |
| Charges for Services | 10,988 | 11,320 | 332 |
| Interest | 400 | 9,119 | 8,719 |
| Other | <u>24,000</u> | <u>35,100</u> | <u>11,100</u> |
| Total Revenues | <u>\$ 805,569</u> | <u>\$ 879,978</u> | <u>\$ 74,409</u> |
| EXPENDITURES: | | | |
| Personnel Services | \$ 635,646 | \$ 518,396 | \$117,250 |
| Operating Services | 135,800 | 98,215 | 37,585 |
| Materials & Supplies | 25,000 | 68,056 | (43,056) |
| Travel & Other Charges | 10,000 | 25,845 | (15,845) |
| Debt Service | 0 | 203 | (203) |
| Capital Outlay | <u>60,000</u> | <u>29,312</u> | <u>30,688</u> |
| Total Expenditures | <u>\$ 866,446</u> | <u>\$ 740,027</u> | <u>\$126,419</u> |
| Excess of Revenues over Expenditures | <u>\$ (60,877)</u> | <u>\$ 139,951</u> | <u>\$200,828</u> |
| OTHER FINANCING SOURCES (Uses): | | | |
| Debt Proceeds | \$ <u>0</u> | \$ <u>10,945</u> | \$ <u>10,945</u> |
| Excess (Deficiency) of Revenues and Other Sources over Expenditures | <u>\$ (60,877)</u> | <u>\$ 150,896</u> | <u>\$211,773</u> |
| Fund Balance-Beginning of Year | <u>1,873,712</u> | <u>1,873,712</u> | <u>0</u> |
| Fund Balance-End of Year | <u>\$1,812,835</u> | <u>\$2,024,608</u> | <u>\$211,773</u> |

See accountant's report.

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
Jessica H. Broadway, CPA – A Professional Corporation
Ryan E. Todtenbier, CPA – A Professional Corporation

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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*

D. Rick Hargis
Natchitoches Parish Assessor
P. O. Box 201
Natchitoches, LA 71458-0201

We have audited the financial statements of the governmental activities and the major fund of the Natchitoches Parish Assessor (Assessor), a component unit of the Natchitoches Parish Police Jury, as of and for the year ended December 31, 2010, which collectively comprise the Assessor's basic financial statements and have issued our report thereon dated June 22, 2011. 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*.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Assessor's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Assessor's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Assessor's internal control over financial reporting.

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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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*.

This report is intended solely for the information and use of the Natchitoches Parish Assessor's management, the Louisiana Legislative Auditor, and interested state and federal agencies and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Johnson, Thomas & Cunningham, CPA's
Johnson, Thomas & Cunningham, CPA's

June 22, 2011
Natchitoches, Louisiana

Natchitoches Parish Assessor
Schedule of Findings & Questioned Costs
Year Ended December 31, 2010

I. Summary of Audit Results

1. The auditor's report expresses an unqualified opinion on the financial statements of the Natchitoches Parish Assessor.
2. There were no significant deficiencies noted during the audit of the financial statements.
3. No instances of noncompliance material to the financial statements of the Natchitoches Parish Assessor were disclosed during the audit.

II. Financial Statements Audit

No findings.

III. Prior Year Findings

No findings.